Court File No. CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Applicant

REDACTED VERSION

MOTION RECORD
(Re: Approval of Third DIP Agreement & Extension of Stay Period)
(Returnable September 2, 2020)

September 2, 2020

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

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Lawyers for the Applicant, Peraso Technologies Inc.

Court File No. CV-20-00642010-00CL

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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REDACTED VERSION

MOTION RECORD

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TAB 1

Court File No. CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Applicant

NOTICE OF MOTION
(Re: Approval of Third DIP Agreement & Extension of Stay Period)
(Returnable September 2, 2020)

Peraso Technologies Inc. will make a motion to Justice Hainey of the Ontario Superior Court of Justice (Commercial List) on Wednesday, September 2, 2020 at 1:30 p.m., or as soon after that time as the motion can be heard by videoconference via Zoom due to the COVID-19 crisis. The videoconference details can be found in Schedule "A" to this Notice of Motion. Please advise Nicholas Avis if you intend to join the hearing of this motion by emailing navis@stikeman.com.

PROPOSED METHOD OF HEARING:

This motion is to be heard by videoconference.

THE MOTION IS FOR:

1. An Order (the "**Stay Extension Order**"), substantially in the form contained at Tab 3 of the Applicant's Motion Record, that, *inter alia*:

   (a) approves the debtor-in-possession financing agreement (the "**Third DIP Agreement**") between the Applicant, as borrower, and Ubiquiti Networks Canada Inc. (the "**Third DIP Lender**"), as lender, and grants a charge over the Applicant's property in favour of the Third DIP Lender (the "**Third DIP Lender's Charge**");

(b) extends the Stay Period (as defined below) to and including October 2, 2020, or such further and other date as determined by the Court; and

(c) seals certain portions of this Affidavit and the exhibits attached hereto and the Sixth Report of the Monitor (the "**Sixth Report**").

THE GROUNDS FOR THIS MOTION ARE:

Background

2. The Applicant is in the business of the development, marketing and sale of next-generation wireless internet technologies;

3. On June 3, 2020, the Applicant sought and received an Initial Order granting it protection under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 (the "**CCAA**") due to, among other things, a pending liquidity crisis;

4. On June 12, 2020, the Applicant sought and received an order amending the Initial Order (the "**Amended and Restated Initial Order**");

5. Since the granting of the Amended and Restated Initial Order, this Court has, among other things:

(a) on July 2, 2020, approved a debtor-in-possession financing agreement (the "**First DIP Agreement**") between the Applicant, as borrower, and Roadmap Capital General Partner Ltd., Roadmap Peraso LP III (U.S. and Offshore) and XCOM Labs, Inc. (collectively, the "**First DIP Lenders**"), as lenders;

(b) on August 13, 2020, granted an order that extended the stay of proceedings to and including August 28, 2020 (the "**Stay Period**");

(c) on August 20, 2020, approved the debtor-in-possession financing agreement (the "**Second DIP Agreement**") between the Applicant, as borrower, and Roadmap Capital General Partner Ltd. and Roadmap Peraso LP III (U.S. and Offshore) (collectively, the "**Second DIP Lenders**"), as lenders; and

(d) on August 28, 2020, granted an order that extended the Stay Period to and including September 4, 2020;

The Third DIP Agreement

6. The Applicant requires funding and, to this effect, has been engaged in a broad and extensive search for additional interim financing;

7. Peraso and Ubiquiti have reached an agreement in principle with respect to the litigation between them;

8. As part of the parties' plan finalize the settlement negotiations, Peraso and Ubiquiti entered into the Third DIP Agreement, which stipulates that Ubiquiti will provide Peraso with a secured non-revolving credit facility;

9. The Third DIP Agreement provides that any funds advanced thereunder are to be secured by the Third DIP Lender's Charge, and the Third DIP Lender's Charge is to have priority over the First DIP Lenders' Charge and the Second DIP Lenders' Charge;

Extension of the Stay Period

10. The Applicant seeks an extension of the Stay Period to and including October 2, 2020;

11. During the proposed Stay Period, the Applicant will seek to conclude and implement its settlement with Ubiquiti;

12. The Applicant has sufficient liquidity to operate its business and meet its obligations during the proposed Stay Period, provided that the Third DIP Agreement is approved by this Court;

13. The Applicant has acted and continues to act in good faith and with due diligence during the course of this CCAA proceeding;

Sealing

14. The Applicant seeks to seal certain portions of the unredacted Eighth Glibbery Affidavit and the Sixth Report because they contain commercially sensitive information;

15. The Applicant is concerned that Ubiquiti could use the materials requested to be sealed to the Applicant's detriment in the event that the litigation between the Applicant and Ubiquiti resumes;

16. The information that the Applicant is seeking to seal is similar in nature to the information that this Court sealed in connection with prior motions, and the Applicant's sealing request is animated by the same concerns that the Court previously found sufficient to justify sealing;

Other Grounds

17. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

18. The provisions of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, including s. 137(2) thereof;

19. The provisions of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, including r. 2.03, 3.02 and 37 thereof; and

20. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

(a) The unredacted Eighth Glibbery Affidavit and the exhibits attached thereto; and

(b) Such further and other evidence as counsel may advise and this Court may permit.

September 2, 2020

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
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Toronto, Canada M5L 1B9

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Tel: (416) 869-5504
Fax: (416) 947-0866

Lawyers for the Applicant, Peraso Technologies Inc.

Schedule "A"

ZOOM Particulars

September 2, 2020 at 1:30 p.m. Eastern Time (Toronto)

Join Zoom Meeting

https://zoom.us/j/95945443236?pwd=eXBiQ0ZxY2s2NndyTFl3MzBlM3FQZz09

Meeting ID: 959 4544 3236
Passcode: 117814

One tap mobile
+12532158782,,95945443236#,,,,,,0#,,117814# US (Tacoma)
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+1 346 248 7799 US (Houston)
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+1 929 205 6099 US (New York)
+1 204 272 7920 Canada
+1 438 809 7799 Canada
+1 587 328 1099 Canada
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Meeting ID: 959 4544 3236
Passcode: 117814

Find your local number: https://zoom.us/u/acoTz6MTb8

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Court File No.: CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE SEPTEMBER 2, 2020)

STIKEMAN ELLIOTT LLP
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5300 Commerce Court West
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Lawyers for the Applicant, Peraso Technologies Inc.

TAB 2

Court File No. CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,*
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF
A PLAN OF COMPROMISE OR ARRANGEMENT OF
PERASO TECHNOLOGIES INC.

Applicant

AFFIDAVIT OF RONALD GLIBBERY
(Affirmed September 2, 2020)

I, Ronald Glibbery, of the City of Toronto, Ontario **SOLEMNLY AFFIRM AND DECLARE**:

1. I am the founder of Peraso Technologies Inc. ("**Peraso**" or the "**Applicant**"). I am and have been a director of Peraso since it was founded. I was also Peraso's Chief Executive Officer from its founding until approximately February 2018. I assumed the role of Senior Vice President of Corporate Development at Peraso between February 2018 and February 2020, inclusive, and on March 1, 2020, I again became the interim Chief Executive Officer.

2. I have reviewed the books and records of Peraso and I have spoken with certain current and former directors, officers and/or employees of Peraso, as necessary and applicable. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I affirm this affidavit in support of a motion by the Applicant pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and such proceedings, the "**CCAA Proceedings**") for an order, substantially in the form of the draft order attached as Tab 3 of the Motion Record, that:

(a) approves the debtor-in-possession financing agreement (the "**Third DIP Agreement**") between the Applicant, as borrower, and Ubiquiti Networks

Deponent's Initials DS RG

Canada Inc. (the "**Third DIP Lender**"), as lender, and grants a charge over the Applicant's property in favour of the Third DIP Lender (the "**Third DIP Lender's Charge**");

(b) extends the Stay Period (as defined below) to and including October 2, 2020, or such further and other date as determined by the Court; and

(c) seals certain portions of this Affidavit and the exhibits attached hereto and the unredacted Sixth Report of the Monitor (the "**Sixth Report**").

A. BACKGROUND

4. Reference is made to my affidavits affirmed June 2, 2020 (the "**First Glibbery Affidavit**"), August 10, 2020 (the "**Fifth Glibbery Affidavit**"), and August 27, 2020 (the "**Seventh Glibbery Affidavit**"). A copy of the First Glibbery Affidavit, the Fifth Glibbery Affidavit and Seventh Glibbery Affidavit (all without exhibits) are attached hereto and marked as **Exhibit "A"**, **Exhibit "B"**, and **Exhibit "C"**, respectively. These affidavits (along with various other materials filed in the course of these CCAA Proceedings) can be found on the Monitor's website at www.ey.com/ca/peraso.

5. All capitalized terms not otherwise defined herein are as defined in the First Glibbery Affidavit.

6. Peraso is in the business of the development, marketing and sale of the technologies that will power the next generation of wireless internet. Specifically, Peraso's software and chipsets are designed to operate on the 60 gigahertz band and, it is anticipated, the 5G wireless network.

7. As set out in greater detail in the First Glibbery Affidavit, Peraso sought creditor protection under the CCAA because it expected to run out of cash by early July 2020. Peraso's liquidity crisis was due to, *inter alia*, protracted disputes and multi-jurisdictional litigation commenced by Ubiquiti Inc. and its various affiliates (collectively, "**Ubiquiti**"), which stymied any and all of Peraso's efforts to raise additional funds, pursue a sales process or even market certain of its products.

8. On June 3, 2020, this Court issued the Initial Order that, among other things:

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(a) granted an initial stay period in favour of the Applicant and its current and former directors to and including June 13, 2020 (the "**Stay Period**");

(b) appointed Ernst & Young Inc. as the Monitor of the Applicant;

(c) granted an Administration Charge up to the maximum amount of C$200,000; and

(d) granted a Directors' Charge up to the maximum amount of C$650,000.

9. Also on June 3, 2020, the Monitor, in its capacity as foreign representative, filed an official form petition (the "**Petition**") under chapter 15 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "**US Court**"), along with an emergency motion requesting that the US Court enter an order giving effect to the Initial Order in the United States on a provisional basis pending final disposition of the Petition. The US Court granted provision relief with respect to the Petition on June 8, 2020.

10. On June 12, 2020, this Court issued an order (the "**Amended and Restated Initial Order**") that, among other things:

(a) expanded the Applicant's restructuring authority and the Monitor's ability to assist with the Applicant's restructuring efforts;

(b) increased the Administration Charge from C$200,000 to C$725,000; and

(c) extended the Stay Period to and including July 3, 2020.

11. On July 2, 2020, this Court issued an order that, among other things, approved a debtor-in-possession financing agreement (the "**First DIP Agreement**") between the Applicant, as borrower, and Roadmap Capital General Partner Ltd., Roadmap Peraso LP III (U.S. and Offshore) and XCOM Labs, Inc. (collectively, the "**First DIP Lenders**"), as lenders. The Stay Period was also extended to and including August 14, 2020.

12. On August 13, 2020, this Court issued an order that, among other things, extended the Stay Period to and including August 28, 2020.

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13. On August 20, 2020, this Court issued an order that, among other things, approved the debtor-in-possession financing agreement (the "**Second DIP Agreement**") between the Applicant, as borrower, and Roadmap Capital General Partner Ltd. and Roadmap Peraso LP III (U.S. and Offshore) (collectively, the "**Second DIP Lenders**"), as lenders.

14. On August 28, 2020, this Court issued an order that, among other things, extended the Stay Period to and including September 4, 2020.

15. Throughout these CCAA Proceedings, the Applicant has used its best efforts to continue operating its business in the normal course. The Applicant has been using its best efforts to minimize the impact of these CCAA Proceedings on and to maintain its relationships with its customers, suppliers, and other stakeholders.

B. THE THIRD DIP AGREEMENT

(i) The Ubiquiti Litigation & Settlement

16. As described in greater detailed in the First Glibbery Affidavit, Ubiquiti commenced litigation against Peraso and certain other parties in Ontario and the Southern District of New York in early 2020 (collectively, the "**Ubiquiti Litigation**").

17. The Ubiquiti Litigation consists of three lawsuits. The primary lawsuit is the Licence Litigation in the Southern District of New York. The Licence Litigation arises from the Licence Agreement pursuant to which Peraso agreed to develop certain chipsets for Ubiquiti, and Ubiquiti agreed to subscribe to equity in Peraso upon the achievement of certain milestones. Peraso believes that Ubiquiti failed to provide notice of either acceptance or rejection of the project milestones, and therefore Peraso sent notice to Ubiquiti terminating the Licence Agreement. Ubiquiti subsequently filed a complaint seeking, among other things, a declaratory judgment that the Licence Agreement remains in full force and effect. Shortly thereafter, Ubiquiti brought two lawsuits in Ontario. In the Oppression Litigation, Ubiquiti alleges that Peraso engaged in oppressive conduct when it secured additional financing in March 2020. In the Notice Litigation, Ubiquiti alleges that Peraso failed to provide Ubiquiti with certain notices related to Peraso's board meetings.

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18. On July 6 and 7, 2020, Peraso and Ubiquiti entered into mediation with a view to resolving the Ubiquiti Litigation. The former Associate Chief Justice Dennis O'Connor was the mediator. No settlement arose as a result of the mediation.

19. On July 13, 2020, the Applicant and Ubiquiti attended a case conference with Justice Hainey to discuss next steps and the determination of the Ubiquiti Litigation. At Peraso's request, Justice Hainey scheduled a hearing for September 1 and 2, 2020 to hear Peraso's motion for a determination of whether the Licence Agreement was validly terminated by Peraso.

20. The parties proceeded with preparing for the hearing of the Ubiquiti Litigation. At the same time, the parties continued their discussions to reach a commercial resolution to their disputes and ongoing relationship. Shortly before the hearing, the parties determined that it was in their best interests to focus their efforts on attempting to conclude and implement a commercial resolution, rather than proceed with the September 1 and 2, 2020 hearing.

21. Accordingly, on September 1, 2020, Peraso and Ubiquiti requested an adjournment of the hearing scheduled for that same day with respect to the Ubiquiti Litigation. As was disclosed to the Court, Peraso and Ubiquiti believed that they were close to entering into an agreement to settle the Ubiquiti Litigation.

22. Peraso and Ubiquiti negotiated a non-binding settlement term sheet (the "**Settlement Term Sheet**"). The Settlement Term Sheet contemplates that Peraso and Ubiquiti will adjourn the Ubiquiti Litigation pending the conclusion of the agreements necessary to achieve a settlement as outlined in the term sheet. At a high level, the settlement contemplated by the Settlement Term Sheet involves Peraso granting certain rights to Ubiquiti in connection with Peraso's intellectual property, and Ubiquiti providing payments to Peraso for these rights. Over the coming days and weeks, as contemplated by the Settlement Term Sheet, the parties plan to continue their good-faith negotiations with a view to reaching a universal settlement of the Ubiquiti Litigation.

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(ii) **The Third DIP Agreement**

23. As contemplated by the Settlement Term Sheet, Peraso and Ubiquiti have entered into the Third DIP Agreement. The Third DIP Agreement is attached hereto and marked as **Exhibit "D"**. In brief, the Third DIP Agreement provides that Ubiquiti (specifically, Ubiquiti Networks Canada Inc.) will provide Peraso with a senior secured superpriority debtor-in-possession interim, non-revolving single advance credit facility (the "**Third DIP Facility**") in the amount of C$3,263,750 (being the equivalent of US$2.5 million as of September 1, 2020).

24. The Third DIP Agreement provides that Peraso is entitled to use the Third DIP Facility to fund, among other things, certain obligations during these CCAA Proceedings, the resolution of the Ubiquiti Litigation, and the pursuit of a Strategic Process (as defined in the Third DIP Agreement).

25. A summary of the key terms of the Third DIP Agreement is as follows:

Third DIP Agreement[1]	
Lender	Ubiquiti Networks Canada Inc.
Borrower	The Applicant
Credit Facility	A senior secured superpriority debtor-in-possession, interim, non-revolving single advance credit facility in the amount of C$3,263,750.
Interest Rate	14% *per annum*, compounded monthly and payable monthly in arrears in cash on the last Business Day of each month. Upon an Event of Default, all overdue amounts bear interest at the applicable interest rate plus 2% *per annum*, payable on demand.
Fees	No closing or arrangement fees.
Costs & Expenses	The Applicant will reimburse, without duplication, the Third DIP Lender for all reasonable and documented out-of-pocket expenses related to the Third DIP Facility and the on-going monitoring, administration and enforcement of the Third DIP Facility. Any issues of the quantum of such fees payable by the Borrower shall be reviewed and approved by the Monitor, acting reasonably.
Purpose and Permitted Payments	The Applicant shall use proceeds of the Third DIP Facility solely for the following purposes, in each case in accordance with the Amended and Restated Initial Order and the DIP Budget (subject to the Permitted Variance): (a) to pay (i) the reasonable and documented legal fees and expenses of the DIP Lender in accordance with Section 7 hereof,

[1] All capitalized terms that are used in this table and not otherwise defined are as defined in the Third DIP Agreement.

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	(ii) the reasonable and documented fees and expenses of the Applicant (including, without limitation, those incurred in connection with the conduct of the Existing Litigation and the Strategic Process, if any), and (iii) the reasonable and documented fees and expenses of the Monitor and its legal counsel; (b) to pay any interest owing to the DIP Lender under the Third DIP Agreement and the other DIP Documents (unless in default under the Third DIP Agreement); and (c) to fund the Applicant's general corporate and working capital purposes, including funding the CCAA Proceedings, the Existing Litigation and the Strategic Process, if any.
Maturity	The Third DIP Facility shall be repayable in full on the earlier of, among other things, December 31, 2020.
DIP Lenders' Charge	The Third DIP Agreement contemplates that all amounts owing thereunder are to be secured by the Third DIP Lender's Charge. The Third DIP Lender's Charge is to rank behind the Administration Charge and the Directors' Charge, but ahead of the First DIP Lenders' Charge and the Second DIP Lenders' Charge.

26. To be clear, the Third DIP Agreement does not settle or resolve the Ubiquiti Litigation. Rather, the Third DIP Agreement is intended to, among other things, provide Peraso with adequate funds to continue negotiating with Ubiquiti.

27. The Applicant believes that the Third DIP Agreement is the best available option for interim financing. The Applicant relies on the following factors, amongst others, in coming to this conclusion:

(a) [redacted] This is, at least in part, due to the Third DIP Lender being able to avoid extensive and time-consuming due diligence because it is already familiar with the Applicant;

(b) [redacted]

Deponent's Initials RG

(c) the Third DIP Agreement was the result of extensive arms'-length negotiations;

(d) the Applicant and the Third DIP Lender have made progress to resolving their disputes and intend to pursue a commercial resolution in good faith. The funding under the Third DIP Agreement allows the parties sufficient time to conclude their negotiations. The Third DIP Agreement provides that the Monitor will act as a "go-between" to help safeguard information that could otherwise be used in the Ubiquiti Litigation;

(e) the Applicant does not believe that its existing secured creditors, including the First DIP Lenders and the Second DIP Lenders, will be prejudiced as a result of the Third DIP Agreement. I understand that the Second DIP Lenders (who are, effectively, the same as the First DIP Lenders) support the Third DIP Agreement;[2] and

(f) I understand that the Monitor is supportive of the Third DIP Agreement.

C. SEALING

28. The Applicant requests that the unredacted version of this Affidavit (including its exhibits) and the unredacted Sixth Report be sealed pending further order of this Court.

29. The materials requested to be sealed contain commercially sensitive information. Among other things, this unredacted Affidavit and the Sixth Report contain details related to the Applicant's cash flow forecast for the duration of the requested Stay Period. This cash flow forecast demonstrates, among other things, how much money the Applicant has budgeted for legal expenses (including how much has been budgeted for resolving the Ubiquiti Litigation), and the extent of the Applicant's cash reserves. The sealing of this information ensures that Ubiquiti cannot use the information contained in the Applicant's cash flow forecasts to the Applicant's detriment in the course of the Ubiquiti Litigation.

---

[2] XCOM Labs, Inc. was a lender pursuant to the First DIP Agreement. XCOM Labs, Inc. is no longer owed any funds under the First DIP Agreement, so I have not factored XCOM Labs, Inc. into account when assessing prejudice to secured creditors.

Deponent's Initials DS RG

30. The information that the Applicant is seeking to seal is similar in nature to the information that this Court sealed in connection with prior motions. The Applicant's request is animated by the same concerns that the Court previously found sufficient to justify sealing.

31. The Applicant does not believe that any stakeholder will be prejudiced if the information is sealed or redacted. Keeping this information sealed pending further order of the Court is beneficial to the search for an interim lender and the resolution of the Ubiquiti Litigation.

D. EXTENSION OF THE STAY PERIOD

32. The current Stay Period expires on September 4, 2020. The Applicant is requesting an extension of the Stay Period until and including October 2, 2020.

33. The proposed Stay Period is anticipated to provide the Applicant with sufficient time to work towards entering into a full and complete settlement with Ubiquiti.

34. Based on the cash flows attached hereto and marked as **Exhibit "E"** and subject to receiving the funds under the Third DIP Agreement, the Applicant will have sufficient funds to continue operating through the proposed Stay Period.

35. The Applicant has acted and continues to act diligently and in good faith in respect of all matters relating to these CCAA Proceedings.

36. In the circumstances, I do not believe that any creditor will suffer material prejudice as a result of the extension of the Stay Period.

Deponent's Initials DS RG

I confirm that while connected via video technology, Ronald Glibbery showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with Ronald Glibbery and verify that the pages are identical.

Affirmed before me by video conference from the City of Toronto, Ontario, to the Community of Eugenia (Grey County), Ontario, on September 2, 2020.

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Nicholas Avis
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
Ronald Glibbery
D41573EF6574469...

RONALD GLIBBERY

Deponent's Initials DS RG

This is
EXHIBIT "A"
referred to in the affidavit of
RONALD GLIBBERY
dated September 2, 2020

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Commissioner for taking affidavits

Court File No. ________________

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF
A PLAN OF COMPROMISE OR ARRANGEMENT OF
PERASO TECHNOLOGIES INC.

(Applicant)

AFFIDAVIT OF RONALD GLIBBERY
(Sworn June 2, 2020)

I, Ronald Glibbery, of the City of Toronto, Ontario AFFIRM AND SAY:

1. I am the founder of Peraso Technologies Inc. ("**Peraso**" or the "**Applicant**"). I am and have been a director of Peraso since it was founded. I was also Peraso's Chief Executive Officer from its founding until approximately February 2018. I assumed the role of Senior Vice President of Corporate Development at Peraso between February 2018 and February 2020, inclusive, and on March 1, 2020, I again became the interim Chief Executive Officer.

2. I have also reviewed the books and records of Peraso and I have spoken with certain current and former directors, officers and/or employees of Peraso, as necessary and applicable. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. All references to currency in this affidavit are references to United States dollars, unless otherwise indicated.

A. INTRODUCTION

4. This affidavit is sworn in support of an application by the Applicant for an order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and such proceedings, the "**CCAA Proceedings**").

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Affiant's Initials DS RG

5. This CCAA application is necessary due to Peraso's pending liquidity crisis and anticipated inability to satisfy its payment obligations as they come due. If action is not taken now, Peraso anticipates that it will run out of cash by late June 2020, at which point it will be forced to cease operations.

6. Peraso is a small, private Canadian company specializing in the development of integrated circuits and chipsets for use in wireless technology that operates on the 60 gigahertz ("**GHz**") band. As described in greater detail below, for over the last 12 months, Peraso has been the subject of multiple legal proceedings brought in Canada and the United States by Ubiquiti Inc. and its various affiliates (collectively, "**Ubiquiti**"). Ubiquiti is a publicly traded US technology company that generates in excess of $1 billion in annual gross revenues. It is Peraso's largest customer and one of its shareholders.

7. The costs associated with the litigation place further strain on Peraso's already strained liquidity. Furthermore, the litigation with Ubiquiti has stymied any and all of Peraso's efforts to raise additional funds, pursue a sales process or even market its products. Due to the on-going Ubiquiti litigation, Peraso has been unable to obtain the necessary liquidity to continue its operations outside of formal insolvency proceedings.

8. Peraso is now seeking the protection of the CCAA and the relief available thereunder so that it can raise essential interim financing and resolve its disputes with Ubiquiti. Doing so would enable Peraso to explore restructuring, financing, sales to other customers and/or sale of the entire business options that will enable it to emerge from these proceedings as a viable and sustainable business for the benefit of all of its stakeholders, including its employees and shareholders.

9. If this Court grants the proposed Initial Order, Peraso plans to commence ancillary insolvency proceedings (the "**Chapter 15 Proceedings**") under chapter 15 of title 11 of the *United States Code* (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Southern District of New York (the "**US Court**").

10. The Board of Directors of Peraso has authorized this CCAA application. The holders of the 2019 Notes and the 2020 Notes (as those terms are defined below) will receive notice of this CCAA application.

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B. BACKGROUND

(i) Corporate Overview

11. Peraso is a fabless[1] semiconductor[2] company specializing in the development of integrated circuits and chipsets[3] for use in wireless technology that operates on the 60 GHz band. The 60 GHz band is a band of extremely high radio frequencies that allow the short-range transmission of data at high speeds up to multiple gigabits per second.[4] Wireless technology that operates on the 60 GHz band can be used in a variety of applications, such as to create high speed wireless networks in businesses and homes or be used by internet service providers to deliver high speed broadband to businesses and homes without the need to install fibre or cable connections.

12. Peraso is a corporation incorporated under the laws of the Province of Ontario in June 2008. Peraso's place of business is at 144 Front Street West, Suite 685, Toronto, Ontario, M5J 2L7, Canada. Peraso does not have any subsidiary corporations.

13. Pursuant to Peraso's amended articles of incorporation dated March 2, 2016, Peraso was authorized to issue common shares, Class A Convertible Preferred Shares, Class B Convertible Preferred Shares, and Class C Convertible Preferred Shares.

14. Following a conversion of the Class A, Class B and Class C Convertible Preferred Shares implemented on March 13, 2020, Peraso's shares are held by the following entities (all of which are common shares):

[1] "Fabless" means that the fabrication of silicon wafers (or chips) used in Peraso's products is outsourced to a plant or foundry.

[2] A semiconductor is a material product usually comprised of silicon, which conducts electricity more than an insulator, such as glass, but less than a pure conductor, such as copper or aluminum. Nearly any device that is computerized or that uses radio waves depends on semiconductors to function.

[3] A chipset is a set of electronic components which consists of at least one radio device, one baseband device, and, typically, an antenna.

[4] For context, the much-publicized 5G cellphone networks that telecommunication companies are developing in Canada rely on lower radio frequency bands than the 60 GHz band (typically closer to 3.5GHz). 60 GHz networks are faster than 5G networks, but 5G networks have a greater range and can more easily penetrate walls and surfaces.

Investor	Shareholding	Ownership %
Roadmap Capital Inc.*	34,174,579	26.11%
Qorvo International Pte. Ltd	23,122,197	17.67%
Celtic House Venture Partners Inc.*	14,197,928	10.85%
Total ESOP - Peraso Technologies Inc. Stock Option Plan	11,883,709	9.08%
iNovia*	9,652,587	7.38%
Ontario Capital Growth Fund	9,639,130	7.36%
VentureLink Funds*	7,405,797	5.66%
Ubiquiti Networks Canada Inc.	5,728,955	4.38%
Integrated Device Technology Malaysia SDN BHD	5,665,393	4.33%
Polar Multi-Strategy Master Fund	5,227,349	3.99%
Employees	3,693,415	2.82%
Other Investors	400,000	0.31%
Comerica Bank	90,000	0.07%
Total	**130,881,039**	**100.00%**

Notes:
1. An asterisk (*) denotes a shareholding that may be direct or indirect through related co-investment vehicles.
2. Ubiquiti is challenging the conversion of the preferred shares to common shares in the Oppression Litigation (as defined below). As such, the shareholdings listed above may change depending on the outcome of the Oppression Litigation.

15. Peraso's shareholders are parties to a Ninth Amended and Restated Unanimous Shareholders Agreement made as of March 13, 2020 (the "**USA**"). Among other things, the USA stipulates the composition of Peraso's Board of Directors (the "**Peraso Board**").

(ii) Peraso's Products and Services

16. Peraso is in the business of developing the underlying technologies that will power the next generation of wireless internet.

17. At present, Peraso's revenue is primarily derived from engineering services. This is because Peraso remains a developing company and not all of its products are currently

available for sale. Going forward, Peraso anticipates that its revenue will be primarily generated from its two core business segments: (i) software[5] and (ii) chipsets.

18. With respect to Peraso's chipsets, they serve the 60 GHz wireless market. Peraso's core chipsets are the following:

(a) **"W" Series Chipsets**: These chipsets are designed as an alternative to existing wired standards (like USB or HDMI) in consumer electronics devices such as virtual reality headsets, docks, adapters, smartphones and tablets; and

(b) **"X" Series Chipsets**: These chipsets are designed for high performance wireless applications and can create wireless networks with a range of over 1.5 km—significantly higher than most other 60 GHz wireless technology currently on the market.

19. Peraso is in the process of leveraging its expertise with respect to 60 GHz wireless technology to enter the 5G wireless technology market. Some of Peraso's intellectual property that can be leveraged for use in the 5G wireless market includes:

(a) High performance phased array technology operating in the millimeter wave ("**mmWave**") band;[6]

(b) High efficiency, low cost phrased array antennas; and

(c) Low cost mmWave production test systems for use by customers engaged in high volume manufacturing.

(iii) Employees and Contractors

20. As of May 19, 2020, Peraso employed 78 employees and/or contractors. That number is down from December 2019 by 24 people. As part of an effort to reduce costs, the number of

[5] "Software" refers to the programs and other operating information used by computer technology.
[6] mmWave refers to the band of high frequency radio frequencies between approximately 30GHz and 300GHz (in Canada, wireless networks operating on the mmWave band are largely confined to the 28 GHz to 71 GHz frequency bands). 5G wireless networks are expected to operate, at least in part, on mmWave bands.

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employees was reduced through temporary layoffs (15), elimination of student co-op positions (4) and resignations with no replacements (5).

21. Of the current employees and/or contractors, 64 are analog, digital and software engineers that are critical to the sustainability of business as the key assets of the business intellectual property and product development.

22. Peraso's employees are paid bi-weekly in arrears. All payments to employees and contractors are currently being made and are proposed to continue to be paid in the ordinary course.

23. Peraso's employees are not unionized. Peraso maintains a benefits plan but it does not have a pension plan.

(iv) Peraso's Customers

24. Peraso's largest customer is Ubiquiti and its affiliates. For the second quarter of 2020, I would estimate that roughly 95% of Peraso's component revenue and at least 40% of Peraso's overall revenue is attributable to Ubiquiti.

25. Ubiquiti's position as Peraso's largest customer is largely due to two factors. First, Ubiquiti is one of the largest players in the wireless networking market which, in turn, makes it a large purchaser of chipsets. Second, the Exclusivity Clause in the Licence Agreement (as defined and described below) effectively prevents Peraso from selling certain chipsets to customers other than Ubiquiti. Based on my discussions with Peraso's other customers and other entities in the wireless networking market, I believe that without the Exclusivity Clause, Peraso would have many alternative customers who would purchase the chipsets covered by the Licence Agreement.

26. Peraso is starting to expand its customer base and develop revenue streams independent of Ubiquiti. This remains an ongoing process and it is estimated that Peraso will start seeing the benefits of a more diversified customer base within the next year. This process will be greatly assisted by a determination of the validity and enforceability of the Exclusivity Clause.

C. RELATIONSHIP WITH UBIQUITI

27. Ubiquiti is a corporation incorporated under the laws of the State of Delaware, having a place of business at 685 Third Ave., 27th Floor, New York, NY 10017. Ubiquiti is a publicly traded company (NYSE: UI) that develops and markets professional network hardware and software that is used to create networking infrastructures in 200 countries across the world.

(i) The Peraso-Ubiquiti Transaction

28. On December 21, 2018, Peraso and Ubiquiti entered into a licence agreement (the "**Licence Agreement**"), which was part of a larger transaction (the "**Peraso-Ubiquiti Transaction**") whereby Peraso, Ubiquiti and Ubiquiti's wholly owned subsidiary Ubiquiti Networks Canada Inc. ("**Ubiquiti Canada**") entered into the following additional agreements:

(a) the Class C Series 1 Convertible Preferred Share Subscription Agreement between Peraso and Ubiquiti Canada, dated December 21, 2018 (the "**Subscription Agreement**");

(b) the Letter Agreement in respect of Class C Series 1 Convertible Preferred Share Subscription Agreement sent from Peraso to Ubiquiti Canada, dated December 21, 2018; and

(c) the Master Purchase and Supply Agreement between Peraso and Ubiquiti Cayman Limited, dated December 21, 2018 (the "**Supply Agreement**").[7]

29. Under the Licence Agreement, Peraso would develop certain chipsets as per Ubiquiti's specifications (in addition to granting Ubiquiti certain intellectual property and exclusivity rights). The Licence Agreement included an exclusivity clause (the "**Exclusivity Clause**") that provided, with few exceptions, that Peraso would refrain from manufacturing, distributing,

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[7] The Supply Agreement governs the supply by Peraso of chipset and related products set out in the exhibits to the Supply Agreement pursuant to purchase orders which, under certain circumstances, may be accepted or rejected by Peraso (provided that, under the circumstances in which a purchase order is validly rejected by Peraso, it must provide a basis for such rejection). A non-exclusive intellectual property licence is granted by Peraso in favour of Ubiquiti Cayman Limited providing for, among other things, the right by Ubiquiti Cayman Limited to embed the Peraso goods in or to Ubiquiti's products, and for marketing, distribution and other purposes. The Supply Agreement remains in good standing and has not been terminated.

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offering or selling any of the chipsets covered by the Licence Agreement (defined as "Licenced Chipsets" in the Licence Agreement) in select markets (defined as the "Customer's Market" in the Licence Agreement) other than to Ubiquiti or its affiliates.

30. The Peraso-Ubiquiti Transaction was structured so that, as Peraso achieved each of three defined milestones under the Licence Agreement (the "**First, Second, and Third Tranche Development Milestones**" or "**Tranche Development Milestones**"), Ubiquiti would cause Ubiquiti Canada to purchase certain amounts of Peraso's Class C Series 1 Convertible Preferred Shares ("**Class C Shares**") pursuant to the Subscription Agreement.

31. The Tranche Development Milestones and Ubiquiti's corresponding obligations under the Subscription Agreement were material aspects of the Peraso-Ubiquiti Transaction. They established the sequence of work to be performed by Peraso and provided a predictable flow of capital to Peraso, which at the time was (and remains) in the early stages of generating revenue. Peraso's business depended on the flow of capital outlined in the Subscription Agreement to fund its operations and, more generally, to remain solvent.

32. The First Tranche Development Milestone had been satisfied at the time Peraso and Ubiquiti entered into the Licence Agreement on December 21, 2018. Such satisfaction was memorialized in section 2.1(i) of the Licence Agreement. Accordingly (and in connection with the closing of the Peraso-Ubiquiti Transaction), on December 21, 2018 Ubiquiti Canada purchased 4,583,164 Class C Shares of Peraso for $5,000,000 (representing a price per share of $1.4790 after currency exchange) pursuant to section 2.1(a) of the Subscription Agreement.

33. In connection with the Peraso-Ubiquiti Transaction and Ubiquiti Canada's purchase of 4,583,164 Class C Shares of Peraso, Peraso, Ubiquiti Canada, and the other shareholders of Peraso entered into an Eighth Amended and Restated Unanimous Shareholders Agreement on December 21, 2018 (the "**Eighth USA**"). Among other things, the Eighth USA set out the requirements of the Board of Directors of Peraso. Although Ubiquiti was not a significant shareholder of Peraso, it was nonetheless granted certain limited observer rights in relation to the Peraso Board. A copy of the Eighth USA is attached hereto as **Exhibit "A"**.

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(ii) Ubiquiti's Failure to Meet Its Obligations Under the Licence Agreement

34. On January 29, 2019, Peraso met the Second Tranche Development Milestone and gave proper notice to Ubiquiti under section 2.2 of the Licence Agreement. Pursuant to section 2.2 of the Licence Agreement, Ubiquiti was required, within 30 days, to provide Peraso with written notice of rejection or acceptance of Peraso's satisfaction of the Second Tranche Development Milestone. Ubiquiti did not confirm that the acceptance criteria for the Second Tranche Development Milestone had been satisfied, nor did Ubiquiti provide written notice of a rejection setting forth in adequate detail the reason for such rejection. Peraso's position is that Ubiquiti's failure to give a formal acceptance or rejection of the Second Tranche Development Milestone constituted a material breach of the Licence Agreement.

35. Peraso's achievement of the Second Tranche Development Milestone triggered a payment obligation under which Ubiquiti was obligated to cause Ubiquiti Canada to purchase $2 million of Class C Shares of Peraso. Ubiquiti and Ubiquiti Canada did not make the required $2 million investment.

36. Despite Ubiquiti's breach, Peraso continued working towards the Third Tranche Development Milestone in good faith. Peraso expected that, in the absence of a formal objection to the Second Tranche Development Milestone, payment from Ubiquiti would be forthcoming.

37. In July 2019, Ubiquiti started making unilateral requests to change the deliverables and specifications under the Licence Agreement. Peraso carried on working with Ubiquiti in good faith. On or around August 26, 2019, Ubiquiti started making demands that (i) the chipset specifications be changed; and (ii) that it be given joint and equal ownership rights to the intellectual property covered by the Licence Agreement and any related intellectual property. Ubiquiti indicated that it would cause Ubiquiti Canada to withhold the Third Tranche Development Milestone investment of $8 million in Peraso if its demands were not met, which demands were outside the terms of the Licence Agreement. Peraso and Ubiquiti were unable to come to an agreement with respect to Ubiquiti's demands.

38. On October 31, 2019, Peraso gave proper notice of satisfaction that it achieved the Third Tranche Development Milestone. Accordingly, Ubiquiti had 30 days under section 2.2 of the Licence Agreement to provide a written notice of rejection or acceptance. Once again,

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Ubiquiti did not confirm that the acceptance criteria set forth in the Licence Agreement had been met nor did Ubiquiti provide a written notice of rejection. Ubiquiti did not take the position that the Third Tranche Development Milestone had not been met. Ubiquiti's failure to provide the requisite confirmation constituted a material breach of the Licence Agreement. Ubiquiti did not cause Ubiquiti Canada to make the required $8 million investment in Peraso.

(iii) Peraso Obtains First Emergency Funding to Replace Funds Committed by Ubiquiti

39. As memorialized in the Licence Agreement and the Subscription Agreement, Peraso expected that if it satisfied the Second Tranche Development Milestone and the Third Tranche Development Milestone on or before October 31, 2019, Ubiquiti would fund Peraso $10 million in the aggregate. This $10 million investment was essential for Peraso to continue its operations.

40. Given (i) that Ubiquiti had failed to provide its promised funding upon the achievement of the Second Tranche Development Milestone; (ii) Ubiquiti's indications beginning on or around August 26, 2019 that it would not pay the Third Tranche Development Milestone; and (iii) the fact that Peraso had serious concerns about its solvency if the funding promised by Ubiquiti was not provided, Peraso began to explore potential alternative sources of financing on or about October 1, 2019. Peraso informed Ubiquiti of its exploration of financing options, and invited Ubiquiti (among others) to participate in a term sheet whereby Peraso would issue secured notes (the "**2019 Notes**").

41. After October 31, 2019 (when Peraso gave proper notice of satisfaction that it achieved the Third Tranche Development Milestone), Peraso inquired as to whether Ubiquiti would accept or reject the achievement of the Third Tranche Development Milestone and, if not, whether anything further was required from Peraso. Ubiquiti offered some comments with respect to the deliverable itself (but not Peraso's performance with respect to the deliverable), but ultimately failed to issue a written acceptance or rejection of the achievement of the Third Tranche Development Milestone as required by the Licence Agreement. Ubiquiti also failed to purchase any of the $10 million of aggregate Class C Shares that it was obligated to purchase following the satisfaction of the Second and Third Tranche Development Milestones.

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42. Throughout this period, Ubiquiti continued to make ownership demands with respect to Peraso's intellectual property. I am advised by Bill McLean, the former CEO of Peraso, that in early December 2019, Ubiquiti advised him that Ubiquiti did not believe that Peraso had a viable financing plan. Peraso understood Ubiquiti to be holding the financial stability of Peraso hostage in exchange for acquiring the intellectual property rights owned by Peraso under the Licence Agreement.

43. Accordingly, and to avoid insolvency, the members of the Peraso Board exercised their business judgment to obtain the necessary financing and completed the issuance of the 2019 Notes in the aggregate principal amount of $1,748,035.40. The only parties to subscribe to the 2019 Notes were Polar Multi-Strategy Master Fund ("**Polar**") and entities affiliated with Roadmap Capital Inc. ("**Roadmap**"). The 2019 Notes carry an interest rate of 6% per annum and mature on December 31, 2023 (the 2019 Notes originally matured on June 30, 2025 but their terms were amended on March 13, 2020).

44. Despite having the right to participate in the 2019 Notes, Ubiquiti declined to do so.

(iv) Termination of the Licence Agreement and the Licence Litigation

45. On December 11, 2019, Peraso sent a written notice of default to Ubiquiti, demanding cure of its defaults within 30 days. Ubiquiti did not cure the defaults and on January 16, 2020, Peraso terminated the Licence Agreement.

46. On February 6, 2020 Peraso entered into an exclusivity agreement with a potential third-party purchaser (with an exclusivity period ending on March 1, 2020). On or about the same day, Peraso provided notice to Ubiquiti that it had entered into an exclusivity agreement with a potential third-party purchaser.

47. Days later, on February 14, 2020, Ubiquiti filed a complaint against Peraso in the United States District Court for the Southern District of New York ("**SDNY Court**") seeking, among other things: (i) a declaratory judgment holding that the Licence Agreement is in full force and effect; (ii) a declaratory judgment that Peraso is obligated to honour the terms of the Licence Agreement; and (iii) monetary damages (such proceedings in the SDNY Court, the "**Licence Litigation**").

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48. I am advised by Bill McLean that following the commencement of the Licence Litigation, the potential purchaser spoke with Ubiquiti. On or about February 21, 2020, the purchaser informed Peraso that it would not move forward with the acquisition of Peraso without first resolving the Licence Litigation.

49. On March 10, 2020, Ubiquiti filed an amended complaint that, among other things, added Bill McLean, William James Whitaker, Shawn Abbott, David Adderley, Imed Zine-El-Abidine and Riadh Zine-El-Abidine personally as defendants (collectively, the "**Peraso Board Defendants**"). Each of these individuals were members of the Peraso Board at the time Peraso terminated the Licence Agreement.

50. The specific allegations made by Ubiquiti can be found in the pleadings filed by Ubiquiti with the SDNY Court, which are attached hereto and marked as **Exhibit "B"**. In summary, however, Ubiquiti alleges that Peraso and its directors were not entitled to terminate the Licence Agreement and seeks, among other things, a declaration that it is not in breach of its obligations under the Licence Agreement, a declaration that Peraso is obligated to make the chipsets contemplated under the Licence Agreement available to Ubiquiti exclusively, and compensatory damages for an estimated $5 million as against each of Peraso and its directors.

51. Peraso and the Peraso Board Defendants deny any allegations of wrongdoing made by Ubiquiti and seek by counterclaim, among other things, a declaration that Peraso fulfilled its obligations under the Licence Agreement, a declaration that Ubiquiti failed to fulfill its obligations under section 2.2 of the Licence Agreement, and compensatory and punitive damages arising from the impacts of Ubiquiti's breach of contract (and other duties) on the value of Peraso's business, its goodwill, and its ability to secure financing. Peraso's Answer to First Amended Complaint and Counterclaims is attached hereto and marked as **Exhibit "C"**.

(v) Peraso Obtains Second Emergency Funding to Replace Funds Committed by Ubiquiti

52. By February 2020, Peraso again faced an imminent risk that it would become insolvent. At this time, it was anticipated that by March 13, 2020, Peraso would be unable to meet all of its obligations as they came due, including its payroll obligations.

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53. In response to Peraso's potential insolvency, on February 28, 2020, Messrs. McLean, Whitaker, and Abbott resigned from the Board of Directors of Peraso due to concerns about their exposure to personal liability. Since then, the Peraso Board has been comprised of four individuals: Riadh Zine-El-Abidine (a Roadmap nominee), Imed Zine-El-Abidine (a Roadmap nominee), David Adderley (a Celtic House Venture Partners nominee), and myself.

54. On March 2, 2020, the disinterested members of the Peraso Board (i.e. David Adderley and myself) approved a term sheet authorizing the offering of convertible notes, which were to be backstopped by Roadmap (the "**2020 Notes**"). The Peraso Board's approval was subject to shareholder approval. The only party to subscribe to the 2020 Notes was Roadmap. The 2020 Notes carry an interest rate of 6% per annum and mature on December 31, 2023.

55. Following board approval, on March 2, 2020, the Peraso Board distributed a Management Information Circular to its shareholders scheduling a shareholder meeting for March 12, 2020 at 8:00 a.m. EST.

56. On March 3, 2020, the Peraso Board distributed a Pre-emptive Rights Notice to its shareholders so that such shareholders could participate on the same terms to subscribe for the 2020 Notes. Ubiquiti declined to participate in this financing.

57. Immediately prior to the close of business on the evening of March 11, 2020—the day before the shareholder meeting—Ubiquiti tendered a bridge loan facility as an alternative source of financing. Ubiquiti's proposal was silent with respect to material terms and contained various conditions that could not be satisfied before March 13, 2020 or at all.

58. Ubiquiti did not attend the March 12, 2020 shareholder meeting where, among other things, shareholders were fully made aware of Ubiquiti's proposal. All of the shareholders present unanimously approved the issuance of the 2020 Notes.

59. On March 13, 2020, the financing closed and Peraso was able to meet certain of its obligations due at that time, including payroll.

(vi) The Oppression Litigation

60. Instead of participating in Peraso's proposed rescue financing, on April 8, 2020, Ubiquiti Canada filed a Statement of Claim with this Court seeking, among other things: (i) a

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declaration that certain steps taken by Peraso in securing financing in March 2020 amounted to oppression pursuant to s. 248 of the *Business Corporations Act* (Ontario); and (ii) a declaration that Peraso's shareholder meeting held on March 12, 2020, and any and all votes taken, and resolutions approved, at that meeting are void (such proceedings, the "**Oppression Litigation**").

61. The Oppression Litigation names Peraso, the Peraso Board Defendants, myself, Roadmap and certain entities affiliated to Roadmap as defendants.

62. Ubiquiti Canada's Statement of Claim is attached hereto and marked as **Exhibit "D"**.

63. On May 29, 2020, Peraso served a Statement of Defence, which is attached hereto and marked as **Exhibit "E"**. Peraso denies the allegations contained in the Oppression Litigation. In particular, Peraso denies that the steps it took to obtain the 2020 Notes amounted to oppression, given that, among other things, the 2020 Notes were issued in good faith and as part of an effort to avoid insolvency. Further, the March 12, 2020 shareholder meeting was properly conducted and Ubiquiti was able to participate in the shareholder meeting but opted not to.

(vii) The Notice Litigation

64. In addition to the Licence Litigation and the Oppression Litigation, on February 19, 2020, Ubiquiti Canada filed a Notice of Application with this Court alleging that Peraso was in default of its obligations to provide Ubiquiti Canada, through an observer appointed by Ubiquiti Canada to observe the Peraso Board, with notices of meetings of the Peraso Board and all written information provided to the Peraso Board or any committee thereof (such litigation, the "**Notice Litigation**").

65. Prior to February 2020, Ubiquiti Canada never sought to exercise its observer rights or sign a relevant Confidential Information and Non-Disclosure Agreement ("**NDA**") as required by the terms of the USA. In fact, the first occasion on which Ubiquiti Canada asserted or raised concerns regarding its observer rights under the USA was in its Notice of Application issued February 21, 2020. That application was resolved on consent and Peraso agreed to provide the materials sought by Ubiquiti. Peraso has requested that the observer execute its form of NDA.

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66. On April 20, 2020, Ubiquiti Canada filed a second Notice of Application with this Court alleging that despite requests from counsel for Ubiquiti Canada, Peraso failed to provide Ubiquiti Canada with access to its books and records required to be maintained pursuant to s. 140(1) of the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.16 ("**OBCA**"). An initial hearing with respect to this application was heard by this Court, at which time Peraso indicated its intention to provide Ubiquiti with the requested materials. Peraso has since provided Ubiquiti with certain of the requested materials. I understand that at this time, no follow-up hearing has been scheduled.

D. FINANCIAL STATUS

67. A copy of Peraso's audited financial statements as of December 31, 2019 are attached hereto as **Exhibit "F"**. For the fiscal year 2019, Peraso generated $506,000 in gross revenue, and a net loss of over $26 million. As a business that is still in its development phase, Peraso's expenses are high (in anticipation of future growth) but its revenues are still low, which results in a large net loss. Peraso's expenses in 2019 included $10.2 million for research and development and $1.6 million for marketing.

(i) Assets

68. As at December 31, 2019 (as noted in Peraso's balance sheet attached as Exhibit "F"), Peraso had approximately $8.9 million of assets on its balance sheet. Approximately $3 million of assets were property and equipment, $1.9 million was cash and cash equivalents.

69. In addition, Peraso has approximately 45 patent applications and has been granted approximately 25 patents (many of which are related to next-generation wireless technology).

(ii) Liabilities

70. As at the date of this affidavit, Peraso had liabilities totalling approximately $6.9 million.

Secured Indebtedness

71. As of late May 2020, Peraso was indebted to Roadmap in the approximate amount of $1 million and to Polar in the approximate amount of $748,035.40 on account of the 2019

Notes. In addition, Peraso owes approximately $3,885,000 to Roadmap on account of the 2020 Notes.

72. The 2019 Notes and the 2020 Notes rank equally in priority to one another. Both notes are secured by a general security interest in all present and after acquired property and assets of Peraso.

73. Attached hereto as **Exhibit "G"** is a copy of the search of the Ontario Personal Property Security Act Registry conducted on May 24, 2020 in respect of Peraso.

74. Peraso does not maintain any open credit facilities.

Unsecured Indebtedness

75. As at the date of this affidavit, Peraso had unpaid unsecured obligations, (including accounts payable) of approximately $1.2 million.

76. Further, Ubiquiti is seeking monetary damages from Peraso in amounts in excess of $5 million in the Licence Litigation. Ubiquiti has not quantified its requested damages with respect to the Oppression Litigation.

E. PERASO'S NEED FOR CCAA PROTECTION

77. Peraso's financial challenges began in 2019 with Ubiquiti's breach of the Licence Agreement and failure to fund its committed investments. Ubiquiti's failure to invest in Peraso upon the completion of the Second and Third Tranche Development Milestones resulted in Peraso not receiving a total of $10 million of promised investment. This was extremely detrimental to Peraso's financial health, as Peraso had incurred costs under the Licence Agreement with the expectation of receiving the committed investment from Ubiquiti.

78. While the issuance of the 2020 Notes provided Peraso with crucial funding, the 2020 Notes only provided Peraso with enough liquidity to survive until approximately late June 2020. Peraso needs additional financing if it is to continue operating past that date, but it has been unable to obtain financing or consummate any other viable transactions due to, among other things, the on-going Licence Litigation and the Oppression Litigation. That litigation remains far from resolved and, unlike Ubiquiti, Peraso does not, in its current state, have the

means to continue the litigation (and any other claims Ubiquiti may choose to assert against Peraso).

79. I and certain other directors of Peraso have spoken with multiple potential sources of financing, including at least seven of Peraso's existing shareholders and/or lenders regarding obtaining additional financing for Peraso. All have declined to invest any additional funds into Peraso at this time and outside of a court-approved process.

80. Similarly, Peraso has been unable to commence meaningful discussions with potential purchasers. In addition to the third-party purchaser who terminated discussions in February 2020, Peraso engaged in discussions with another large public US technology company which expressed a strong interest in Peraso's technology; however, that party also advised Peraso that it would not do any type of deal with Peraso while the Licence Litigation remained on-going.

81. In my discussions with potential financiers and purchasers, they have informed me that the Licence Litigation and Oppression Litigation deter them from entering into transactions with Peraso for the following reasons:

(a) the Licence Litigation brings into question the enforceability of the Exclusivity Clause, which creates uncertainty for investors and acquirors. Peraso is, quite simply, too risky for an investor or acquiror. If, for example, the Exclusivity Clause is enforceable, then Peraso would effectively be limited to selling the products covered by the Exclusivity Clause to Ubiquiti and its affiliates. If Ubiquiti's demand for these products dropped, Peraso could not make up for lost sales by relying on other customers. This is a serious concern because Ubiquiti accounts for approximately 95% of Peraso's component revenue; and

(b) the Oppression Litigation brings into question Peraso's capitalization structure and the powers of its minority shareholders, which again creates uncertainty. This contributes to the impression that financing Peraso is too risky.

82. Peraso also explored government grants available to companies such as Peraso as potential sources of financing. All applications and discussions regarding such grants made

enquiries about Peraso's on-going litigation with Ubiquiti. At this time, I do not believe Peraso will be able to obtain any government assistance in the short term, if ever.

83. Further, the COVID-19 pandemic has exacerbated Peraso's (and others') efforts to obtain financing or engage in a strategic transaction because financial markets have become significantly more risk-averse.

84. In summary, the Licence Litigation and the Oppression Litigation impair Peraso's ability to sell its products to customers other than Ubiquiti, deter potential purchasers from acquiring Peraso, and effectively prevent Peraso from obtaining viable financing.

85. The resolution of the Licence Litigation and Oppression Litigation would make Peraso a more attractive candidate for an acquisition or for additional financing. Further, I firmly believe that if the Exclusivity Clause was found to be unenforceable, then Peraso could quickly find new customers and increase its revenue.

86. Given the above, Peraso is seeking CCAA protection to (i) stabilize its liquidity position under Court supervision; and (ii) resolve the claims asserted against it in the Licence Litigation and the Oppression Litigation within these CCAA Proceedings. Once CCAA protection is obtained (and subsequently, once the Licence Litigation and the Oppression Litigation are resolved), I expect Peraso's prospects of raising additional funds and/or finding a purchaser for its assets to improve dramatically. I believe this will result in maximization of value for all of Peraso's stakeholders, including its shareholders.

(i) Peraso is Insolvent

87. Peraso's current revenues for 2020 as of late May are approximately $2 million. Peraso's monthly cash burn is approximately $1 million, and it has cash reserves of less than $1.4 million. Given these factors, Peraso is anticipated to run out of cash by late June 2020—meaning it will be unable to meet payroll or to fund its continued operations past that date.

(ii) Peraso is a Viable Business

88. Peraso is a viable business. Its products remain at the forefront of the 60 GHz wireless market, and its entry into the 5G wireless market is expected to be similarly successful.

Overall, Peraso is positioned to be a market leader for the next generation of wireless technology.

(iii) Funding the CCAA Proceedings

89. Peraso is not seeking debtor-in-possession ("**DIP**") financing as part of this Initial Order; however, Peraso anticipates a need for DIP financing in the short term. Peraso has had discussions with parties who indicated they will be prepared to advance funds if CCAA protection is obtained. As such, Peraso intends to return to this Court for approval of DIP financing at a subsequent hearing.

F. CASH FLOWS

90. A four-week cash flow projection (the "**Cash Flow Statement**") was prepared by Peraso in consultation with Ernst & Young Inc. ("**EY**"), the proposed court-approved Monitor in these proceedings (the "**Monitor**"), for the period from May 30, 2020 to the week ending June 26, 2020. During this time, Peraso's estimated primary uses of cash will consist of the payment of ongoing day-to-day operational expenses and professional fees and disbursements in connection with these CCAA Proceedings. A copy of the Cash Flow Statement is attached hereto and marked as **Exhibit "H"**.

91. As of June 26, 2020, Peraso will have an estimated $55,100 of cash on hand. The Cash Flow Statement projects that, subject to obtaining the relief outlined herein, Peraso will have sufficient cash to fund its projected operating costs until the end of the stay period.

G. CASH MANAGEMENT SYSTEM

92. In the ordinary course of its business, Peraso uses a centralized cash management system (the "**Cash Management System**") to, among other things, collect funds and pay expenses associated with its operations. The Cash Management System gives Peraso the ability to efficiently and accurately track and control corporate funds and ensure cash availability.

93. Peraso maintains two bank accounts with Comerica Incorporated.

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H. THE PROPOSED INITIAL ORDER

(i) Engagement of Ernst & Young Inc.

94. EY has consented to act as the Monitor, subject to Court approval.

95. EY is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* as amended and is not subject to any of the restrictions on who may be appointed as Monitor set out in section 11.7(2) of the CCAA. I am advised by Maria Konyukhova of Stikeman Elliott LLP, counsel to Peraso, that EY has extensive experience in matters of this nature, including in cross-border restructuring proceedings, and is therefore well-suited to this mandate.

(ii) Reduced Restructuring Provisions in Proposed Initial Order

96. I am advised by counsel that, in line with current practice since the amendments to the CCAA came into force on November 1, 2019, Peraso is seeking a "skinny" form of Initial Order, which seeks only the relief reasonably necessary for the first 10 days until the hearing of the Comeback Motion (as defined below), and does not contain some of the more fulsome restructuring language found in the Initial Order developed by the model order subcommittee of the Commercial List Users' Committee of the Ontario Superior Court of Justice (the "**Model Initial Order**"). Similar to the Model Initial Order, the proposed Initial Order provides the Monitor with broad powers to, among other things, monitor Peraso's receipts and disbursements and advise Peraso in the preparation of cash flow statements.

(iii) Administration Charge

97. Peraso seeks a charge on Peraso's assets, property and undertakings (the "**Property**") in the maximum amount of C$200,000 to secure the fees and disbursements incurred in connection with services rendered to Peraso both before and after the commencement of the CCAA Proceedings Canadian and US counsel to Peraso, EY as the proposed Monitor and Canadian and US counsel to the proposed Monitor (the "**Administration Charge**").

98. Peraso worked with the proposed Monitor to estimate the proposed quantum of the Administration Charge. The proposed Monitor has reviewed the quantum of the Administration Charge and believes it is reasonable and appropriate in view of the

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complexities of Peraso's CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge.

99. The proposed Initial Order provides that the Administration Charge shall rank first on the Property of Peraso.

(iv) Directors' Charge

100. Peraso believes that an orderly restructuring will only be possible with the continue participation of the Peraso Board and key management and employees who are essential to the viability of the restructuring of Peraso's business.

101. I am advised by counsel to Peraso and believe that in certain circumstances, directors and officers can be held personally liable for certain obligations of a company, including in respect of amounts owing to (i) employees, including unpaid wages, termination and severance amounts, pension amounts and accrued vacation pay; and (ii) the federal and provincial governments, including payroll remittances, harmonized sales taxes, withholding taxes and workers' compensation remittances.

102. To mitigate liability issues with respect to Peraso's directors and officers ("**Peraso's D&Os**"), Peraso maintains directors' and officers' insurance. At present, Peraso's D&O insurance provides for a total of C$2 million in coverage. I, along with other directors and officers, am concerned that this amount of insurance may be insufficient if Peraso's D&Os are found responsible for the full amount of the potential liabilities to which they are exposed.

103. Peraso's D&Os have indicated that, due to the potential for significant personal liability, they cannot continue their service and involvement in this restructuring unless the Initial Order grants them certain protections that are commonly granted to directors and officers of companies involved in proceedings under the CCAA.

104. As such, the proposed Initial Order contemplates a charge on the property of the debtor in the amount of C$650,000 (the "**Directors' Charge**"). The Directors' Charge is proposed to rank second in priority on the Property.

105. I am advised by Ms. Konyukhova that the provisions as they relate to the Directors' Charge are standard provisions that have the effect of staying all proceedings against Peraso's

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D&Os and granting an indemnity with respect to all post-filing claims that may arise against Peraso's D&Os in their capacity as Peraso's D&Os.

106. The Directors' Charge will allow Peraso to continue to benefit from the efforts and knowledge of their director and officers, and it will promote the ongoing stability of Peraso's business during these CCAA Proceedings. Peraso and the proposed Monitor believe the Directors' Charge is reasonable in the circumstances.

107. Finally, it is crucial that the former directors of Peraso be included in the stay of proceedings. As noted above, certain former directors of Peraso are listed as defendants in the Licence Litigation and the Oppression Litigation. As such, it is necessary that these individuals benefit from a stay of proceedings so that the Licence Litigation and Oppression Litigation does not contain as against them while it is stayed against Peraso and its current directors.

(v) Ranking of the Court Ordered Charges

108. The proposed ranking of the court ordered charges is as follows:

(a) Administration Charge; and

(b) Directors' Charge.

(vi) Chapter 15 Proceeding

109. Should the Initial Order be granted, Peraso intends to initiate the Chapter 15 Proceedings in the US Court seeking, among other things: (i) recognition of this CCAA proceeding as a foreign main proceeding pursuant to the Bankruptcy Code; (ii) recognition and enforcement of the Initial Order; and (iii) other appropriate relief under the Bankruptcy Code.

110. The proposed Initial Order provides that the Monitor will be appointed as the "foreign representative" for the purposes of the Chapter 15 Proceedings.

111. Peraso's primary connection to the United States is the Licence Litigation, which is being litigated in the SDNY Court because the Licence Agreement is governed by and

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interpreted in accordance with the laws of the State of New York. Additionally, Peraso's counterclaim for damages against Ubiquiti is a substantial United States-based asset.

112. The Chapter 15 Proceedings are necessary to ensure that, if the Initial Order is granted, this Court's stay of proceedings is recognized and enforced in the United States generally and the SDNY Court in particular.

113. Other than the Licence Litigation, Peraso's connection to the United States is largely limited to (i) its Vice President of Finance, who is a United States resident and a full-time employee of Peraso; (ii) two United States-based contractors; and (iii) approximately $7,500 held as a retainer at Hodgson Russ LLP, US counsel to Peraso. Peraso does not maintain an office in the United States. Substantively the vast majority of Peraso's business operations, employees and assets are located in Ontario.

I. COMEBACK MOTION

114. Peraso intends to return to Court on June 12, 2020 or as soon after that as the Court's availability will permit on notice to the service list for a motion (the "**Comeback Motion**") seeking, among other things:

(a) expansion of the Initial Order to include the more fulsome restructuring provisions found in the Model Order;

(b) approval of DIP financing; and

(c) extending the stay of proceedings granted in the Initial Order.

I confirm that while connected via video technology, Ronald Glibbery showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with Ronald Glibbery and verify that the pages are identical.

Affirmed before me by video conference from the City of Toronto, Ontario, to the Community of Eugenia (Grey County), Ontario, on June 2, 2020.

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Nicholas Avis
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
Ronald Glibbery
D41573EF6574469...

RONALD GLIBBERY

Affiant's Initials DS RG

This is
EXHIBIT "B"
referred to in the affidavit of
RONALD GLIBBERY
dated September 2, 2020

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Commissioner for taking affidavits

Court File No. CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Applicant

AFFIDAVIT OF RONALD GLIBBERY
(Affirmed August 10, 2020)

I, Ronald Glibbery, of the City of Toronto, Ontario **SOLEMNLY AFFIRM AND DECLARE**:

1. I am the founder of Peraso Technologies Inc. ("**Peraso**" or the "**Applicant**"). I am and have been a director of Peraso since it was founded. I was also Peraso's Chief Executive Officer from its founding until approximately February 2018. I assumed the role of Senior Vice President of Corporate Development at Peraso between February 2018 and February 2020, inclusive, and on March 1, 2020, I again became the interim Chief Executive Officer.

2. I have reviewed the books and records of Peraso and I have spoken with certain current and former directors, officers and/or employees of Peraso, as necessary and applicable. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I affirm this affidavit in support of a motion by the Applicant pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and such proceedings, the "**CCAA Proceedings**") for an order, substantially in the form of the draft order attached as Tab 3 of the Motion Record, that:

(a) extends the Stay Period (as defined below) to and including August 28, 2020, or such further and other date as determined by the Court; and

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(b) seals certain portions of this Affidavit and the exhibits attached hereto and the unredacted Third Report of the Monitor (the "**Third Report**").

A. BACKGROUND

(i) Overview

4. Reference is made to my affidavits affirmed June 2, 2020 (the "**First Glibbery Affidavit**"), June 9, 2020 (the "**Second Glibbery Affidavit**"), and June 25, 2020 (the "**Third Glibbery Affidavit**").[1] A copy of the First Glibbery Affidavit, Second Glibbery Affidavit and Third Glibbery Affidavit (all without exhibits) are attached hereto and marked as **Exhibit "A"**, **Exhibit "B"**, and **Exhibit "C"**, respectively. All capitalized terms not otherwise defined herein are as defined in the First Glibbery Affidavit.

5. Peraso is in the business of the development, marketing and sale of the technologies that will power the next generation of wireless internet. Specifically, Peraso's software and chipsets are designed to operate on the 60 gigahertz band and, it is anticipated, the 5G wireless network.

6. As set out in greater detail in the First Glibbery Affidavit, Peraso sought creditor protection under the CCAA because it expected to run out of cash by early July 2020. Peraso's liquidity crisis was due to, *inter alia*, protracted disputes and multi-jurisdictional litigation commenced by Ubiquiti Inc. and its various affiliates (collectively, "**Ubiquiti**"), which stymied any and all of Peraso's efforts to raise additional funds, pursue a sales process or even market certain of its products.

7. On June 3, 2020, this Court issued the Initial Order that, among other things:

(c) granted an initial stay period in favour of the Applicant and its current and former directors to and including June 13, 2020 (the "**Stay Period**");

(d) appointed Ernst & Young Inc. as the Monitor of the Applicant (the "**Monitor**");

[1] I also affirmed a supplementary affidavit on July 2, 2020. This affidavit is not attached hereto as an exhibit.

(e) granted an Administration Charge up to the maximum amount of C$200,000; and

(f) granted a Directors' Charge up to the maximum amount of C$650,000.

8. Also on June 3, 2020, the Monitor, in its capacity as foreign representative, filed an official form petition (the "**Petition**") under chapter 15 of title 11 of the United States Code ("**Chapter 15**") in the United States Bankruptcy Court for the Southern District of New York (the "**US Court**"), along with an emergency motion requesting that the US Court enter an order giving effect to the Initial Order in the United States on a provisional basis pending final disposition of the Petition.

9. On June 8, 2020, the US Court granted provisional relief that gave the Initial Order full force and effect in the United States on an interim basis and until such time as the US Court could conduct a final hearing on, and enter a final order with respect to, the relief sought by the Monitor, in its capacity as foreign representative, in the Petition.

10. On June 12, 2020, this Court issued an order (the "**Amended and Restated Initial Order**") that, among other things:

(g) expanded the Applicant's restructuring authority and the Monitor's ability to assist with the Applicant's restructuring efforts;

(h) increased the Administration Charge from C$200,000 to C$725,000; and

(i) extended the Stay Period to and including July 3, 2020.

11. On July 2, 2020, this Court issued an order (the "**DIP Order**") that, among other things:

(j) approved a debtor-in-possession financing agreement (the "**DIP Agreement**") between the Applicant, as borrower, and Roadmap Capital General Partner Ltd., Roadmap Peraso LP III (U.S. and Offshore) and XCOM Labs, Inc. (collectively, the "**DIP Lenders**"), as lenders;

(k) granted a charge over the Applicant's property in favour of the DIP Lenders;

(l) sealed certain portions of the unredacted Third Affidavit and the cash flow forecast attached thereto, certain portions of the unredacted Fourth Affidavit, certain portions of the unredacted DIP Agreement, and certain portions of the unredacted Second Report of the Monitor; and

(m) extended the Stay Period to and including August 14, 2020.

12. Copies of the Initial Order, the Amended and Restated Initial Order, and the redacted DIP Agreement (along with all other filings in these CCAA Proceedings) can be found on the Monitor's website: www.ey.com/ca/peraso.

13. Throughout these CCAA Proceedings, the Applicant has continued to operate its business in the normal course. The Applicant has been using its best efforts to minimize the impact of these CCAA Proceedings on and to maintain its relationships with its customers, suppliers, and other stakeholders.

(ii) **Mediation with Ubiquiti**

14. Prior to the granting of the DIP Order, Peraso and Ubiquiti agreed to enter into mediation with a view to resolving the litigation commenced by Ubiquiti in Ontario and the Southern District of New York. Such litigation is described in greater detail in the First Glibbery Affidavit and is herein collectively referred to as the "**Ubiquiti Litigation**". In brief, the Ubiquiti Litigation consists of three lawsuits. The primary lawsuit is the Licence Litigation in the Southern District of New York. The Licence Litigation arises from the Licence Agreement pursuant to which Peraso agreed to develop certain chipsets for Ubiquiti, and Ubiquiti agreed to subscribe to equity in Peraso upon the achievement of certain milestones. When Ubiquiti failed to provide notice of either acceptance or rejection of the project milestones, Peraso terminated the Licence Agreement. Ubiquiti subsequently filed a complaint seeking, among other things, a declaratory judgment that the Licence Agreement remains in full force and effect. Shortly thereafter, Ubiquiti brought two lawsuits in Ontario. In the Oppression Litigation, Ubiquiti alleges that Peraso engaged in oppressive conduct when it secured additional financing in March 2020. In the Notice Litigation, Ubiquiti alleges that Peraso failed to provide Ubiquiti with certain notices related to Peraso's board meetings.

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15. The mediation was conducted on July 6 and 7, 2020. The mediator was the former Associate Chief Justice Dennis O'Connor. The Monitor was involved throughout the course of the mediation.

16. The mediation did not result in a settlement of the Ubiquiti Litigation. On July 13, 2020, the Applicant and Ubiquiti attended a case conference with Justice Hainey to discuss next steps and the determination of the Ubiquiti Litigation. At Peraso's request, Justice Hainey scheduled a hearing for September 1 and 2, 2020 to hear Peraso's motion for a determination of whether the Licence Agreement was validly terminated by Peraso. In addition, Justice Hainey scheduled a pre-hearing case conference for August 24, 2020.

17. On July 10, 2020 and again on July 13, 2020, senior personnel at Ubiquiti emailed representatives of Peraso to cancel all projects in development.

18. Late in the evening of Friday, August 7, 2020, Ubiquiti also sent a letter outlining certain concerns it had over alleged failures by Peraso to fulfill Ubiquiti's purchase orders. Peraso is working with Ubiquiti to address these concerns and alleged failures. In that same letter, Ubiquiti stated its intention to place a new large order for the same or similar products.

(iii) **The Chapter 15 Proceeding**

19. As noted above, the US Court provisionally recognized the Initial Order pursuant to Chapter 15. A hearing for the full recognition of these CCAA Proceedings and related relief was originally scheduled to be heard by the US Court on July 8, 2020; however, this hearing was adjourned to July 22, 2020 due to the above-mentioned mediation with Ubiquiti.

20. On July 15, 2020, Ubiquiti filed a limited objection and reservation of rights to the Petition filed with the US Court. The Monitor, in its capacity as foreign representative, replied to Ubiquiti's objection and reservation of rights on July 19, 2020.

21. On July 22, 2020, the US Court heard the Petition. A transcript of the hearing is attached hereto and marked as **Exhibit "D"**. As noted in the transcript, there was no dispute between the Monitor, in its capacity as foreign representative, and Ubiquiti that the CCAA proceeding is a foreign main proceeding and should be recognized by the US Court as such, nor was there a dispute that the Monitor is the duly-appointed foreign representative. There were, however, two disputes regarding whether (a) the stay of proceedings should apply to

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present and former officers and directors of Peraso; and (b) the recognition order should provide that the Initial Order would be enforced along with any amendments or extensions as may be granted by this Court.

22. After hearing submissions from the Monitor, in its capacity as foreign representative, and Ubiquiti, Judge Lane of the US Court recognized these CCAA Proceedings as a foreign main proceeding. The stay of proceedings was applied to present and former officers and directors of Peraso, and the Initial Order (together with any extensions or amendments) was recognized and given full force and effect in the United States. Judge Lane made the following remarks on the topic of recognition:

> […] I find that recognition is appropriate and that this proceeding satisfies all requirements under applicable law for recognition, namely that the Canadian proceeding here is a foreign main proceeding, that the foreign representative is a person as defined under the Bankruptcy Code, and that the petition meets the requirements of Section 1515.
>
> And, in fact, I note that the other party to today's proceeding, Ubiquiti, does not appear to oppose recognition and said explicitly that they understand the Canadian proceeding is a foreign main proceeding and that that's where the COMI, the center of main interest, lies.[2]

23. With respect to additional relief, namely the application of the stay of proceedings to the present and former officers and directors of Peraso and the recognition of the Initial Order together with any extensions or amendments, Judge Lane stated the following:

> […] the Court finds the additional relief of enforcing the stay provisions of the additional order and subsequent orders is warranted and the additional relief is consistent with comity and satisfies the applicable statutory requirements.
>
> The Ontario court has found the stay provisions of the initial order to be critical to a successive restructuring. The initial order is consistent with the principles of United States bankruptcy law as U.S. courts may afford non-debtor protections of the automatic stay where necessary and appropriate under applicable law to facilitate the purposes of reorganization.

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[2] See the July 22, 2020 transcript attached hereto and marked as Exhibit "D", page 29 line 20 to page 30 line 6.

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This page was not initialed due to technical issues /s/ Nicholas Avis

> […] to the extent Ubiquiti or any other creditor wishes to contest or seek relief from, you know, contest any further request of this stay or even seek to have the Canadian court change its mind about the stay, they have a forum to do that in the Canadian proceedings.
>
> Ubiquiti, in fact, has appeared in the Canadian court and, in fact, as has been discussed, does not oppose the provisions of the initial order or amendments to it that are at issue here. […] And certainly if Ubiquiti is ultimately not satisfied with the Canadian court decision, they can appeal that decision. They can also, as discussed I think fairly extensively today, they can participate in the Canadian proceedings and be heard on anything that is going to come before the Court consistent with Canadian law.
>
> […] I find the interests of the creditor Ubiquiti here is appropriate protected, and I find that this is an appropriate exercise of comity to grant comity to the initial order, the extensions that have already been granted, as well as any extension that is on all fours and is simply a matter of extending temporally the exact same relief that's already been granted.
>
> Anything beyond that, you'll address in Canada. And if it comes up and needs to be addressed here, we'll address it here with all parties reserving their rights.[3]

24. The US Court entered its order in respect of the above on July 23, 2020. A copy of that order is attached hereto and marked as **Exhibit "E"**.

B. THE SEARCH FOR ADDITIONAL DIP FINANCING

(i) Background

25. As described in greater detail in the Third Glibbery Affidavit, the Applicant required interim financing to continue its business operations beyond July 2020. To this effect, the Applicant began its initial search for interim financing immediately after receiving the Initial Order on June 3, 2020. This search resulted in the DIP Agreement, which this Court approved on July 2, 2020.

[3] See the July 22, 2020 transcript at Exhibit "D", page 32 line 17 to page 33 line 3; page 34 lines 3 to 19; page 38 lines 4 to 13.

26. During the Applicant's search for an interim lender, Ubiquiti provided the Monitor with a draft interim financing term sheet to indicate its willingness to be an interim lender. The Applicant did not, however, pursue an interim financing arrangement with Ubiquiti on account of, among other things, a concern that Ubiquiti could, if selected as the interim lender, use its position as interim lender to impede, obstruct, or otherwise exercise self-interested influence on these CCAA Proceedings, the mediation with Ubiquiti or the Ubiquiti Litigation.

27. While Ubiquiti was not considered a feasible or practical interim lender in June 2020, the Applicant recognized that, particularly in light of the upcoming mediation, circumstances could change such that Ubiquiti could, at a later date, potentially be an appropriate interim lender. With this in mind, the Applicant designed a two-phase interim financing process. The first phase covered a period of time that included the mediation and some weeks thereafter. During this first phase, the DIP Lenders would provide the Applicant with interim financing pursuant to the DIP Agreement. Ubiquiti was not viewed as an appropriate interim lender during the first phase. Following the conclusion of the first phase, if the Applicant required additional interim financing, then it could commence the second phase of the interim lending process and a new search for an interim lender.

(ii) **The Second Phase of the Interim Financing Process**

28. The Applicant has concluded that it requires additional funding to continue these CCAA Proceedings. Accordingly, the Applicant commenced the second phase of the interim financing process with the intention of entering into a second interim financing agreement. The process for accessing additional interim financing is currently underway and has not yet been concluded.

29. The search for additional interim financing is being led by the Applicant with the assistance of the Monitor. The search has been broad and extensive, resulting in over [redacted] potential lenders being contacted. Potential lenders were identified based on, among other things, recommendations generated internally by Ernst & Young Inc. and referrals from other potential lenders. Certain parties who independently reached out to either the Applicant or the Monitor prior to or during this process were also identified as potential lenders, as were certain of the Applicant's existing stakeholders. Most of the parties identified as potential lenders were traditional lenders, private capital funds, and litigation financiers.

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30. All parties contacted by the Applicant and/or Monitor and who expressed interest in the opportunity were provided with a teaser letter that described the interim financing opportunity. Of these parties [redacted] parties entered into non-disclosure agreements, which allowed them to begin a due diligence process.

31. In an effort to maximize its chances of obtaining interim financing on the best available terms and to ensure fairness to all of its stakeholders, the Applicant is also engaging with certain of its shareholders and existing stakeholders in an effort to secure financing. This includes the Applicant reaching out to Ubiquiti to determine whether it remains interested in providing the Applicant with interim financing.

32. [redacted]

33. Discussions with the Prospective Lenders remain on-going.

34. The Applicant has consulted with the Monitor throughout the entirety of its search for additional interim financing. At all material times, the Monitor has been aware of the steps being taken in the interim financing process.

(iii) **Next Steps**

35. [redacted]

36. The Applicant plans to return to this Court within two weeks of the August 13, 2020 hearing date [redacted]

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C. SEALING

37. The Applicant requests that the unredacted version of this Affidavit and the unredacted exhibits hereto and the unredacted Third Report be sealed pending further order of this Court.

38. The materials requested to be sealed contain commercially sensitive information. Among other things, this unredacted Affidavit and the Third Report contain details related to the Applicant's search for an interim lender that could, if publicly disclosed, be detrimental to the Applicant's efforts to obtain interim financing; negatively impact the Prospective Lenders' due diligence; and impact the competitiveness of any financing terms the Applicant receives.

39. This affidavit also includes the Applicant's cash flow forecast for the duration of the requested Stay Period. This cash flow forecast demonstrates, among other things, how much money the Applicant has budgeted for legal expenses (including how much has been budgeted for resolving the Ubiquiti Litigation), and the extent of the Applicant's cash reserves. The sealing of this information ensures that Ubiquiti cannot use the information contained in the Applicant's cash flow forecasts to the Applicant's detriment in the course of the Ubiquiti Litigation.

40. The information that the Applicant is seeking to seal is similar in nature to the information that this Court sealed in connection with the DIP Order. And the Applicant's request is animated by the same concerns that the Court previously found sufficient to justify sealing.

41. The Applicant does not believe that any stakeholder will be prejudiced if the information is sealed or redacted. Keeping this information sealed pending further order of the Court is beneficial to the search for an interim lender or purchaser and the resolution of the Ubiquiti Litigation.

D. EXTENSION OF THE STAY PERIOD

42. The Stay Period granted in the DIP Order had the effect of imposing a stay of proceedings until and including August 14, 2020. The Applicant is requesting an extension of the Stay Period until and including August 28, 2020.

43. The proposed Stay Period is anticipated to provide the Applicant with enough time to finalize an interim financing agreement for the additional interim financing that is required [redacted] Once finalized, the Applicant intends to bring the interim financing agreement [redacted] to this Court for approval and a longer extension of the Stay Period, if applicable.

44. Based on the cash flows attached hereto and marked as **Exhibit "F"**, the Applicant will have sufficient funds to continue operating through the proposed Stay Period.

45. The Applicant has acted and continues to act diligently and in good faith in respect of all matters relating to these CCAA Proceedings.

46. In the circumstances, I do not believe that any creditor will suffer material prejudice as a result of the extension of the Stay Period.

I confirm that while connected via video technology, Ronald Glibbery showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with Ronald Glibbery and verify that the pages are identical.

Affirmed before me by video conference from the City of Toronto, Ontario, to the Community of Eugenia (Grey County), Ontario, on August 10, 2020.

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RONALD GLIBBERY

Deponent's Initials DS RG

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Court File No.: CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

AFFIDAVIT OF RONALD GLIBBERY
AFFIRMED AUGUST 10, 2020

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Lawyers for the Applicant, Peraso Technologies Inc.

This is
EXHIBIT "C"
referred to in the affidavit of
RONALD GLIBBERY
dated September 2, 2020

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Commissioner for taking affidavits

Court File No. CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Applicant

AFFIDAVIT OF RONALD GLIBBERY
(Affirmed August 27, 2020)

I, Ronald Glibbery, of the City of Toronto, Ontario **SOLEMNLY AFFIRM AND DECLARE**:

1. I am the founder of Peraso Technologies Inc. ("**Peraso**" or the "**Applicant**"). I am and have been a director of Peraso since it was founded. I was also Peraso's Chief Executive Officer from its founding until approximately February 2018. I assumed the role of Senior Vice President of Corporate Development at Peraso between February 2018 and February 2020, inclusive, and on March 1, 2020, I again became the interim Chief Executive Officer.

2. I have reviewed the books and records of Peraso and I have spoken with certain current and former directors, officers and/or employees of Peraso, as necessary and applicable. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I affirm this affidavit in support of a motion by the Applicant pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and such proceedings, the "**CCAA Proceedings**") for an order, substantially in the form of the draft order attached as Tab 3 of the Motion Record, that:

(a) extends the Stay Period (as defined below) to and including September 4, 2020, or such further and other date as determined by the Court; and

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(b) seals certain portions of this Affidavit and the exhibits attached hereto and the unredacted Fifth Report of the Monitor (the "**Fifth Report**").

A. BACKGROUND

4. Reference is made to my affidavits affirmed June 2, 2020 (the "**First Glibbery Affidavit**"), August 10, 2020 (the "**Fifth Glibbery Affidavit**"), and August 19, 2020 (the "**Sixth Glibbery Affidavit**"). A copy of the First Glibbery Affidavit, the Fifth Glibbery Affidavit and Sixth Glibbery Affidavit (all without exhibits) are attached hereto and marked as **Exhibit "A"**, **Exhibit "B"**, and **Exhibit "C"**, respectively. These affidavits (along with various other materials filed in the course of these CCAA Proceedings) can be found on the Monitor's website at www.ey.com/ca/peraso.

5. All capitalized terms not otherwise defined herein are as defined in the First Glibbery Affidavit.

6. Peraso is in the business of the development, marketing and sale of the technologies that will power the next generation of wireless internet. Specifically, Peraso's software and chipsets are designed to operate on the 60 gigahertz band and, it is anticipated, the 5G wireless network.

7. As set out in greater detail in the First Glibbery Affidavit, Peraso sought creditor protection under the CCAA because it expected to run out of cash by early July 2020. Peraso's liquidity crisis was due to, *inter alia*, protracted disputes and multi-jurisdictional litigation commenced by Ubiquiti Inc. and its various affiliates (collectively, "**Ubiquiti**"), which stymied any and all of Peraso's efforts to raise additional funds, pursue a sales process or even market certain of its products.

8. On June 3, 2020, this Court issued the Initial Order that, among other things:

(a) granted an initial stay period in favour of the Applicant and its current and former directors to and including June 13, 2020 (the "**Stay Period**");

(b) appointed Ernst & Young Inc. as the Monitor of the Applicant;

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(c) granted an Administration Charge up to the maximum amount of C$200,000; and

(d) granted a Directors' Charge up to the maximum amount of C$650,000.

9. Also on June 3, 2020, the Monitor, in its capacity as foreign representative, filed an official form petition (the "**Petition**") under chapter 15 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "**US Court**"), along with an emergency motion requesting that the US Court enter an order giving effect to the Initial Order in the United States on a provisional basis pending final disposition of the Petition.

10. On June 8, 2020, the US Court granted provisional relief that gave the Initial Order full force and effect in the United States on an interim basis and until such time as the US Court could conduct a final hearing on, and enter a final order with respect to, the relief sought by the Monitor, in its capacity as foreign representative, in the Petition.

11. On June 12, 2020, this Court issued an order (the "**Amended and Restated Initial Order**") that, among other things:

(a) expanded the Applicant's restructuring authority and the Monitor's ability to assist with the Applicant's restructuring efforts;

(b) increased the Administration Charge from C$200,000 to C$725,000; and

(c) extended the Stay Period to and including July 3, 2020.

12. On July 2, 2020, this Court issued an order that, among other things, approved a debtor-in-possession financing agreement between the Applicant, as borrower, and Roadmap Capital General Partner Ltd., Roadmap Peraso LP III (U.S. and Offshore) and XCOM Labs, Inc., as lenders. The Stay Period was also extended to and including August 14, 2020.

13. On August 13, 2020, this Court issued an order that, among other things, extended the Stay Period to and including August 28, 2020.

14. On August 20, 2020, this Court issued an order that, among other things, approved the debtor-in-possession financing agreement (the "**Second DIP Agreement**") between the

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Applicant, as borrower, and Roadmap Capital General Partner Ltd. and Roadmap Peraso LP III (U.S. and Offshore) (collectively, the "**Second DIP Lenders**"), as lenders.

15. Throughout these CCAA Proceedings, the Applicant has used its best efforts to continue operating its business in the normal course. The Applicant has been using its best efforts to minimize the impact of these CCAA Proceedings on and to maintain its relationships with its customers, suppliers, and other stakeholders.

16. On August 17, 2020, the Peraso management team asked various managers to communicate to the general employee population to consider using their accrued vacation time in August. As a result of this action, approximately 31 of Peraso's employees have taken and/or are taking holidays during the latter half of the month. This has had a modest but positive effect on Peraso's cash flows, although it has impacted business operations.

B. CURRENT STATUS OF THE SEARCH FOR ADDITIONAL INTERIM FINANCING

17. As was described in greater detail in the Fifth Glibbery Affidavit, Peraso has been engaged in a broad and extensive effort to obtain additional interim financing. The search and negotiations with respect to the additional financing took longer than anticipated and in order to finance its operations during those discussions, Peraso entered into the Second DIP Agreement with the Second DIP Lenders. As mentioned above, the Second DIP Agreement was approved by this Court on August 20, 2020, and the Second DIP Lenders advanced Peraso the full amount of the credit facility that same day.

18. The Applicant is using the funds provided by the Second DIP Agreement to, among other things, maintain its operations, progress the Ubiquiti Litigation, and continue discussions with [redacted] potential interim lenders. These discussions remain ongoing and Peraso is working to reach a long-term solution for its funding needs before the expiry of the requested stay extension.

(i) The Term Sheet

19. One of the prospective interim lenders with whom Peraso is in discussions has submitted to Peraso an interim financing term sheet (the "**Term Sheet**"). The Term Sheet contemplates a credit facility that would, among other things, provide Peraso with sufficient

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liquidity to fund the litigation with Ubiquiti scheduled for September 1 and 2, 2020, before this Court. The proposed credit facility is in the amount of C$5 million and carries an interest rate of 14%, calculated and compounded daily and payable monthly. The Term Sheet includes a commitment fee of C$100,000, and a repayment fee of C$1 million (which will be waived if the Applicant closes a recapitalization transaction or sells substantially all of its assets prior to the repayment). The proposed maturity date would occur on the earliest of (a) December 31, 2020 or such later date as the proposed lender may agree to in writing; (b) the closing of a recapitalization transaction or the sale of substantially all of the Applicant's assets; (c) the termination of the CCAA proceedings; or (d) the occurrence and continuance of an Event of Default (as defined in the Term Sheet).

20. [redacted]

21. Peraso is in discussions with the proposed lender to refine certain of the terms and conditions in the Term Sheet. [redacted]

(ii) **Discussions with Ubiquiti**

22. Ubiquiti and Peraso are continuing discussions to explore whether a settlement is possible; however, there is no certainty that such a resolution will be achieved and Peraso must continue to advance the Ubiquiti Litigation while it has the liquidity to do so.

(iii) **Next Steps**

23. I believe that if the hearing scheduled for September 1 and 2, 2020 proceeds as scheduled, then there may be new and additional financing opportunities that open up to Peraso shortly thereafter – even in the absence of a final decision.

24. [redacted]

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[redacted].

25. [redacted]

The Applicant plans to return to this Court prior to the end of the Stay Period to provide the Court with an update on its search for additional interim financing and seek a longer stay extension.

C. SEALING

26. The Applicant requests that the unredacted version of this Affidavit (including its exhibits) and the unredacted Fifth Report be sealed pending further order of this Court.

27. The materials requested to be sealed contain commercially sensitive information. Among other things, this unredacted Affidavit and the Fifth Report contain details related to the Applicant's search for an interim lender that could, if publicly disclosed, be detrimental to the Applicant's efforts to obtain interim financing; negatively impact the due diligence process with potential interim lenders; and impact the competitiveness of any financing terms the Applicant receives.

28. This affidavit also includes the Applicant's cash flow forecast for the duration of the requested Stay Period. This cash flow forecast demonstrates, among other things, how much money the Applicant has budgeted for legal expenses (including how much has been budgeted for resolving the Ubiquiti Litigation), and the extent of the Applicant's cash reserves. The sealing of this information ensures that Ubiquiti cannot use the information contained in the Applicant's cash flow forecasts to the Applicant's detriment in the course of the Ubiquiti Litigation.

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29. The information that the Applicant is seeking to seal is similar in nature to the information that this Court sealed in connection with prior motions. The Applicant's request is animated by the same concerns that the Court previously found sufficient to justify sealing.

30. The Applicant does not believe that any stakeholder will be prejudiced if the information is sealed or redacted. Keeping this information sealed pending further order of the Court is beneficial to the search for an interim lender and the resolution of the Ubiquiti Litigation.

D. EXTENSION OF THE STAY PERIOD

31. The current Stay Period expires on August 28, 2020. The Applicant is requesting an extension of the Stay Period until and including September 4, 2020. The short stay extension is intended to allow Peraso to proceed with its ongoing efforts to secure a long term solution without prejudicing any party's rights.

32. The proposed Stay Period is anticipated to provide the Applicant with enough time to finalize an interim financing agreement [redacted] If and when an interim financing agreement [redacted] is finalized, the Applicant intends to bring such agreement to this Court for approval and may, at that time, seek a longer extension of the Stay Period.

33. Based on the cash flows attached hereto and marked as **Exhibit "D"**, the Applicant will have sufficient funds to continue operating through the proposed Stay Period.

34. The Applicant has acted and continues to act diligently and in good faith in respect of all matters relating to these CCAA Proceedings.

35. In the circumstances, I do not believe that any creditor will suffer material prejudice as a result of the extension of the Stay Period.

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I confirm that while connected via video technology, Ronald Glibbery showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with Ronald Glibbery and verify that the pages are identical.

Affirmed before me by video conference from the City of Toronto, Ontario, to the Community of Eugenia (Grey County), Ontario, on August 27, 2020.

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Nicholas Avis
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
Ronald Glibbery
D41573EF6574469...

RONALD GLIBBERY

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This is
EXHIBIT "D"
referred to in the affidavit of
RONALD GLIBBERY
dated September 2, 2020

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Commissioner for taking affidavits

PERASO TECHNOLOGIES INC.

DIP FINANCING TERM SHEET

Dated as of September 2, 2020

WHEREAS Peraso Technologies Inc. (the "**Borrower**") has requested and the DIP Lender (as defined below) has agreed to provide financing to the Borrower during the pendency of the Borrower's proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") commenced before the Ontario Superior Court of Justice, Commercial List (the "**Court**"), such financing to be provided in accordance with the terms and conditions set out herein;

AND WHEREAS, the DIP Lender has agreed to provide financing in order to fund certain obligations of the Borrower during the CCAA Proceedings, the resolution of the Existing Litigation (as defined below) and the Borrower's pursuit of a Strategic Process (as defined below), if any.

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1.	**BORROWER:**	Peraso Technologies Inc.
2.	**DIP LENDER:**	Ubiquiti Networks Canada Inc. (the "**DIP Lender**").
3.	**DEFINED TERMS:**	Unless otherwise defined herein, capitalized words and phrases used in this DIP Financing Term Sheet have the meanings given thereto in Schedule A hereto. Unless otherwise noted, all references to currency, "dollars" or "$" shall be deemed to refer to Canadian dollars.
4.	**DIP FACILITY; DRAWDOWN:**	A senior secured superpriority debtor-in-possession, interim, non-revolving single advance credit facility (the "**DIP Facility**") in the amount of $3,263,750 (the "**Facility Amount**"), subject to the terms and conditions contained herein. The Facility Amount represents the Canadian dollar equivalent of US$2,500,000 based on the daily rate of exchange of United States dollars to Canadian dollars quoted by the Bank of Canada on September 1, 2020, being the Business Day immediately prior to the date hereof. The single advance of the Facility Amount in the amount of $3,263,750 (the "**Advance**") shall be funded on September 2, 2020 subject only to the Funding Conditions.

5.	**INTEREST:**	Initial Interest rate shall be 14% *per annum*, compounded monthly and payable monthly in arrears in cash on the last Business Day of each month. Upon an Event of Default, all overdue amounts bear interest at the applicable interest rate plus 2% per annum, payable on demand All interest and fees (if any are payable) shall be computed on the basis of a year of 365 days, provided that whenever a rate of interest or fee hereunder is calculated on the basis of a year (the "**deemed year**") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.
6.	**FEES:**	No closing or arrangement fees are payable in connection with the establishment of the DIP Facility.
7.	**COSTS AND EXPENSES**	The Borrower will reimburse, without duplication, the DIP Lender for all reasonable and documented out-of-pocket expenses related to the DIP Facility (but no other fees or disbursements of Ubiquiti Inc. or its affiliates in connection with these CCAA Proceedings, including the Existing Litigation) and the on-going monitoring, administration and enforcement of the DIP Facility. Any issues of the quantum of such fees payable by the Borrower shall be reviewed and approved by the Monitor, acting reasonably.
8.	**PURPOSE AND PERMITTED PAYMENTS:**	The Borrower shall use proceeds of the DIP Facility solely for the following purposes, in each case in accordance with the Amended and Restated Initial Order and the DIP Budget (subject to the Permitted Variance): (a) to pay (i) the reasonable and documented legal fees and expenses of the DIP Lender in accordance with Section 7 hereof, (ii) the reasonable and documented fees and expenses of the Borrower (including, without limitation, those incurred in connection with the conduct of the Existing Litigation and the Strategic Process, if any), and (iii) the reasonable and documented fees and expenses of the Monitor and its legal counsel; (b) provided that no Event of Default has occurred or is continuing hereunder, to pay any interest owing

under the Existing DIP Documents;

(c) to pay any interest owing to the DIP Lender under this DIP Financing Term Sheet and the other DIP Documents; and

(d) to fund the Borrower's general corporate and working capital purposes, including funding the CCAA Proceedings, the Existing Litigation and the Strategic Process, if any.

9. CONDITIONS PRECEDENT TO THE ADVANCE:

The DIP Lender's agreement to make the Advance to the Borrower is subject to the satisfaction or waiver by the DIP Lender of the following conditions precedent (the "**Funding Conditions**"):

(a) The DIP Lender shall be satisfied (i) that no material change report shall have been filed by the Monitor suggesting that there is a material impairment to or destruction of any of the Collateral or any material depreciation in the value thereof and (ii) that the Borrower's operations comply, in all material respects, with all applicable laws and regulations;

(b) The Court shall have approved the DIP Order in form and substance reasonably acceptable to the DIP Lender (or its counsel), which shall include the grant by the Court of a superpriority charge in favour of the DIP Lender for the benefit of the DIP Lender (the "**DIP Lender Charge**") on the Collateral, securing all indebtedness, obligations, covenants or liabilities owing by the Borrower to the DIP Lender under this DIP Facility Term Sheet and any other DIP Document including, without limitation, all principal, interest, fees, indemnities and expenses owing to the DIP Lender as set out herein (collectively, the "**DIP Financing Obligations**") and providing, among other things, that the DIP Lender Charge shall have priority on the Collateral over all other Liens and security interests of every kind and nature whatsoever (including without limitation the Existing DIP Lender Charges), other than solely and exclusively the Permitted Priority Liens, and the DIP Order shall not have been stayed, vacated or otherwise amended, restated or modified in any manner that adversely affects the DIP Lender, without the written consent of the DIP Lender;

(c) The DIP Lender (or its counsel) shall be satisfied that (i) the entering into of this DIP Financing Term Sheet and the other DIP Documents, the granting of the DIP Lender Charge, the consummation of the transactions contemplated hereby has been approved by the Borrower and (ii) all parties with security interests in the assets of the Borrower shall have been served notice of the seeking of the DIP Order;

(d) The holders of the Existing DIP Lender Charges shall have consented to the Borrower entering into this DIP Financing Term Sheet and the granting of the DIP Lender Charge in the DIP Order;

(e) The Borrower shall have executed and delivered this DIP Financing Term Sheet together with all other DIP Documents as may be reasonably required by the DIP Lender prior to the making of the Advance;

(f) Since the Filing Date there shall not have occurred any payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or modification of any of the terms thereof, except as permitted by the terms of the Amended and Restated Initial Order;

(g) The DIP Lender shall have valid and perfected superpriority Liens on the Collateral pursuant to the DIP Order and the DIP Lender Charge granted thereby, and there shall be no Liens ranking in priority to the DIP Lender Charge over the property and assets of the Borrower, other than the Permitted Priority Liens;

(h) All reasonable and documented expenses (including all reasonable and documented legal fees and expenses) of the DIP Lender incurred in connection with the DIP Facility (to the extent invoiced prior to the applicable funding date) shall have been paid in full (which expenses may be deducted from the Advance);

(i) All representations and warranties of the Borrower contained herein are true and correct in all material respects; and

(j) the Borrower shall have provided the DIP Lender with a signed Drawdown Request confirming compliance with these conditions and the bank account to which the Advance is to be deposited.

10. DIP FACILITY SECURITY:

All DIP Financing Obligations shall be secured by the DIP Lender Charge that has priority over the Existing DIP Lender Charges. The DIP Lender may but is not required to proceed with the execution, filing or recording of registrations or financing statements.

11. REPAYMENT:

The DIP Facility shall be repayable in full on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured and a demand for repayment in writing having been made by the DIP Lender to the Borrower with a copy to the Monitor (and each of their respective counsel); (ii) the conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); (iii) the appointment of a receiver or a receiver and manager of the Borrower; (iv) the effective date of any confirmed plan of reorganization or arrangement by the CCAA Court; (v) the sale of all or substantially all of the Collateral; (vi) the implementation of a sale transaction pursuant to the Strategic Process, if one is undertaken by the Borrower; and (vii) December 31, 2020 (the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the DIP Lender in its sole discretion for such period and on such terms and conditions as the Borrower, the DIP Lender and, in the case of any material amendments to the terms hereof, the Monitor, may agree.

12. DIP BUDGET AND VARIANCE REPORTING:

Within 2 Business Days of the execution of this DIP Financing Term Sheet, the Borrower shall provide to the Monitor a draft DIP Budget (the "**Draft DIP Budget**"). The Monitor, as the appointed court officer in the CCAA Proceeding, shall review the Draft DIP Budget. Within two (2) Business Days of receipt of the Draft DIP Budget, the Monitor shall determine, in its sole discretion, whether it is satisfied that the DIP Budget is reasonable in the circumstances and shall provide to the Borrower either: (i) the Monitor's written approval of the Draft DIP Budget, or (ii) written notice stating that the Draft DIP Budget is not acceptable and setting out the reasons why such Draft DIP Budget is not acceptable.

The Draft DIP Budget and DIP Budget will only be accepted by the Monitor if it conforms with principles agreed to by the DIP Lender and the Borrower, both acting reasonably. These principles are to be agreed within two (2) Business Days of the execution of this document. Notwithstanding the foregoing, if and when the Existing Litigation has been resolved, the DIP Lender shall have the right to review and approve the DIP Budget. For greater certainty, for the purposes of this agreement, the Existing Litigation will be finally resolved when the parties have exchanged fully executed full and final mutual release or there has been a final Order of the Court disposing of the Existing Litigation.

Subsequent to the Borrower's receipt of written approval from (i) the Monitor and (ii) the DIP Lender, if and when the Existing Litigation has been finally resolved, the Draft DIP Budget shall thereafter be the DIP Budget referenced in this DIP Financing Term Sheet until such time as a revised DIP Budget has been approved by (i) the Monitor in accordance with this Section 12, and (ii) if and when the Existing Litigation has been finally resolved, the DIP Lender.

For the avoidance of doubt, at no time shall the Draft DIP Budget or the DIP Budget be disclosed to the DIP Lender prior to the final resolution of the Existing Litigation.

The Borrower may update and propose a revised DIP Budget to the Monitor no more frequently than every two weeks (unless otherwise consented to by the Monitor), in each case to be delivered to the Monitor no earlier than the Friday of the second week following the date of the delivery of the prior DIP Budget. If the Monitor, in its sole discretion, finds the revised DIP Budget to be reasonable in the circumstances, the Monitor shall provide to the Borrower its written approval of the revised DIP Budget. If the Monitor determines that the proposed revised DIP Budget is not acceptable, it shall, within four (4) Business Days of receipt thereof, provide written notice to the Borrower (and its legal counsel) stating that the proposed revised DIP Budget with respect to matters relating to its ongoing operations is not acceptable and setting out the reasons why such revised DIP Budget is not acceptable, and until the Borrower has delivered a revised DIP Budget acceptable to the Monitor, the prior DIP Budget shall remain in effect. For the avoidance of doubt, no revised DIP Budget shall take effect absent specific written approval by the Monitor. If and after the Existing Litigation has been finally resolved, the DIP Lender shall have the same rights as the Monitor to receive, review and approve each revised DIP

Budget.

At any time, the latest DIP Budget accepted by the Monitor and, if and after the Existing Litigation has been resolved, the DIP Lender, shall be the DIP Budget for the purpose of this DIP Financing Term Sheet.

On the last Business Day of every second week, the Borrower shall deliver to the Monitor and its counsel and, if and after the Existing Litigation has been resolved, to the DIP Lender, a variance calculation with respect to matters (the "**Variance Report**") setting forth (i) actual receipts and disbursements for the preceding two-week period and (ii) actual receipts and disbursements on a cumulative basis since the beginning of the period covered by the then-current DIP Budget, in each case as against the then-current DIP Budget, and setting forth all the variances, on an aggregate basis in comparison to the amounts set forth in respect thereof in the DIP Budget; each such Variance Report to be promptly discussed with the Monitor and DIP Lender

The Monitor may engage in qualitative discussion with the DIP Lender with respect to the Borrower's operations, however no financial or confidential information will be disclosed therein unless the Existing Litigation has been finally resolved. Prior to the final resolution of the Existing Litigation, all inquiries from the DIP Lender must be provided in writing to the Monitor at least one (1) business day ahead of such discussion.

13. PREPAYMENTS:

The Borrower may, without premium or penalty, prepay any amounts outstanding under the DIP Facility at any time prior to the Maturity Date. Any amount repaid may not be reborrowed.

Any amount repaid under the DIP Facility shall be applied *first* towards accrued and unpaid interest, and *second* towards principal of amounts outstanding.

14. CURRENCY:

If any payment is received by the DIP Lender hereunder in a currency other than Canadian dollars, or, if for the purposes of obtaining judgment in any court it is necessary to convert a sum due in Canadian dollars (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties hereby agree, to the fullest extent permitted by Applicable Law, that the rate of exchange used shall be the rate at which the applicable DIP Lender is able to purchase the Original

Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which such payment is made or final judgment is given.

15. REPRESENTATIONS AND WARRANTIES:

The Borrower represents and warrants to the DIP Lender, upon which the DIP Lender is relying in entering into this DIP Financing Term Sheet, that:

(a) The transactions contemplated by this DIP Financing Term Sheet and the other DIP Documents:

(i) are within the corporate power of the Borrower;

(ii) have been duly executed and delivered by or on behalf of the Borrower;

(iii) upon the granting of the DIP Order, shall constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms;

(iv) upon the granting of the DIP Order, do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party; and

(v) will not violate the articles or by-laws of the Borrower or any Applicable Law.

(b) The Collateral is free and clear of all Liens other than Permitted Liens and, upon the granting of the DIP Order, the DIP Lender Charge;

(c) None of the reports, financial statements, certificates or other written information furnished by or on behalf of the Borrower to the DIP Lender or its advisors in connection with the negotiation of this DIP Financing Term Sheet or delivered with respect thereto (as modified or supplemented by other information so furnished), contains any misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading.

(d) The business operations of the Borrower have been and will continue to be conducted in material compliance with all laws of each jurisdiction in which the business has been or is carried out;

(e) The Borrower has obtained and is in material compliance with all material licences and permits (save as may be subject to the Existing Litigation) required for the operation of its business, which licences and permits remain in full force and effect and no proceedings have been commenced or threatened to revoke or amend any of such licences or permits (except to the extent that such licences or permits are the subject of the Existing Litigation);

(f) The Borrower has, in respect of all prior fiscal periods (i) filed all tax returns, except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred and (ii) paid all taxes owing for all prior fiscal periods except for any taxes that are not yet due and payable or that are being diligently contested in good faith by the Borrower and for which sufficient reserves have been set aside;

(g) The Borrower has been duly formed and is validly existing under the law of its jurisdiction of incorporation;

(h) The Borrower maintains adequate insurance coverage, as is customary with companies in the same or similar business (except with respect to directors' and officers' insurance in respect of which no representation is made regarding adequacy of coverage) of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;

(i) The Borrower has maintained and paid current its obligations for Crown royalty, payroll, source deductions, harmonized, goods and services and retail sales tax, and all other applicable taxes, and is not in arrears of its statutory obligations to pay or remit any amount in respect of these obligations;

(j) The Borrower has not entered into any material transaction or other written contractual relationship with any related party except as publicly-disclosed by the Borrower or disclosed to the DIP Lender in writing prior to the effective date of this DIP Financing Term Sheet.

(k) All material payments to shareholders, directors and senior executives of the Borrower or any related party, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, to the extent known and contemplated for future payments, will be included in the DIP Budget provided to, and approved by, the Monitor;

(l) Other than as stayed pursuant to the Amended and Restated Initial Order, and save and except for the Existing Litigation, there is not now pending or, to the knowledge of any of the senior officers or directors of the Borrower, threatened against the Borrower, nor has the Borrower received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body;

(m) All material contracts to which the Borrower is a party are in full force and effect and are valid, binding and enforceable in accordance with their terms and the Borrower has no knowledge of any default that has occurred and is continuing thereunder (other than those defaults arising as a result of the commencement of the CCAA Proceedings and matters which are the subject of the Existing Litigation);

(n) The Borrower is and remains in compliance with the Court Orders;

(o) The Borrower is not liable for any indebtedness for borrowed money, except as disclosed in the CCAA Proceedings; and

(p) The Borrower is not aware of, and has confirmed that the Monitor is not aware of, any Event of Default hereunder or any matter which, with the passage of time, would constitute an Event of Default.

16. AFFIRMATIVE COVENANTS:

The Borrower agrees to do, or cause to be done, the following, unless otherwise consented to or waived in writing by the DIP Lender:

(a) The Borrower shall serve its motion for the DIP Order on all parties requested by the DIP Lender (which service will be less than service notice required by the Rules of Civil Procedure), and shall include an application by the Borrower requesting that the Court order that the DIP Lender Charge shall rank in priority to the Liens or claims of any such parties;

(b) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrower and the CCAA Proceedings, including all matters relating to the Strategic Process, if one is undertaken, in each case subject to disclosure restrictions contained in the Strategic Process and excluding information relating to the Borrower's conduct of the Existing Litigation, including any requirement for confidentiality agreements thereunder;

(c) Deliver to the DIP Lender's advisors the reporting and other information (other than any such information relating to the Existing Litigation) reasonably requested by them from time to time as set out in this DIP Financing Term Sheet;

(d) Use the proceeds of the DIP Facility only in accordance with Section 8 and in accordance with the restrictions set out herein and pursuant to the DIP Budget;

(e) Comply with the terms of the Strategic Process, if any, the Amended and Restated Initial Order, the DIP Order, the Strategic Process Order (if and when obtained), and all other orders of the Court entered in connection with the CCAA Proceedings (collectively, the "**Court Orders**" and each a "**Court Order**");

(f) Preserve, renew and keep in full force its corporate existence;

(g) Conduct its business in accordance with the DIP Budget (subject to the Permitted Variance);

(h) Promptly notify the DIP Lender of the occurrence of any Event of Default or any event which with the passing of time, the giving of notice or the occurrence of conditions could become an Event of Default;

(i) Comply in all material respects with Applicable Law, except to the extent not required to do so pursuant to the Amended and Restated Initial Order, the DIP Order or any other Court Order;

(j) Provide the DIP Lender's counsel with draft copies of all material motions, applications or proposed orders that the Borrower intends to file in the CCAA Proceedings (other than motions, applications or proposed orders related to or brought in connection with the Existing Litigation) as soon as is reasonably practicable in advance of the service of such materials to the service list in respect of the CCAA Proceedings; provided that all such filings by the Borrower during the term of the DIP Facility shall be in form and substance reasonably acceptable to the DIP Lender and its counsel to the extent that any such filings affect the rights and interests of the DIP Lender or seek to create or amend the Strategic Process, if any;

(k) Take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating to the extent that it would materially affect the rights and interests of the DIP Lender, but solely in its capacity as DIP Lender or the Strategic Process, if any;

(l) Comply with the DIP Budget subject to the Permitted Variance;

(m) Promptly provide notice to the DIP Lender and its counsel, and keep them otherwise apprised, of any material developments in respect of any material contract and of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Borrower, in each case, excluding any relating to the Borrower's conduct of the Existing Litigation;

(n) At all times maintain adequate insurance coverage as is customary in the same or similar business of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;

(o) Pay all DIP Lender's costs and expenses no less frequently than every two weeks following the delivery of a redacted invoice to the Borrower, provided that the DIP Lender shall provide reasonable estimates of such expenses for purposes of the DIP Budget. The Monitor shall be entitled to ask questions of the DIP Lender or its counsel in connection with any review of the fees as set out in Section 7 hereof;

(p) Promptly upon becoming aware thereof, provide details of the following (other than as relates to the Existing Litigation) to the DIP Lender: (i) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against the Borrower, by or before any court, tribunal, Governmental Authority or regulatory body, which would be reasonably likely to result, individually or in the aggregate, in a judgment in excess of $250,000, to the extent not stayed by the Court Orders, and (ii) any default or dispute with respect to any of its material contracts, to the extent enforcement thereof is not stayed by the Court Orders;

(q) promptly on becoming aware of same, advise the DIP Lender and the Monitor of any Event of Default pursuant to the Existing DIP Documents, or any Event of Default hereunder; and

(r) In the event that the Borrower wishes to undertake a Strategic Process, all material aspects of same, including without limitation timeframes and milestones, shall be reasonably acceptable to the DIP Lender, or as ordered by the Court.

17. NEGATIVE COVENANTS:

The Borrower covenants and agrees not to do, and to cause not to be done, the following, other than with the prior written consent of the DIP Lender:

(a) Transfer, lease or dispose of all or any material part of its property, assets or undertaking outside of the ordinary course of business, except such asset sales or dispositions as are permitted pursuant to the Amended and Restated Initial Order or other Court Order as may be obtained in the CCAA Proceeding;

(b) Make any payment, including, without limitation, any payment of principal, interest or fees, in respect of pre-filing indebtedness, or in respect of any other pre-filing liabilities, except such amounts as are permitted to be paid pursuant to the Amended and Restated Initial Order or other Court Order and provided that the aggregate amount of all such pre-filing amounts shall not exceed the amount set out in the DIP Budget;

(c) Create or permit to exist any indebtedness other than (A) the indebtedness existing as of the date hereof, (B) the DIP Financing Obligations and (C) post-filing trade payables or other unsecured obligations incurred in the ordinary course of business in accordance with the DIP Budget (subject to the Permitted Variance);

(d) Make (i) any distribution, dividend, return of capital or other distribution in respect of, or any redemption of, equity securities (in cash, securities or other property or otherwise) or (ii) a retirement, redemption, purchase or repayment or other acquisition of equity securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon);

(e) (i) Enter into, renew, amend or modify any transaction or contractual relationship with any related party or (ii) make any payment with respect to, or perform any obligation under, an agreement with a related party other than in accordance with the

DIP Budget (subject to the Permitted Variance);

(f) Make any loans, advances, financial assistance, capital contribution, investments or acquisitions whether direct or indirect, other than as reflected in the DIP Budget;

(g) Pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of legal, financial or other advisor of any party unless such fees, expenses or disbursements, as applicable, are reviewed and confirmed in advance by the DIP Lender, except for (i) fees, expenses and disbursements of the Monitor and its legal counsel, (ii) fees, expenses and disbursements of the legal counsel (and other advisors) retained by Borrower in connection with the conduct of the CCAA Proceeding and the Existing Litigation, which fees, expenses and disbursements shall be incurred in accordance with the DIP Budget, and (iii) fees, expenses and disbursements of the legal, financial and other advisors of the DIP Lender set out in Section 7 hereof;

(h) Create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;

(i) Make any payments or expenditures (including capital expenditures) other than in accordance with the DIP Budget (subject to the Permitted Variance);

(j) Terminate any material contract or amend any material contract (including the documents governing the Existing DIP Lender Charges) in any material manner except (i) with the prior consent of the DIP Lender, acting reasonably or (ii) as a result of a Court Order made in connection with, or binding settlement of, the Existing Litigation;

(k) Amalgamate, consolidate with or merge into or sell all or substantially all of its assets to another entity, or change its corporate or capital structure (including its organizational documents) or enter into any agreement committing to such actions, unless as permitted by Court order following reasonable notice to the DIP Lender providing full disclosure of any such transaction;

(l) Seek, obtain, support, make or permit to be made any Court Order or any material change, amendment or modification to any Court Order affecting the DIP Lender, solely in its capacity as DIP Lender, except with the prior written consent of the DIP Lender;

(m) Enter into any material settlement agreement or agree to any material settlement arrangements with any Governmental Authority or regulatory authority or in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them (other than with respect to the Existing Litigation or any matter to which the DIP Lender or its affiliates is a party) without prior consultation with the DIP Lender, or make any payments or repayments to customers, outside the ordinary course of business, other than those set out in the DIP Budget (for the avoidance of doubt, the required consultation with the DIP Lender does not require the DIP Lender's consent or agreement to any proposed settlement);

(n) Without the approval of the Court or the prior written consent of the DIP Lender in its sole discretion, cease to carry on its business or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of its operations or business;

(o) change any of its organizational documents, its name, fiscal year end or accounting standards, other than those required by any governing regulator;

(p) Seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction;

18. EVENTS OF DEFAULT: The occurrence of any one or more of the following events shall constitute an event of default (each an "**Event of**

Default") under this DIP Financing Term Sheet:

(a) Failure by the Borrower to pay: (i) principal, interest or other amounts within three (3) Business Days of such amounts becoming due under this DIP Financing Term Sheet; or (ii) costs and expenses of the DIP Lender in accordance with Section 7 hereof within ten (10) Business Days of receiving an invoice therefor;

(b) Failure by the Borrower to (i) comply with the terms of any Court Order or the Strategic Process, if any, (ii) deliver any Variance Report within three (3) days of the date set out therefor in Section 12 or (iii) perform or comply with any of the other covenants set out herein (other than as set out in paragraph (a) above or in items (i), (ii) and (iii) of this paragraph (b)) and such failure remains unremedied for ten (10) Business Days following receipt of notice thereof from the DIP Lender;

(c) Any representation or warranty by the Borrower made in this DIP Financing Term Sheet or any other DIP Document is or proves to be incorrect or misleading in any material respect as of the date made;

(d) Issuance of a Court Order: (i) dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against the Borrower or the Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order against or in respect of the Borrower, in each case which order is not stayed pending appeal thereof, and other than in respect of a non-material asset not required for the operations of the Borrower's business; (ii) granting any other Lien in respect of the Collateral that is in priority to or pari passu with the DIP Lender Charge other than for any Permitted Priority Liens, or (iii) staying, reversing, vacating or otherwise modifying this DIP Financing Term Sheet, any other DIP Document or the DIP Lender Charge, in each case unless otherwise consented to by the DIP Lender;

(e) Unless consented to in writing by the DIP Lender, the expiry without further extension of the stay of proceedings provided for in the Amended and Restated Initial Order;

(f) As at the date of any Variance Report, there shall exist a net negative variance (excluding in respect of Restructuring Costs, which include but are not limited to professional fees related to the Existing Litigation) from the DIP Budget in excess of 10% (the "**Permitted Variance**") on a cumulative basis since the beginning of the period covered by the then current DIP Budget issued hereunder; or

(g) The DIP Lender Charge shall cease to be a valid, perfected and enforceable superpriority Lien senior to all other Liens other than Permitted Priority Liens;

(h) The denial or repudiation by the Borrower of the legality, validity, binding nature or enforceability of this DIP Financing Term Sheet, any other DIP Document or the DIP Lender Charge; or

(i) The occurrence of any Event of Default pursuant to the Existing DIP Documents.

19. REMEDIES:

Upon the occurrence of an Event of Default, the DIP Lender, may upon not less than five (5) days' prior written notice to the Borrower and the Monitor, and otherwise subject to the provisions of the Court Orders, declare the DIP Financing Obligations to be immediately due and payable and may thereafter, exercise any and all of its rights and remedies against the Borrower or the Collateral under or pursuant to this DIP Financing Term Sheet, the other DIP Documents and the DIP Lender Charge, including, without limitation:

(a) apply to a court for appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Borrower and for the appointment of a trustee in bankruptcy of the Borrower;

(b) set-off or consolidate any amounts then owing by the DIP Lender to the Borrower against the obligations of the Borrower to the DIP Lender (in its capacities as such) hereunder; and

(c) subject to obtaining an order from the Court granting leave to exercise such remedies on at least two Business Days' notice to the Borrower and the Monitor, exercise all such other rights and remedies under this Agreement, the Court Orders and Applicable Law; and

(d) subject to obtaining prior approval from the Court, exercise the powers and rights of a secured party under the *Personal Property Security Act* (Ontario), or any legislation of similar effect.

20. INDEMNITY AND RELEASE:

The Borrower agrees to indemnify and hold harmless each of the DIP Lender, its affiliates and their respective directors, officers, employees, advisors and agents (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings, claims, losses, damages and liabilities of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person as a result of or arising out of or in any way related to the DIP Facility, this DIP Financing Term Sheet or any other DIP Document and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, the Borrower shall not be obligated to indemnify any Indemnified Person against any loss, claim, damage, expense or liability (x) to the extent it resulted from the gross negligence, wilful misconduct or intentional breach of such Indemnified Person as finally determined by a court of competent jurisdiction, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Borrower. The Borrower shall not be responsible or liable to any Indemnified Person or any other person for consequential damages, loss of profits or punitive damages. For greater certainty, the foregoing indemnification shall not apply in respect of the Existing Litigation.

21. DIP LENDER'S APPROVALS:

Any consent, agreement, amendment, approval, waiver or instruction of the DIP Lender to be delivered hereunder, may be delivered by any written instrument, including by way of electronic mail, by counsel on behalf of the DIP Lender.

22. FURTHER

The Borrower shall, at its expense, from time to time do,

ASSURANCES:	execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Financing Term Sheet, any other DIP Document and the DIP Lender Charge.
23. ENTIRE AGREEMENT; CONFLICT:	This DIP Financing Term Sheet together with the other DIP Documents, including any schedules thereto, constitute the entire agreement between the parties relating to the subject matter hereof.
24. AMENDMENTS, WAIVERS, ETC.:	No amendment of any provision of the DIP Documents shall be effective unless agreed to by the Borrower and the DIP Lender and, in the case of any material amendment, the Monitor. No waiver or delay on the part of a Party in exercising any right or privilege hereunder or under any other DIP Document will operate as a waiver hereof or thereof unless made in writing by the other Party and delivered in accordance with the terms of this DIP Financing Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.
25. ASSIGNMENT:	The DIP Lender may, without notice or consent of the Borrower, assign this DIP Financing Term Sheet, the other DIP Documents and its rights and obligations hereunder or thereunder, in whole or in part, to any Person; provided that, if such assignment is to a Person that is not affiliated with the DIP Lender such assignment shall require the consent of the Borrower (not to be unreasonably withheld or delayed) unless an Event of Default has occurred and is continuing, in which case no such consent shall be required (subject in all cases to the assignee providing notice to the Borrower and the Monitor to confirm such assignment). Neither this DIP Financing Term Sheet, any other DIP Document nor any right or obligation hereunder or thereunder may be assigned by the Borrower.
26. TAXES:	All payments by the Borrower under the DIP Documents, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future

imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively "**Taxes**"); provided, however, that if any Taxes are required by Applicable Law to be withheld ("**Withholding Taxes**") from any amount payable to a DIP Lender under the DIP Documents, the amount so payable to such DIP Lender shall be increased to the extent necessary to yield to such DIP Lender on a net basis after payment of all Withholding Taxes, the amount payable under the DIP Documents at the rate or in the amount specified herein and the Borrower shall provide evidence satisfactory to such DIP Lender that the Taxes have been so withheld and remitted.

27. PRESS RELEASES: The Borrower shall not issue any press releases naming the DIP Lender without such DIP Lender's prior approval.

28. SEVERABILITY: Any provision in this DIP Financing Term Sheet which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

29. NO THIRD PARTY BENEFICIARY: No person, other than the Borrower, the DIP Lender and the Indemnified Parties, is entitled to rely upon this DIP Financing Term Sheet or the other DIP Document and the parties expressly agree that this DIP Financing Term Sheet and the other DIP Document does not confer rights upon any other party.

30. COUNTERPARTS AND FACSIMILE SIGNATURES: This DIP Financing Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission including "pdf email", each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

31. NOTICES: Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the such Person at its address set out on its signature page hereof. Any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel.

Any such notice shall be deemed to be given and received when received, unless received after 5:00 Eastern Time or on a day other than a Business Day, in which case the notice

	shall be deemed to be received the next Business Day.
32. GOVERNING LAW:	This DIP Financing Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[signature pages follow]

IN WITNESS HEREOF, the parties hereby execute this DIP Financing Term Sheet as at the date first above mentioned.

DIP LENDER:

UBIQUITI NETWORKS CANADA INC.

Per: Hartley Nisenbaum
Name: Hartley Nisenbaum
Title: Authorized Signatory
I have authority to bind the corporation.

BORROWER:

PERASO TECHNOLOGIES INC.

Per: ________________________________

Name: Ron Glibbery

Title: CEO

I have authority to bind the corporation.

SCHEDULE A

DEFINED TERMS

"**Administration Charge**" means an administration charge in an aggregate amount not to exceed $725,000 which shall rank in priority to the DIP Lender Charge and the D&O Charge, pursuant to the Order.

"**Amended and Restated Initial Order**" means the amended and restated initial order of the Court issued June 12, 2020 in connection with the CCAA Proceedings, which among other things, expanded the Borrower's restructuring authority and the Monitor's ability to assist with the Borrower's restructuring efforts and extended the stay of proceedings to and including September 4, 2020 or such other date as determined by the Court.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law and binding on such Person.

"**Borrower**" has the meaning given thereto in the Recitals.

"**Business Day**" means any day other than a Saturday, Sunday or any other day in which banks in Toronto, Ontario are not open for business.

"**CCAA**" has the meaning given thereto in the Recitals.

"**CCAA Proceedings**" has the meaning given thereto in the Recitals.

"**Collateral**" means all of the Borrower's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof.

"**Court**" has the meaning given thereto in the Recitals.

"**Court Order**" and "**Court Orders**" have the meanings given thereto in Section 16(e).

"**DIP Budget**" means the eight (8) week financial projections prepared by the Borrower covering the period commencing on the week beginning August 29, 2020 and ending on the week ending October 23, 2020, which shall be in form and substance reasonably acceptable to the Monitor and if the Existing Litigation is finally resolved, to the DIP Borrower, which financial projections may be amended from time to time in accordance with Section 12.

"**DIP Documents**" means, this DIP Financing Agreement, and all other instruments, agreements and documents from time to time executed and delivered to the DIP Lender in connection with the DIP Financing Agreement.

"**DIP Facility**" has the meaning given thereto in Section 4.

"**DIP Financing Obligations**" has the meaning given thereto in Section 9.

“**DIP Lender**” has the meaning given thereto in Section 2.

“**DIP Lender Charge**” has the meaning given thereto in Section 9(b).

“**DIP Order**” means the order of the Court approving the DIP Facility.

“**D&O Charge**” means a directors and officers liability charge in an amount not to exceed $650,000 which shall rank behind the Administration Charge, pursuant to the Amended and Restated Initial Order and DIP Order.

“**Event of Default**” has the meaning given thereto in Section 18.

“**Existing DIP Documents**” means (i) the debtor-in-possession financing agreement between the Borrower and Roadmap Capital General Partner Ltd., Roadmap Peraso LP III (U.S. and Offshore) and XCOM Labs, Inc. dated June 25, 2020; and (ii) the debtor-in-possession financing agreement between the Borrower and Roadmap Capital General Partner Ltd. and Roadmap Peraso LP III (U.S. and Offshore) dated August 18, 2020.

“**Existing DIP Lender Charges**” means the DIP Lender Charges previously granted in the CCAA Proceedings pursuant to the Court’s orders dated July 2, 2020 and August 19, 2020.

“**Existing Litigation**” means, collectively, the “Licence Litigation” and the “Oppression Litigation”, as each term is defined in the Affidavit of Ronald Glibbery sworn June 2, 2020 in support of the Borrower’s application for an initial CCAA order.

“**Facility Amount**” has the meaning given thereto in Section 4.

“**Filing Date**” means the date of commencement of the CCAA Proceedings.

“**Funding Conditions**” has the meaning given thereto in Section 9.

“**Governmental Authority**” means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

“**Indemnified Persons**” has the meaning given thereto in Section 20.

“**Liens**” means all liens, hypothecs, charges, mortgages, trusts, deemed trusts (statutory or otherwise), encumbrances and security interests of every kind and nature whatsoever.

“**Maturity Date**” has the meaning given thereto in Section 11.

“**Monitor**” means Ernst & Young Inc., in its capacity as the court-appointed monitor in the CCAA Proceedings pursuant to the Amended and Restated Initial Order.

“**Original Currency**” has the meaning given thereto in Section 14.

“**Other Currency**” has the meaning given thereto in Section 14.

"**Permitted Liens**" means (i) Permitted Priority Liens, (ii) the DIP Lender Charge, (iii) the Existing DIP Lender Charges, (iv) the D&O Charge, (v) validly perfected Liens existing prior to the date hereof as in effect on the date hereof; and (vi) inchoate statutory Liens arising after the Filing Date in respect of any accounts payable arising after the Filing Date in the ordinary course of business, subject to the obligation to pay all such amounts as and when due.

"**Permitted Priority Liens**" means the (i) the Administration Charge, (ii) the D&O Charge, (iii) Liens in respect of claims that are individually and in the aggregate immaterial, solely to the extent such Liens are not registered under a personal property registry system and (iv) any amounts payable by the Borrower for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of input credits), income tax and workers compensation claims, in the case of this item (iv) solely to the extent such amounts are given priority by Applicable Law and only to the extent that the priority of such amounts have not been subordinated to the DIP Lender Charge pursuant to the Court Orders.

"**Permitted Variance**" has the meaning given thereto in Section 18(f).

"**Person**" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, unlimited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"**Strategic Process**" means a Sales and Investment Solicitation Process, if any is undertaken by the Borrower, in form and substance reasonably acceptable to the DIP Lender or its counsel, or in such amended form as is reasonably acceptable to the Borrower and the DIP Lender (or their respective counsel) or as may be ordered by the Court following reasonable notice to the DIP Lender providing full disclosure of any such proposal.

"**Strategic Process Order**" means an order of the Court approving the Strategic Process, in form and substance reasonably acceptable to the DIP Lender, or as may be ordered by the Court following reasonable notice to the DIP Lender providing full disclosure of any such proposal.

"**Variance Report**" has the meaning given thereto in Section 1.

This is
EXHIBIT "E"
referred to in the affidavit of
RONALD GLIBBERY
dated September 2, 2020

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Commissioner for taking affidavits

[This exhibit has been redacted in its entirety]

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[This exhibit has been redacted in its entirety]

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Court File No.: CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

AFFIDAVIT OF RONALD GLIBBERY
AFFIRMED SEPTEMBER 2, 2020

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

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Fax: (416) 947-0866

Lawyers for the Applicant, Peraso Technologies Inc.

TAB 3

Court File No. CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 2ND
	)	
JUSTICE HAINEY	)	DAY OF SEPTEMBER, 2020

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

(the "**Applicant**")

ORDER
(Approval of Third DIP Agreement)

THIS MOTION, made by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), proceeded on this day by way of videoconference due to the COVID-19 crisis.

ON READING the unredacted affidavit of Ronald Glibbery affirmed September 2, 2020 (the "**Eight Glibbery Affidavit**") and the Exhibits thereto, the unredacted Sixth Report of Ernst & Young Inc., in its capacity as Monitor (the "**Monitor**"), dated September 2, 2020 (the "**Sixth Report**"), and on hearing the submissions of counsel for the Applicant and counsel for Ernst & Young Inc., in its capacity as monitor (the "**Monitor**"), and those other parties listed on the counsel slip;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that the stay period referred to in the Amended and Restated Initial Order of the Honourable Justice Hainey dated June 12, 2020 (the "**Amended and Restated Initial Order**") is extended until and including October 2, 2020 in respect of the Applicant.

DIP FINANCING

3. **THIS COURT ORDERS** that, notwithstanding any prior Orders in these proceedings, the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Ubiquiti Networks Canada Inc. (the "**Third DIP Lender**") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, all as specifically provided for in the Third DIP Agreement (as defined in paragraph 4 hereof).

4. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the DIP Financing Term Sheet between the Applicant and the Third DIP Lender dated as of September 2, 2020 (the "**Third DIP Agreement**"), filed.

5. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Third DIP Definitive Documents**"), as are contemplated by the Third DIP Agreement or as may be reasonably required by the Third DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Third DIP Lender under and pursuant to the Third DIP Agreement and the Third DIP Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

6. **THIS COURT ORDERS** that, notwithstanding any prior Orders in these proceedings, the Third DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Third DIP Lender's Charge**") on all the assets, property and undertaking of the Applicant (the "**Property**"), which Third DIP Lender's Charge shall not secure an obligation that exists before

this Order is made. The Third DIP Lender's Charge shall have the priority set out in paragraphs 9 and 11 hereof.

7. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the Third DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Third DIP Lender's Charge or any of the Third DIP Definitive Documents;

(b) upon the occurrence of an event of default under the Third DIP Agreement, on no less than two business days' notice to the Applicant and the Monitor, the Third DIP Lender may apply to the Court to exercise any and all of its rights and remedies against the Applicant or the Property (as that term is defined in the Amended and Restated Initial Order) under or pursuant to the Third DIP Agreement, Third DIP Definitive Documents and the Third DIP Lender's Charge; and

(c) the foregoing rights and remedies of the Third DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

8. **THIS COURT ORDERS AND DECLARES** that the Third DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act of Canada* (the "**BIA**"), with respect to any advances made under the Third DIP Agreement.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

9. **THIS COURT ORDERS** that, notwithstanding any prior Orders in these proceedings, the priorities of the Administration Charge and the Directors' Charge (as each of those terms is defined in the Amended and Restated Initial Order), the DIP Lenders' Charge (as that term is defined in the Approval of DIP Agreement & Extension of the Stay of Proceedings Order granted July 2, 2020), the Second DIP Lenders' Charge (as that term is defined in the Approval of Second DIP Agreement Order granted August 20, 2020) and the Third DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $725,000);

Second - Directors' Charge (to the maximum amount of $650,000);

Third – Third DIP Lender's Charge;

Fourth – Second DIP Lenders' Charge; and

Fifth - DIP Lenders' Charge.

10. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the Directors' Charge, the Third DIP Lender's Charge, the Second DIP Lenders' Charge or the DIP Lenders' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

11. **THIS COURT ORDERS** that each of the Administration Charge, the Directors' Charge, the Third DIP Lender's Charge, the Second DIP Lenders' Charge and the DIP Lenders' Charge shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**").

12. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Administration Charge, the Directors' Charge, the Third DIP Lender's Charge, the Second DIP Lenders' Charge or the DIP Lenders' Charge, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Administration Charge, the Directors' Charge, the Third DIP Lender's Charge, the Second DIP Lenders' Charge and the DIP Lenders' Charge, or further Order of this Court.

13. **THIS COURT ORDERS** that the Third DIP Agreement, the Third DIP Definitive Documents and the Third DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Third DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Third DIP Lender's Charges nor the execution, delivery, perfection, registration or performance of the Third DIP Agreement or the Third DIP Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

(b) the Third DIP Lender shall have no liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Third DIP Agreement, the creation of the Third DIP Lender's Charge, or the execution, delivery or performance of the Third DIP Definitive Documents; and

(c) any payments made by the Applicant pursuant to this Order, the Third DIP Agreement or the Third DIP Definitive Documents, and the granting of the Third DIP Lender's Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

14. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SEALING

15. **THIS COURT ORDERS** that the unredacted Eight Glibbery Affidavit and the exhibits thereto and the unredacted Sixth Report are hereby sealed and shall not form part of the public record until further order of the Court.

GENERAL

16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

17. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

18. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date it is made without any need for entry and filing.

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Court File No.: CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

ORDER
(Approval of Third DIP Agreement)

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

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MOTION RECORD
(RETURNABLE SEPTEMBER 2, 2020)

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