

**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

**MOTION RECORD
(Re: Settlement Approval)
(Returnable October 14, 2020)**

October 9, 2020

STIKEMAN ELLIOTT LLP

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Technologies Inc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
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B.	Affidavit of Ronald Glibbery affirmed October 1, 2020 (without exhibits)
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TAB 1

**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

**NOTICE OF MOTION
(Re: Settlement Approval)
(Returnable October 14, 2020)**

Peraso Technologies Inc. will make a motion to Justice Hailey of the Ontario Superior Court of Justice (Commercial List) on Wednesday, October 14, 2020 at 9:30 a.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 Maria Konyukhova if you intend to join the hearing of this motion by emailing mkonyukhova@stikeman.com.

PROPOSED METHOD OF HEARING:

This motion is to be heard by videoconference.

THE MOTION IS FOR:

1. An Order, substantially in the form contained at Tab 3 of the Applicant's Motion Record, that approves the settlement agreement (the "**Settlement Agreement**") between the Applicant and Ubiquiti Inc. ("**Ubiquiti**") dated as of October 9, 2020.

THE GROUNDS FOR THIS MOTION ARE:

Background

2. 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") on account of a looming liquidity crisis caused by, amongst other things, protracted disputes and multi-jurisdictional litigation with Ubiquiti and certain of its affiliates (such litigation, the "**Ubiquiti Litigation**");

3. On July 6 and 7, 2020, Peraso entered into mediation with Ubiquiti with a view to resolving the Ubiquiti Litigation;

4. The mediation did not result in an immediate settlement of the Ubiquiti Litigation, but Peraso and Ubiquiti continued to discuss a potential resolution of the Ubiquiti Litigation after the mediation;

5. On September 2, 2020, Peraso and Ubiquiti entered into a non-binding settlement term sheet that set the framework for a universal settlement of the Ubiquiti Litigation;

6. Peraso and Ubiquiti continued to negotiate and, by the end of September, had reached an agreement as between themselves on all major aspects of a settlement agreement;

7. On October 2, 2020, this Court granted a stay extension to October 30, 2020 to, among other things, allow Peraso to continue discussions with certain third parties whose consent was required for a full and final settlement agreement;

8. On October 9, 2020, the remaining barriers to a full and final settlement between Peraso and Ubiquiti were resolved, and the parties entered into the Settlement Agreement;

The Settlement Agreement

9. The Settlement Agreement is the result of lengthy and complex negotiations that were, at all material times, conducted under the supervision of the Monitor;

10. The Settlement Agreement provides that Peraso will grant certain licence and manufacturing rights to Ubiquiti and/or its affiliates in connection with certain intellectual property, and in exchange Ubiquiti will provide payments to Peraso;

11. The Settlement Agreement stipulates that, once all conditions precedent are met, Peraso and Ubiquiti are to seek the dismissal of the Ubiquiti Litigation;

12. The Settlement Agreement is conditional upon, among other things, the issuance of an order by this Court approving:

- (a) the Settlement Agreement and the transactions contemplated therein; and
- (b) a declaration that the License and Manufacturing Agreement, along with its schedules, exhibits, appendices and all contracts contemplated thereby, is an agreement to which sections 32(6) and 36(8) of the CCAA (and the similar provisions of the *Bankruptcy and Insolvency Act*) apply, notwithstanding any current or future insolvency proceedings involving Peraso or any sale of its business or intellectual property in accordance with those statutory provisions;

13. The Settlement Agreement is a fair and reasonable resolution to the Ubiquiti Litigation;

14. The Settlement Agreement is the best outcome for Peraso's stakeholders in the circumstances;

Other Grounds

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

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

17. 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 Twelfth Glibbery Affidavit;
- (b) The Ninth Report of the Monitor, to be filed; and
- (c) Such further and other evidence as counsel may advise and this Court may permit.

October 9, 2020

STIKEMAN ELLIOTT LLP
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 5300 Commerce Court West
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 Toronto, Canada M5L 1B9

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Lawyers for the Applicant, Peraso Technologies Inc.

Schedule "A"

ZOOM Particulars

October 14, 2020 at 9:30 a.m. Eastern Time (Toronto)

Zoom Particulars

<https://tgf-ca.zoom.us/j/86296508417?pwd=K2hkMlp5SFRSdUZ2TGljSEtsSzFhZz09>

Meeting ID: 862 9650 8417

Passcode: 362425

One tap mobile

+16473744685,,86296508417# Canada (Toronto) 16475580588,,86296508417#

+Canada (Toronto)

Dial by your location

+1 587 328 1099 Canada (Calgary)

+1 613 209 3054 Canada (Ottawa)

+1 647 374 4685 Canada (Toronto)

+1 778 907 2071 Canada (Vancouver)

+1 204 272 7920 Canada (Winnipeg)

+1 438 809 7799 Canada (Montreal)

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 613 209 3054 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 778 907 2071 Canada

Meeting ID: 862 9650 8417

Find your local number: <https://tgf-ca.zoom.us/j/kSSA8bKr5>

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 OCTOBER 14, 2020)

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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 October 9, 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 (the "**Settlement Approval Order**") attached as Tab 3 of the Motion Record, that, among other things, approves the settlement agreement (the "**Settlement Agreement**") between the Applicant and Ubiquiti Inc. ("**Ubiquiti**") dated as of October 9, 2020.

A. BACKGROUND

4. All capitalized terms used herein but not otherwise defined are as defined in my affidavit affirmed June 2, 2020 (the “**First Glibbery Affidavit**”). A copy of the First Glibbery Affidavit is attached hereto without exhibits and marked as **Exhibit “A”**.

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

7. Peraso’s progress through these CCAA Proceedings is detailed in my previous affidavits, the most recent of which I affirmed on October 1, 2020 (the “**Eleventh Glibbery Affidavit**”). The redacted version of the Eleventh Glibbery Affidavit is attached hereto without exhibits and marked as **Exhibit “B”**. Various other materials related to these CCAA Proceedings are available for download on the Monitor’s website at www.ey.com/ca/peraso.

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

B. THE SETTLEMENT AGREEMENT WITH UBIQUITI

(i) Mediation and the Settlement Term Sheet

9. As described in greater detail in the First Glibbery Affidavit, Ubiquiti and certain of its affiliates commenced multiple proceedings against Peraso and certain other parties in Ontario and the Southern District of New York in early 2020 (such litigation as described in the First Glibbery Affidavit is herein collectively referred to as the “**Ubiquiti Litigation**”).

10. Peraso, under the supervision of the Monitor, has been working diligently to resolve the Ubiquiti Litigation since the start of these CCAA Proceedings. Notably, Peraso entered into mediation with Ubiquiti on July 6 and 7, 2020, with a view to resolving the Ubiquiti Litigation. The mediator was the former Associate Chief Justice Dennis O'Connor, and the Monitor was involved throughout the course of the mediation. Although no settlement arose immediately following the mediation, the parties continued to discuss a potential commercial resolution of the Ubiquiti Litigation after the mediation ended. The Monitor has been closely involved in all post-mediation discussions.

11. A motion originally scheduled for September 1 and 2, 2020 to determine the Ubiquiti Litigation (the "**Determination Motion**") was adjourned in early September¹ when Peraso and Ubiquiti entered into a non-binding settlement term sheet (the "**Settlement Term Sheet**"). The Settlement Term Sheet set the framework for a universal settlement of the Ubiquiti Litigation. At a high level, the Settlement Term Sheet contemplated that Peraso would grant certain rights to Ubiquiti in connection with Peraso's intellectual property, and Ubiquiti would provide payments to Peraso for these rights. To provide Peraso with liquidity pending the conclusion of a proper settlement agreement, Ubiquiti Networks Canada Inc. provided Peraso with DIP financing. This Court approved the DIP financing on September 2, 2020.

12. Peraso and Ubiquiti have been negotiating the details of a universal settlement since entering into the Settlement Term Sheet. Such negotiations have been under the close supervision of and conducted in consultation with the Monitor. As Peraso advised this Court on October 2, 2020, Peraso and Ubiquiti reached an agreement as between themselves on all major aspects of a settlement agreement by the end of September; however, discussions with certain third parties whose consents were required to enter into and implement the settlement agreement remained on-going at that time.

13. Peraso advised this Court on October 2, 2020 that it would continue negotiations with the applicable third parties until the end of day on October 7, 2020. Peraso used this time

¹ The Determination Motion was re-scheduled for October 26 to October 28, 2020. On account of the Settlement Agreement (as defined and discussed below), Peraso plans to vacate this time if the Settlement Agreement is approved and implemented.

successfully and effectively; on October 9, 2020, the remaining barriers to a full a final settlement between Peraso and Ubiquiti were resolved, and the parties entered into the full and final Settlement Agreement (which remains subject to several conditions precedent as outlined below).

(ii) **The Settlement Agreement**

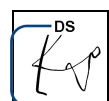
14. The redacted Settlement Agreement (without schedules) is attached hereto and marked as **Exhibit "C"**. The terms of the Settlement Agreement are generally consistent with the Settlement Term Sheet. The Settlement Agreement provides the overall structure through which Peraso will grant certain licence and manufacturing rights to Ubiquiti and/or its affiliates in connection with certain intellectual property and permit Ubiquiti to have certain Peraso components manufactured for Ubiquiti products, and in exchange Ubiquiti will provide payments to Peraso. The payments to be provided by Ubiquiti to Peraso include a one-time US\$5 million payment, which will be satisfied in part by repaying in full the DIP financing provided by Ubiquiti Networks Canada Inc. to Peraso, and future royalty amounts as contemplated by the License and Manufacturing Agreement (as defined in the Settlement Agreement).

15. The Settlement Agreement contemplates a number of agreements through which these transactions will be effected, subject to the satisfaction of certain conditions precedent as set out in the Settlement Agreement. All of the documents are to be executed and held by the Monitor in escrow until the conditions precedent are satisfied, at which time the settlement will become effective and the various documents are to be released from escrow by the Monitor.

16. The License and Manufacturing Agreement is the first such commercial agreement that is incorporated as a schedule to the Settlement Agreement, and it establishes Peraso and Ubiquiti's business relationship going forward. The License and Manufacturing Agreement supersedes and replaces the License and Development Agreement dated December 21, 2018 between Peraso and Ubiquiti, which historically established Peraso and Ubiquiti's business relationship and which was the main subject matter of the Ubiquiti Litigation (specifically, the main issue at stake in the Ubiquiti Litigation was whether the License and Development Agreement was properly terminated by Peraso).

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17. The License and Manufacturing Agreement grants a license to Ubiquiti to use certain of Peraso's intellectual property on certain terms, and grants to Ubiquiti manufacturing rights to permit Ubiquiti to work with the relevant third-party licensors and manufacturers to Peraso to have certain Peraso products manufactured and shipped to Ubiquiti's contract manufacturers. In addition to the up-front payment noted above, Ubiquiti will pay certain royalties to Peraso for every unit of Peraso product that Ubiquiti causes to be manufactured and that is used in a Ubiquiti product. This arrangement benefits both parties. For Peraso, it de-risks the manufacturing process and shifts the costs of same to Ubiquiti, while also contributing to a future revenue stream. Ubiquiti, on the other hand, gains the ability to deal directly with the supply chain to control the manufacturing process for the relevant products.

18. The License and Manufacturing Agreement contains highly sensitive commercial information, including details of the Peraso intellectual property, the names of Peraso's third-party licensors and manufacturers, and the applicable royalty rates—all of which are subject to confidentiality provisions.

19. The second schedule to the Settlement Agreement is an Escrow Agreement between Peraso, Ubiquiti and Praxis Technology Escrow, LLC ("**Praxis**"). The Praxis escrow arrangement is in place to ensure that, among other things, if Peraso at any point in the future is for any reason unable to continue honouring the license and manufacturing rights granted to Ubiquiti in the License and Manufacturing Agreement, Ubiquiti can send a notice to Praxis to gain access the intellectual property materials held in escrow and ensure that it can continue to have product manufactured. The Escrow Agreement contains commercially sensitive and confidential information, including specific lists of intellectual property and names of third-party suppliers.

20. A third schedule to the Settlement Agreement contains a number of "Step-in Rights Authorizations", which are letters or agreements under which Peraso directs certain of its third-party manufacturers to permit Ubiquiti to order specific Peraso components from those manufacturers. In addition to such Step-in Rights Authorizations, Ubiquiti must enter into separate agreements with a number of these third-party manufacturers and others to be able to manufacture the subject products. Each of these Step-in Rights Authorizations and other agreements are commercially sensitive, naming specific Peraso product information and

intellectual property, and Peraso and Ubiquiti must maintain the names of those suppliers and partners in confidence.

21. In the language of the Settlement Agreement, the Settlement Agreement resolves the “Existing Litigation”. The Existing Litigation is defined to include the Ubiquiti Litigation and the Determination Motion. The Settlement Agreement specifies that, when all of the conditions precedent are met and the settlement becomes effective, the parties will seek the dismissal of the Ubiquiti Litigation and that no further action will to be taken to advance the Determination Motion, which will be withdrawn.

22. The Settlement Agreement also includes as a schedule a Full and Final Mutual Release (as defined in the Settlement Agreement), which provides that Ubiquiti and Peraso (and the other defendants involved in the Existing Litigation) mutually and reciprocally release, remise and forever discharge each other of and from all “Claims” (as defined in the Full and Final Release) that they have had or may now have against the other and any Related Parties (as defined in the Full and Final Mutual Release) by reason of any matter relating to Peraso and its business and operations that was raised in the Existing Litigation or that could have been raised in the Existing Litigation based on facts known by such party as at October 8, 2020, save for some limited exceptions noted in the Full and Final Mutual Release.

23. Finally, the Settlement Agreement also attaches as a schedule a form of Shareholders’ Consent, by which certain amendments will be made to the 9th Amended and Restated Unanimous Shareholders’ Agreement for Peraso, having Ubiquiti become a signatory thereto and ensuring that any references therein to the former License and Development Agreement are changed to the License and Manufacturing Agreement.

24. The Settlement Agreement is conditional upon, among other things, the issuance of an order by this Court approving:

- (a) the Settlement Agreement and the transactions contemplated therein; and
- (b) a declaration that the License and Manufacturing Agreement, along with its schedules, exhibits, appendices and all contracts contemplated thereby, is an agreement to which sections 32(6) and 36(8) of the CCAA (and the similar provisions of the *Bankruptcy and Insolvency Act*) apply, notwithstanding any

current or future insolvency proceedings involving Peraso or any sale of its business or intellectual property in accordance with those statutory provisions.

25. The Settlement Agreement is also conditional on execution and delivery of an agreement with one of the third-party manufacturers that has provided a form of Step-in Rights Authorization, which condition Peraso and Ubiquiti expect to be satisfied prior to the hearing of this motion.

26. Once the conditions precedent contained in the Settlement Agreement are satisfied, then the Monitor will release the various commercial agreements from escrow, they will become effective, and Ubiquiti will pay the remainder of the US\$5 million (after setting off the amounts outstanding under the Ubiquiti Networks Canada Inc. DIP facility).

27. As has been noted in my previous affidavits, the Ubiquiti Litigation and the Determination Motion have been the central issue throughout the entirety of these CCAA Proceedings. The resolution of the Ubiquiti Litigation and the Determination Motion by means of the Settlement Agreement and the related documents is, accordingly, a significant milestone. With the Ubiquiti Litigation and the Determination Motion resolved, a significant barrier to Peraso's successful restructuring is removed.

28. In the circumstances, I believe that the transactions contemplated by the Settlement Agreement and all of the related documents is a fair and reasonable outcome. In particular, the Settlement Agreement is superior to the continuation of the Ubiquiti Litigation and the Determination Motion, which would be costly, time-consuming and full of uncertainty. The Settlement Agreement benefits all of Peraso's stakeholders. By allowing Peraso to continue as a going-concern business, the transactions contemplated by the Settlement Agreement and all of the related documents will help preserve Peraso's workforce, maintain its relationships with its customers and suppliers, and give Peraso the time and resources necessary to start working towards a solution with its creditors.

29. The transactions contemplated by the Settlement Agreement and all of the related documents is the best outcome for Peraso's creditors. Indeed, there are no comparable alternatives to the transactions contemplated by the Settlement Agreement and all of the related documents. Without the transactions contemplated by the Settlement Agreement and

all of the related documents, Peraso would be facing significant financial challenges and, as indicated in the Twelfth Glibbery Affidavit, would likely be forced to engage in an extremely expedited and abbreviated sale process.

30. The transactions contemplated by the Settlement Agreement and all of the related documents were negotiated under the continual supervision of and in close consultation with the Monitor. I understand that the Monitor is supportive of the approval of the transactions contemplated by the Settlement Agreement and all of the related documents.

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 Town of Massey, Ontario, to the City of Toronto, Ontario, on October 9, 2020.

DocuSigned by:
Nicholas Avis
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Nicholas Avis

Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
Ronald Glibbery
D41573EF6574468...

RONALD GLIBBERY



This is
EXHIBIT "A"
referred to in the affidavit of
RONALD GLIBBERY
dated October 9, 2020

DocuSigned by:

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
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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 fabless¹ semiconductor² company specializing in the development of integrated circuits and chipsets³ 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) software⁵ 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 phased 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.

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,

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.

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.

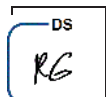
35. Peraso's achievement of the Second Tranche Development Milestone triggered a payment obligation under which Ubiquiti was obligated to cause Ubiquiti Canada to purchase \$2 million of Class C Shares of Peraso. Ubiquiti and Ubiquiti Canada did not make the required \$2 million investment.

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.

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**").

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

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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.

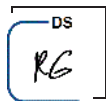
76. Further, Ubiquiti is seeking monetary damages from Peraso in amounts in excess of \$5 million in the Licence Litigation. Ubiquiti has not quantified its requested damages with respect to the Oppression Litigation.

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

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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.

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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

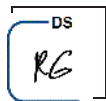
96. I am advised by counsel that, in line with current practice since the amendments to the CCAA came into force on November 1, 2019, Peraso is seeking a “skinny” form of Initial Order, which seeks only the relief reasonably necessary for the first 10 days until the hearing of the Comeback Motion (as 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.

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 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

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Nicholas Avis

Commissioner for Taking Affidavits
 in the Province of Ontario

DocuSigned by:

Ronald Glibbery

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RONALD GLIBBERY

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This is
EXHIBIT "B"
referred to in the affidavit of
RONALD GLIBBERY
dated October 9, 2020

DocuSigned by:

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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 October 1, 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, among other things:

- (a) seals the unredacted version of this affidavit and the exhibits attached hereto, and the Eighth Report of the Monitor, to be filed; and

- (b) extends the stay of proceedings (the “**Stay Period**”) to and including October 30, 2020, or such further and other date as determined by the Court.

A. BACKGROUND

4. All capitalized terms used herein but not otherwise defined are as defined in my affidavit affirmed June 2, 2020 (the “**First Glibbery Affidavit**”). A copy of the First Glibbery Affidavit is attached hereto without exhibits and marked as **Exhibit “A”**.

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

7. Peraso’s progress through these CCAA Proceedings is summarized in my affidavits affirmed August 10, 2020 (the “**Fifth Glibbery Affidavit**”) and September 2, 2020 (the “**Eighth Glibbery Affidavit**”). The redacted versions of the Fifth Glibbery Affidavit and the Eighth Glibbery Affidavit are attached hereto without exhibits and marked as **Exhibit “B”** and **Exhibit “C”**, respectively. Various other materials related to these CCAA Proceedings are available for download on the Monitor’s website at www.ey.com/ca/peraso.

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

B. ON-GOING NEGOTIATIONS WITH UBIQUITI

(i) Mediation and the Settlement Term Sheet

9. As described in greater detail in the First Glibbery Affidavit, Ubiquiti and certain of its affiliates commenced litigation against Peraso and certain other parties in Ontario and the Southern District of New York in early 2020 (such litigation is collectively referred to as the “**Ubiquiti Litigation**”).

10. Peraso, under the supervision of the Monitor, has been working diligently to resolve the Ubiquiti Litigation since the start of these CCAA Proceedings. Notably, Peraso entered into mediation with Ubiquiti on July 6 and 7, 2020, with a view to resolving the Ubiquiti Litigation. The mediator was the former Associate Chief Justice Dennis O'Connor, and the Monitor was involved throughout the course of the mediation. Although no settlement arose immediately following the mediation, the parties continued to discuss a potential commercial resolution of the Ubiquiti Litigation after the mediation ended. The Monitor has been continually involved in all post-mediation discussions.

11. A motion originally scheduled for September 1 and 2, 2020 to determine the Ubiquiti Litigation (the “**Determination Motion**”) was adjourned in early September¹ when Peraso and Ubiquiti entered into a non-binding settlement term sheet (the “**Settlement Term Sheet**”). The Settlement Term Sheet set the framework for a universal settlement of the Ubiquiti Litigation. At a high level, the Settlement Term Sheet contemplated that Peraso would grant certain rights to Ubiquiti in connection with Peraso's intellectual property, and Ubiquiti would provide payments to Peraso for these rights. To provide Peraso with liquidity pending the conclusion of a proper settlement agreement, Ubiquiti Networks Canada Inc. provided Peraso with DIP financing. This Court approved the DIP financing on September 2, 2020.

(ii) Next Steps

12. Peraso and Ubiquiti have been negotiating the details of a universal settlement since entering into the Settlement Term Sheet. Peraso and Ubiquiti have reached an agreement as

¹ The Determination Motion was re-scheduled for October 26 to October 28, 2020.

between themselves on all major issues; however, discussions with certain third parties whose consents are required to enter into and implement the settlement remain on-going.

13. The Monitor is closely supervising the on-going negotiations. Peraso regularly consults with the Monitor.

14. I believe that it is in Peraso's best interests and the interests of its stakeholders to continue negotiating with the remaining third parties until October 7, 2020. The Ubiquiti Litigation is, as I have previously noted, the central issue in these CCAA Proceedings. Should the negotiations with Ubiquiti result in a resolution of the Ubiquiti Litigation, Peraso's outlook would greatly improve.

15. If, by the end of day on October 7, 2020 at the latest, no full and final settlement agreement and no agreements with third parties are reached, then Peraso will change its strategy and commence an expedited sale process. Peraso intends to return to this Court late next week or the week of October 12, 2020 to provide this Court with an update on the settlement discussions. As part of that update hearing, Peraso will seek the approval of a full and final settlement agreement with Ubiquiti, if such an agreement has been concluded; in the alternative, Peraso will seek the approval of a sale process.

16. [REDACTED]

17. [REDACTED]

18. [REDACTED]

[REDACTED]

19. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

20. I recognize that extending the negotiations with Ubiquiti and certain third parties for several more days reduces the amount of funds (and, in turn, time) available for a sale process, if a sale process is necessary. This risk, however, must be balanced against the likelihood of Peraso and Ubiquiti completing a full and final settlement agreement. As noted above, Peraso and Ubiquiti have reached an agreement as between themselves on all major issues. I believe that there is a reasonable prospect of obtaining the third party consents that remain outstanding, meaning that extending the negotiations is a reasonable risk in the circumstances.

C. SEALING

21. The Applicant requests that the unredacted version of this Affidavit and the unredacted exhibits attached hereto and the unredacted Eighth Report of the Monitor be sealed pending further order of this Court.

22. The materials requested to be sealed contain commercially sensitive information. Among other things, this unredacted affidavit 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 available for legal expenses (specifically, the Ubiquiti Litigation) and the extent of the Applicant's cash reserves. The Eighth Report of the Monitor describes the Applicant's cash flow forecast. 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 still-unresolved Ubiquiti Litigation.

23. The information that the Applicant is seeking to seal is similar in nature to the information that this Court has previously sealed in this matter. The Applicant's request is animated by the same concerns that the Court previously found sufficient to justify a sealing order.

24. 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

25. The current Stay Period expires on October 2, 2020. The Applicant is requesting an extension of the Stay Period until and including October 30, 2020.

26. As detailed in the Applicant's cash flow statement, which is attached hereto and marked as **Exhibit "D"**, the Applicant has sufficient funds to continue operating through the proposed extension of the Stay Period.

27. Roadmap Capital General Partner Ltd. and Roadmap Peraso LP III (U.S. and Offshore), the lenders pursuant to the Applicant's first and second interim financing agreements, have agreed to extend the maturity of their loans to October 31, 2020.

28. The proposed extension to the Stay Period will be used to continue negotiations with Ubiquiti and the third parties whose consent is required to enter into and implement the settlement with Ubiquiti. Peraso plans to return to this Court late next week or the week of October 12, 2020 to seek the approval of a settlement agreement or, if a settlement with Ubiquiti is not possible, an expedited sale process.

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

30. 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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Affirmed before me by video conference
 from the City of Toronto,
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 (Grey County), Ontario, on October 1,
 2020.

DocuSigned by:

Nicholas Avis

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Nicholas Avis

Commissioner for Taking Affidavits
 in the Province of Ontario

DocuSigned by:

Ronald Glibbery

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RONALD GLIBBERY

This is
EXHIBIT "C"
referred to in the affidavit of
RONALD GLIBBERY
dated October 9, 2020

DocuSigned by:

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Commissioner for taking affidavits

SETTLEMENT AGREEMENT

dated as of October 9, 2020

between

PERASO TECHNOLOGIES INC. (“Peraso”)

- and -

UBIQUITI INC. (“Ubiquiti”)

WHEREAS Peraso and Ubiquiti (each a “**Party**” and together the “**Parties**”) entered into a license and development agreement dated December 21, 2018 (the “**LDA**”), in connection with the execution of a number of other agreements between Peraso and either Ubiquiti or its affiliates;

AND WHEREAS Peraso purported to terminate the LDA on January 16, 2020, and Ubiquiti objected to the purported termination and commenced litigation against Peraso and others in the State of New York seeking, among other things, a declaration that the purported termination of the LDA was improper (the “**NY Litigation**”);

AND WHEREAS Ubiquiti subsequently commenced additional litigation against Peraso and others in the Province of Ontario pursuant to the *Business Corporations Act (Ontario)* alleging various oppressive conduct and filed an application for a declaration that Peraso was in default under its shareholder agreement (collectively, the “**Ontario Litigation**”);

AND WHEREAS, on June 3, 2020, Peraso filed for and obtained protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”, and such proceedings the “**CCAA Proceedings**”) pursuant to which, among other things, the Ontario Litigation is stayed;

AND WHEREAS Ernst & Young Inc., the court-appointed monitor of Peraso in the CCAA Proceedings (the “**Monitor**”), sought and obtained an order under Chapter 15 of United States Bankruptcy Code recognizing the CCAA Proceedings as foreign main proceedings, and imposing a stay of the NY Litigation and all other claims in the United States;

AND WHEREAS Peraso and Ubiquiti conducted a multi-day mediation on July 6 and 7, 2020 and continued discussions through July 10, 2020, but no settlement was reached among the Parties;

AND WHEREAS Peraso brought a motion within the CCAA Proceedings seeking a declaration that the termination of the LDA was valid, and the Parties proceeded on a schedule towards a hearing of that matter on September 1 and 2, 2020 (such matter the “**CCAA Motion**” and, together with the NY Litigation and the Ontario Litigation, the “**Existing Litigation**”);

AND WHEREAS, to allow for a negotiated settlement to the Existing Litigation, the CCAA Motion was adjourned to October 26-28, 2020;

AND WHEREAS, to provide Peraso with liquidity pending the conclusion of negotiations towards a settlement, and with the approval of the Court on September 2, 2020, Ubiquiti Networks

Canada Inc. ("**Ubiquiti Canada**") provided a DIP loan to Peraso of the Canadian-dollar equivalent of USD\$2,500,000 (the "**Ubiquiti DIP Loan**"), which DIP loan will be deemed repaid as a deposit towards payments due on any settlement, failing which it will remain as a first ranking charge on the assets of Peraso;

AND WHEREAS the Parties wish to settle all of the Existing Litigation as between themselves on a basis whereby Peraso will grant certain license and manufacturing rights to Ubiquiti and/or its affiliates (collectively, "**Ubiquiti**") in connection with the intellectual property related to the Licensed Products (as defined in the License and Manufacturing Agreement (defined below)), in exchange for Ubiquiti providing payments to Peraso as set forth in this Agreement and the License and Manufacturing Agreement;

AND WHEREAS Peraso, Ubiquiti and PRAXIS Technology Escrow, LLC have executed that certain PRAXIS US Three Party Technology Escrow Agreement, dated as of the date hereof (the "**Escrow Agreement**");

AND WHEREAS the Parties have executed (1) the License and Manufacturing Agreement, (2) the Full and Final Mutual Release (defined below), (3) the Step-In Rights Authorizations (as defined in the License and Manufacturing Agreement) attached as Schedules C-1 through and including C-5 of the License and Manufacturing Agreement, and (4) the Shareholders' Consent (as herein defined), and delivered all such executed documents to the Monitor to hold in escrow pursuant to the terms of this Settlement Agreement;

AND WHEREAS the Parties acknowledge and agree that the Step-In Rights Authorization by and among Peraso, Ubiquiti and [REDACTED] to be attached as Schedule C-1 to the License and Manufacturing Agreement (the "**Step-In Authorization**"), has been executed by all parties thereto and delivered to the Monitor to hold in escrow pursuant to the terms of this Settlement Agreement, but the Design Environment License Agreement referenced in Appendix 2 to the [REDACTED] Step-In Authorization (the "[REDACTED]") has not been executed by Ubiquiti or [REDACTED] and its execution by both parties is the subject of the condition precedent in Section 3(e) hereof;

AND WHEREAS all of the Escrow Materials (as defined in the License and Manufacturing Agreement) to be delivered to the escrow agent (the "**Escrow Agent**") under the Escrow Agreement are in the process of being delivered to the Escrow Agent thereunder;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained or provided for, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties agree as follows:

1. The Parties agree that (a) they shall take no further steps to advance the CCAA Motion unless the Conditions Precedent (defined below) are not satisfied on or before the Outside Date (as herein defined), and (b) upon the satisfaction of the Conditions Precedent, all of the affidavits, opinions and factums prepared and exchanged by the Parties in contemplation of the CCAA Motion shall never be served on any other persons in these proceedings or otherwise, and that all of the content thereof shall remain fully confidential and be sealed, and that the Monitor will be asked to return and/or destroy all copies of such

materials which may have been provided to it in connection with the CCAA Motion or otherwise.

2. Upon the satisfaction of the Conditions Precedent:

- (a) The executed copy of the License and Manufacturing Agreement attached hereto as Schedule “A” (the “**License and Manufacturing Agreement**”), which agreement fully supersedes and replaces the LDA, shall reflect an Effective Date (as defined therein) of the date on which the Conditions Precedent have each been satisfied in full, shall become effective and the Monitor shall release it from escrow;
- (b) The executed copy of the Escrow Agreement, dated as of October 9, 2020 and attached hereto as Schedule “B”, shall remain effective and the Monitor shall promptly deliver the written notice to the Escrow Agent as contemplated in Section 8 of the Escrow Agreement;
- (c) The Full and Final Mutual Release, attached hereto as Schedule “C”, which will be fully-executed and contain signatures for all parties identified therein, shall be dated the date on which the Conditions Precedent have each been satisfied in full, shall become effective and shall be released by the Monitor to both Parties;
- (d) The Parties shall cause to be filed in the New York Litigation, a stipulation of dismissal attached hereto as Schedule “D”;
- (e) The Parties shall cause the Ontario Litigation to be dismissed on a without costs basis and shall cause the CCAA Motion to be abandoned on a without costs basis;
- (f) The executed copies of all five (5) Step-In Rights Authorizations attached as Schedules C-1 through and including C-5 of the License and Manufacturing Agreement, which are also attached hereto as Schedule “E”, shall become or remain effective and shall be released by the Monitor to Ubiquiti and Peraso;
- (g) Ubiquiti shall promptly (and in any event within one (1) business day of the satisfaction in full of each of the Conditions Precedent) pay Peraso the amount of US\$5,000,000 (such amount, together with the future royalty amounts contemplated in the License and Manufacturing Agreement, representing the consideration for the grant by Peraso to Ubiquiti and/or its affiliates of a license to use the Licensed Technology (as defined in the License and Manufacturing Agreement) and to manufacture the Licensed Products (as defined in the License and Manufacturing Agreement)). For greater certainty, the US\$5,000,000 shall be satisfied as follows: (i) the amount of the Ubiquiti DIP Loan, together with all accrued and unpaid interest thereon to the business day after the satisfaction in full of each of the Conditions Precedent, shall be applied as a deposit (the “**Deposit Amount**”); and (ii) Ubiquiti shall pay in cash an amount equal to the difference between US\$5,000,000 and the Deposit Amount; and (iii) upon the application of the Deposit Amount towards the payment hereunder, the Ubiquiti DIP Loan shall be considered repaid in full;

- (h) The Shareholders' Consent attached hereto as Schedule "F" (the "**Shareholders' Consent**"), which will be fully-executed and contain signatures for all parties identified therein, shall be dated the date on which the Conditions Precedent have each been satisfied in full, shall become effective and shall be released by the Monitor to both Parties; and
- (i) Peraso shall deliver to Ubiquiti Canada a share certificate representing 5,728,955 Common Shares of Peraso.

For greater certainty, if the Conditions Precedent are not each satisfied in full on or before the Outside Date: (i) the License and Manufacturing Agreement shall not become effective and shall not be released from escrow by the Monitor; (ii) the Monitor shall not deliver the written notice to the Escrow Agent as contemplated in Section 8 of the Escrow Agreement (with the effect that the Deposit Materials (as defined in the Escrow Agreement) shall be returned to Peraso and shall not be released from escrow to Ubiquiti); (iii) the Full and Final Mutual Release shall not become effective and shall not be released from escrow by the Monitor; (iv) the stipulation referred to in Section 2(d) above shall not be filed in the New York Litigation; (v) the Ontario Litigation will not be dismissed and the CCAA motion will not be abandoned; (vi) each of the Step-In Rights Authorizations shall not become effective and shall not be released from escrow by the Monitor, (vii) Ubiquiti shall not pay any amount to Peraso and the Ubiquiti DIP Loan will remain outstanding according to its terms and (viii) the Shareholders' Consent shall not become effective and shall not be released from escrow by the Monitor.

3. This Settlement Agreement shall be conditional upon the full satisfaction of each of the following conditions precedent (collectively, the "**Conditions Precedent**"):
 - (a) receipt by Peraso, Ubiquiti and the Monitor of a Deposit Material Evaluation (as defined in the Escrow Agreement) from the Escrow Agent indicating that the Deposit Material (as defined in the Escrow Agreement) has "Passed" due to the absence of any "Deposit Material Inconsistencies" (as both terms are defined in Exhibit C to the Escrow Agreement);
 - (b) the issuance of an order by the Ontario Superior Court of Justice, Commercial List (the "**CCAA Court**") in the CCAA Proceedings, to be in form and substance satisfactory to counsel for the Parties, which shall:
 - (i) approve this Settlement Agreement and the transactions contemplated hereby; and
 - (ii) declare that the License and Manufacturing Agreement, along with its schedules, exhibits, appendices and all contracts contemplated hereby and thereby, shall be an agreement to which Sections 32(6) and 36(8) of the CCAA (and the similar provisions of the *Bankruptcy and Insolvency Act*) apply, notwithstanding any current or future insolvency proceedings involving Peraso or any sale of Peraso's business or intellectual property in accordance with those statutory provisions;

- (c) delivery by Peraso to the Monitor of a fully-executed Full and Final Mutual Release, including, for the avoidance of doubt, a signature from each party identified therein, with instructions to the Monitor to hold such signature pages in escrow pursuant to the terms of this Settlement Agreement;
 - (d) delivery by Peraso to the Monitor of a fully-executed Shareholders' Consent, including, for the avoidance of doubt, a signature from each party identified therein, with instructions to the Monitor to hold such signature pages in escrow pursuant to the terms of this Settlement Agreement, together with a copy of the directors' resolution of Peraso authorizing and approving the amendments contemplated by the Shareholders' Consent; and
 - (e) execution by Ubiquiti and [REDACTED] of the [REDACTED] substantially in the form attached as a schedule to the [REDACTED] Step-in Authorization, and Ubiquiti shall provide notice thereof to the Monitor and Peraso forthwith after execution of the [REDACTED].
4. The Parties agree that, in the event that any of the Conditions Precedent are not satisfied in full on or before October 20, 2020 or such later date as the Parties may agree in writing (the "**Outside Date**"), then (a) this Settlement shall be at an end and the CCAA Motion shall be proceed on the rescheduled dates referred to above, and (b) upon the written request of Peraso, Ubiquiti shall send written notice to the Escrow Agent to terminate the Escrow Agreement pursuant to Section 10 thereof.
5. The Parties agree that all purchase orders issued directly or indirectly by Ubiquiti to Peraso or its designated resellers prior to the date hereof shall remain in full force and effect; *provided, however*, that to the extent any products ordered pursuant to such purchase orders are not fulfilled, including by failure to pass the incoming quality check at Ubiquiti's designated contract manufacturer, prior to the conclusion of the four (4) month period following the satisfaction in full of each of the Conditions Precedent, then such purchase orders shall be terminated with respect to such products as of such date, with no liability or obligation remaining on behalf of Ubiquiti, its affiliates, or its or their respective third party contract manufacturers.
6. Other than: (a) releasing from escrow, upon the satisfaction of the Conditions Precedent, the fully-executed copies of License and Manufacturing Agreement, the Full and Final Mutual Release, the Step-In Rights Authorizations and the Shareholders' Consent; and (b) providing written notice to the Escrow Agent pursuant to Section 8 of the Escrow Agreement of the satisfaction in full of each of the Conditions Precedent, which notice will be provided within one (1) business day of the full satisfaction of all of the Conditions Precedent, the Monitor shall have no other duties or obligations under this Agreement. For the avoidance of doubt, the Monitor shall also have no duty or obligation to assess, investigate, or otherwise evaluate the adequacy, accuracy, or completeness of the documents described in Section 3 herein and is entitled and directed by each of the parties to accept and rely upon such documents in the manner and form provided to the Monitor.

7. Each of the Parties covenants and agrees to do such things and to execute such further documents and instruments as may be deemed necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent, including each of the Parties executing the Full and Final Mutual Release and the Shareholders' Consent.
8. This Agreement, together with all schedules and documents attached hereto, represents the entire agreement between the Parties and supersedes and invalidates any prior agreements, contracts, representations, promises, covenants, understandings or commitments of or between the Parties.
9. Neither Party hereto shall, except as required by law, issue or cause the publication of any other press release or make any other public announcement with respect to the matters that are the subject of this Agreement, without the prior written consent of the Parties hereto.
10. The terms of this Agreement shall remain confidential to the extent permitted by law; *provided, however*, that Peraso may disclose the terms of this Agreement (i) to a third party if prior to any such disclosure, such third-party executes a non-disclosure and confidentiality agreement with Peraso, providing Ubiquiti with rights of enforcement as a third-party beneficiary of such agreement, and providing a copy of each such executed agreement to Ubiquiti within five (5) business days of the execution thereof and (ii) to its shareholders pursuant to terms no less restrictive than those set forth in Section 8.1 of the ninth amended and restated shareholders agreement dated as of March 13, 2020 between Peraso and its shareholders, with instructions to keep such terms confidential. None of the License and Manufacturing Agreement, the Escrow Agreement, any of the Step-in Agreements or the Full and Final Release, nor any of the exhibits, schedules or attachments to any such agreement, will be filed with the CCAA Court unless subject to a sealing order acceptable to the Parties, so as to protect commercially or competitively sensitive information.
11. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario sitting in the City of Toronto for any actions or proceedings arising out of or related to this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first written above.

PERASO TECHNOLOGIES INC.

By: 
Name: Ron Glibbery
Title: CEO

UBIQUITI INC.

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED by the undersigned solely for purposes of Sections 2, 3 and 6:

ERNST & YOUNG INC.

Solely in its capacity as the Monitor of Peraso Technologies Inc. and not in its personal capacity

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first written above.

PERASO TECHNOLOGIES INC.

By: _____
Name: _____
Title: _____

UBIQUITI INC.

By: Hartley Nisenbaum
Name: Hartley Nisenbaum
Title: Authorized Signatory

ACKNOWLEDGED AND AGREED by the undersigned solely for purposes of Sections 2, 3 and 6:

ERNST & YOUNG INC.

Solely in its capacity as the Monitor of Peraso Technologies Inc. and not in its personal capacity

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first written above.

PERASO TECHNOLOGIES INC.

By: _____

Name: _____

Title: _____

UBIQUITI INC.

By: _____

Name: _____

Title: _____

ACKNOWLEDGED AND AGREED by the undersigned solely for purposes of Sections 2, 3 and 6:

ERNST & YOUNG INC.

Solely in its capacity as the Monitor of Peraso Technologies Inc. and not in its personal capacity

By: _____

Name: Brian Denega

Title: Senior Vice President

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 OCTOBER 9, 2020

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Barristers & Solicitors
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Lawyers for the Applicant, Peraso Technologies Inc.

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 14 TH
	)	
JUSTICE HAINEY	)	DAY OF OCTOBER, 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
(Settlement Approval)

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 October ●, 2020 (the "**Twelfth Glibbery Affidavit**") and the Exhibits thereto, the unredacted Ninth Report of Ernst & Young Inc., in its capacity as Monitor (the "**Monitor**"), dated October ●, 2020 (the "**Ninth Report**"), and on hearing the submissions of counsel for the Applicant, counsel for Ernst & Young Inc., in its capacity as monitor (the "**Monitor**"), counsel for Ubiquiti Inc. ("**Ubiquiti**") 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.

SETTLEMENT AGREEMENT

2. **THIS COURT ORDERS** that the Settlement Agreement dated October 1, 2020 (the “Settlement Agreement”) between the Applicant and Ubiquiti is hereby approved.

3. **THIS COURT ORDERS** that, unless otherwise defined herein, all capitalized terms used in this Order shall have the meaning ascribed to them in the Settlement Agreement.

4. **THIS COURT ORDERS** that the Applicant and the Monitor are hereby authorized and directed to execute the Settlement Agreement and all of the other agreements or documents appended thereto or contemplated thereby, and the Applicant and the Monitor are authorized to take such additional steps and execute such additional documents as may be necessary or desirable to complete the transactions contemplated by the Settlement Agreement.

5. **THIS COURT ORDERS** that the Monitor, in carrying out its responsibilities and obligations under the Settlement Agreement and this Order:

- (a) shall have all the protections provided to it as an officer of the Court, including the protections granted in its favour pursuant to the CCAA and the other Orders granted in these CCAA proceedings; and
- (b) shall incur no liability or obligations as a result of carrying out any duties or work in connection with the Settlement Agreement and/or this Order, save and except for any gross negligence or wilful misconduct on its part.

6. **THIS COURT ORDERS** that each of the Settlement Agreement, the License and Manufacturing Agreement, the Escrow Agreement, the Step-in Rights Authorizations, the Shareholders’ Consent and the Full and Final Mutual Release, along with any and all schedules, exhibits, and appendices thereto, are or will be in full force and effect and binding in accordance

with their terms on each of the Applicant and Ubiquiti including their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

7. **THIS COURT ORDERS** that the License and Manufacturing Agreement and each of the schedules, exhibits, and appendices thereto and all contracts contemplated therein, are agreements granting rights to use intellectual property to which subsections 32(6) and 36(8) of the CCAA (and the similar provisions of the *Bankruptcy and Insolvency Act* (Canada)) apply, notwithstanding any current or future insolvency proceedings involving the Applicant or any sale of the Applicant's business or intellectual property in accordance with those statutory provisions.

GENERAL

8. **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.

9. **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.

10. **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.

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
(Settlement Approval)**

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Lawyers for the Applicant

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

MOTION RECORD
(RETURNABLE OCTOBER 14, 2020)

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Lawyers for the Applicant, Peraso
Technologies Inc.