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

MOTION RECORD
(Re: CCAA Termination)
(Returnable October 28, 2020)

October 26, 2020

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

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicant, Peraso Technologies Inc.

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MOTION RECORD
(Re: CCAA Termination)

INDEX

TAB 1

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

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

Applicant

NOTICE OF MOTION
(Re: Settlement Approval & Extension of Stay of Proceedings)
(Returnable October 14, 2020)

Peraso Technologies Inc. will make a motion to Justice Hainey of the Ontario Superior Court of Justice (Commercial List) on Wednesday, October 28, 2020 at 10:00 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 Nicholas Avis if you intend to join the hearing of this motion by emailing navis@stikeman.com.

PROPOSED METHOD OF HEARING:

This motion is to be heard by videoconference.

THE MOTION IS FOR:

1. An Order (the "**CCAA Termination Order**"), substantially in the form contained at Tab 3 of the Applicant's Motion Record, that, among other things:

(a) terminates these CCAA Proceedings and the CCAA stay of proceedings (the "**Stay Period**") upon the expiry of the requested stay extension;

(b) terminates the Administration Charge, the Directors' Charge, the DIP Lenders' Charge, the Second DIP Lenders' Charge, and the Third DIP Lender's Charge (as defined below);

(c) approves the fees and disbursements of the Monitor and its Canadian and U.S. counsel;

(d) approves the activities of the Monitor, discharges the Monitor, and releases the Monitor from any potential claims against it; and

(e) extends the Stay Period to November 30, 2020; and

2. Such further and other relief as the Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Overview

3. On June 3, 2020, Peraso sought and received an order (the "**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 Inc. ("**Ubiquiti**") and certain of its affiliates (such litigation, the "**Ubiquiti Litigation**");

4. The Initial Order, among other things, appointed Ernst & Young Inc. as Monitor and granted an Administration Charge and a Directors' Charge (as defined in the Initial Order);

5. The Stay Period was most recently extended on October 2, 2020 until and including October 30, 2020;

6. On October 14, 2020, this Court granted an order (the "**Settlement Approval Order**") that approved a settlement agreement (the "**Settlement Agreement**") dated October 9, 2020 between Peraso and Ubiquiti;

7. The Settlement Agreement, among other things, resolves the Ubiquiti Litigation and re-defines the going-forward business relationship between Peraso and Ubiquiti;

8. The Settlement Agreement was, at the time of the Settlement Approval Order, subject to certain conditions precedent, including the execution and delivery of an agreement related to step-in right authorizations with a third-party manufacturer;

9. All of the conditions precedent to the Settlement Agreement have now been satisfied and the Settlement Agreement (including all agreements incorporated thereto as schedules) is now in force and fully effective;

10. With the implementation of the Settlement Agreement and the resolution of the Ubiquiti Litigation, Peraso is no longer insolvent and does not require protection under the CCAA;

Termination of these CCAA Proceedings

11. The proposed CCAA Termination Order provides that these CCAA proceedings will terminate when the Monitor serves a certificate on the Service List certifying that the Monitor has been advised in writing by counsel for Peraso that the specific items remaining to be completed by Peraso in this proceeding (the "**Remaining Activities**") have been completed (such certificate, the "**Monitor's Certificate**");

12. The service of the Monitor's Certificate will have the effect of, *inter alia*:

(a) terminating these CCAA proceedings;

(b) discharging Ernst & Young Inc. from its duties as the Monitor, but notwithstanding the discharge of Ernst & Young as Monitor:

(i) Ernst & Young Inc. will remain Monitor and have the authority to carry out or complete or address any matters in its role as Monitor that are ancillary or incidental to these CCAA Proceedings, including any matter in respect of the Chapter 15 Proceeding (as defined in the proposed CCAA Termination Order), following the CCAA Termination Time; and

(ii) Ernst & Young Inc. and its counsel will continue to have the benefit of any of the rights, approvals, releases and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, and all other Orders made in these CCAA proceedings;

(c) releasing claims in favour of the Monitor and its counsel, with certain exceptions; and

(d) terminating the Administration Charge, the Directors' Charge, the DIP Lenders' Charge, the Second DIP Lenders' Charge, and the Third DIP Lender's Charge (as such terms are defined in the proposed CCAA Termination Order);

13. The proposed CCAA Termination Order provides that the Monitor, in its capacity as the foreign representative of Peraso, is authorized to seek the termination of the Chapter 15 Proceeding;

14. Given that the Chapter 15 Proceeding may not be terminated prior to the termination of these CCAA proceedings, the proposed CCAA Termination Order provides that the Monitor remains empowered to deal with the termination of the Chapter 15 Proceeding notwithstanding its discharge as Monitor;

CCAA Charges

15. Peraso obtained three interim financing facilities during the course of these CCAA Proceedings, each of which was secured by a court-ordered charge against Peraso's property;

16. Certain of the proceeds from the Settlement Agreements were used to satisfy the entirety of an interim facility provided by Ubiquiti Networks Canada Inc.;

17. Roadmap Capital General Partner Ltd. and Roadmap Peraso LP III (U.S. and Offshore) (collectively, "**Roadmap**") are the only remaining unpaid interim lenders;

18. Peraso will satisfy the amounts owing to Roadmap under two interim facilities by means of: (a) with respect to the principal, secured convertible debentures, cash payments,

and warrants; and (b) with respect to interest, cash payments (such satisfaction of the two interim facilities, the "**Roadmap Repayment**");

19. All amounts owing to the beneficiaries of the Administration Charge and the Directors' Charge (as defined in the Initial Order) for the period up to the CCAA Termination Time (as defined in the proposed CCAA Termination Order) will be paid prior to the service of the Monitor's Certificate;

Outstanding Liabilities

20. Peraso is not seeking to impact its pre-filing secured creditors, and the indebtedness owing to such creditors will continue to exist after the CCAA Termination Time;

21. Peraso intends to deal with all of its outstanding indebtedness, including any post-filing indebtedness that is not covered by the Administration Charge, once it emerges from these CCAA proceedings;

Approval of Activities and Fees

22. The Monitor has undertaken various activities pursuant to its mandate in these CCAA proceedings;

23. Peraso seeks to have the Monitor's activities approved by this Court;

24. The Monitor and its Canadian and U.S. counsel further seek approval of their fees and disbursements;

25. The proposed CCAA Termination Order sought by Peraso also provides that any further fees and disbursements incurred by the Monitor and the Monitor's counsel up to the CCAA Termination Time are authorized and approved without further Order of this Court, up to an agreed upon amount;

Extension of the Stay Period

26. Peraso is seeking to extend the Stay Period to and including November 30, 2020;

27. The proposed extension to the Stay Period will be used to resolve outstanding matters, including the completion of the Roadmap Repayment, prior to the termination of these CCAA proceedings;

28. Peraso has sufficient liquidity to meet its obligations during the proposed extension to the Stay Period;

29. Peraso has acted and continues to act in good faith and with due diligence during these CCAA proceedings;

Other Grounds

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

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

32. 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 Affidavit of Ronald Glibbery, affirmed October 26, 2020;

(b) The Tenth Report of the Monitor, to be filed; and

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

October 26, 2020

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

Maria Konyukhova LSO#: 52880V
Email: mkonyukhova@stikeman.com
Tel: (416) 869-5230

Nicholas Avis LSO# 76781Q
Email: navis@stikeman.com
Tel: (416) 869-5504
Fax: (416) 947-0866

Lawyers for the Applicant, Peraso Technologies Inc.

Schedule "A"

ZOOM Particulars

October 28, 2020 at 10:00 a.m. Eastern Time (Toronto)

Zoom Particulars

https://zoom.us/j/97484413987?pwd=bFBiTWxRU3JkdFVSMHMyd3ZmT0ZsUT09

Meeting ID: 974 8441 3987
Passcode: 731532
One tap mobile
+17789072071,,97484413987#,,,,,,0#,,731532# Canada
+12042727920,,97484413987#,,,,,,0#,,731532# Canada

Dial by your location
+1 778 907 2071 Canada
+1 204 272 7920 Canada
+1 438 809 7799 Canada
+1 587 328 1099 Canada
+1 647 374 4685 Canada
+1 647 558 0588 Canada

Meeting ID: 974 8441 3987
Passcode: 731532

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

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 28, 2020)

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

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

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 26, 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 "**CCAA Termination Order**") attached as Tab 3 of the Motion Record, that, among other things:

Deponent's Initials DS RG

a. terminates these CCAA Proceedings and the CCAA stay of proceedings (the "**Stay Period**") upon the expiry of the requested stay extension;

b. terminates the Administration Charge, the Directors' Charge, the DIP Lenders' Charge, the Second DIP Lenders' Charge, and the Third DIP Lender's Charge (as defined below);

c. approves the fees and disbursements of the Monitor and its Canadian and U.S. counsel;

d. approves the activities of the Monitor, discharges the Monitor, and releases the Monitor from any potential claims against it;

e. extends the Stay Period to November 30, 2020; and

f. such further and other relief as the Court deems just.

A. BACKGROUND

4. Peraso is a small, private Canadian company specializing is in the business of the development, marketing and sale of the technologies that will power the next generation of wireless internet.

5. This Court granted Peraso an initial order under the CCAA on June 3, 2020 (such order, as amended and restated on June 12, 2020, the "**Initial Order**"). As described in greater detail in my affidavit affirmed June 2, 2020 (the "**First Glibbery Affidavit**"), a copy of which is attached hereto without exhibits and marked as **Exhibit "A"**, Peraso sought creditor protection under the CCAA because it expected to run out of cash by the end of June 2020. Peraso's liquidity crisis was due to, *inter alia*, protracted disputes and multi-jurisdictional litigation commenced by Ubiquiti Inc. ("**Ubiquiti**") and certain of Ubiquiti's affiliates, which stymied any and all of Peraso's efforts to raise additional funds, pursue a sales process or even market certain of its products. The litigation with Ubiquiti and its affiliates, as described in the First Glibbery Affidavit, is herein collectively referred to as the "**Ubiquiti Litigation**".

6. Peraso's progress through these CCAA Proceedings is detailed in my previous affidavits. Those affidavits along with various other materials related to these CCAA Proceedings are available for download on the Monitor's website at www.ey.com/ca/peraso.

B. THE SETTLEMENT AGREEMENT WITH UBIQUITI

7. Since the commencement of these CCAA Proceedings, Peraso has been working towards the resolution of the Ubiquiti Litigation. The steps that Peraso took (under the supervision of and with the assistance of the Monitor) towards reaching this objective are described in greater detail in my affidavit affirmed October 9, 2020 (the "**Twelfth Glibbery Affidavit**"), a copy of which is attached hereto without exhibits and marked as **Exhibit "B"**.

8. On October 9, 2020, Peraso entered into a full and final settlement agreement with Ubiquiti (such agreement, the "**Settlement Agreement**"). On October 14, 2020, this Court granted an order that approved the Settlement Agreement (such order, the "**Settlement Approval Order**").

9. At the time the Settlement Approval Order was granted, the Settlement Agreement remained subject to certain conditions precedent. One of these conditions precedent was satisfied by the granting of the Settlement Approval Order; however, one notable condition precedent involved the execution and delivery of an agreement with a third-party manufacturer with respect to step-in rights authorization. Peraso and Ubiquiti worked diligently to finalize this agreement with the third-party manufacturer, and such agreement was finalized on October 20, 2020.

10. I understand that all conditions precedent to the Settlement Agreement have now been satisfied, and the Settlement Agreement (including all agreements incorporated thereto as schedules) is now in force and fully effective. Ubiquiti has confirmed that it shares that understanding. As contemplated by the Settlement Agreement, the Monitor released from escrow various commercial agreements that were attached as schedules to the Settlement Agreement and which are necessary to effectuate the terms of the settlement. As further contemplated by the Settlement Agreement, Ubiquiti has paid Peraso US$5 million (which, on account of being set off by the amounts outstanding under the interim facility provided by Ubiquiti Networks Canada Inc., represents net proceeds of US$2,477,945.21).

11. With the finalization of the Settlement Agreement, all "Existing Litigation" (which is defined in the Settlement Agreement and includes the Ubiquiti Litigation) is resolved. Peraso and Ubiquiti are now in the process of filing notices of dismissal of the Existing Litigation in Ontario and New York.

12. As described in greater detail in the Twelfth Glibbery Affidavit, I believe that the transactions contemplated by the Settlement Agreement and all of the related documents are a fair and reasonable outcome in the circumstances and permit Peraso to take the necessary steps to move forward in order to function as a profitable enterprise.

C. PERASO IS SOLVENT

13. In the First Glibbery Affidavit, I noted that Peraso was insolvent. Peraso was anticipated to run out of cash by late June 2020; it had cash reserves of less than US$1.4 million, and its monthly cash burn was approximately US$1 million. At that time, Peraso was dealing with the Ubiquiti Litigation, which consumed significant resources and represented a significant contingent liability.

14. The Settlement Agreement resolved the Existing Litigation, thus removing the contingent liability from Peraso's financial statements. The Settlement Agreement also resulted in Peraso receiving gross proceeds of US$5 million from Ubiquiti, a portion of which was used to fully repay Ubiquiti Networks Canada Inc. pursuant to its interim financing facility.

15. Peraso's balance sheet and cashflow statement are now in a better position than they were at the time Peraso commenced these CCAA Proceedings. The net proceeds from the Settlement Agreement increased Peraso's cash-on-hand such that its closing available cash balance this week will be approximately US$2.52 million. In terms of liabilities, Peraso has pre-filing accounts payable of approximately US$540,000. These accounts payable can be paid in cash, which would have the effect of reducing Peraso's cash-on-hand to approximately US$1.98 million. This level of cash-on-hand leaves Peraso with the ability to pay trade creditors, employees, and others in the ordinary course. Roadmap (as defined below), being Peraso's only remaining unpaid interim lender, is to be repaid pursuant to the Roadmap Repayment (as defined below). This means that Peraso's only significant liabilities are long-term: the 2019 Notes and 2020 Notes (as defined in the First Glibbery Affidavit) and the Roadmap Debentures (as defined below) do not mature until 2023.

16. The cumulative effect of the above is that Peraso is no longer insolvent. Indeed, Peraso's cashflow statement, which is attached hereto and marked as **Exhibit "C"**, shows that

Peraso will enter December 2020 with approximately US$1.5 million of cash on hand—and I believe that this is a conservative estimate because it does not take into account any capital that Peraso may raise in the coming weeks and months.

17. Now that Peraso is no longer facing the same financial and operational challenges that it did at the start of these CCAA Proceedings, I believe the interests of Peraso's stakeholders will be better served if it exits formal court proceedings.

D. PERASO'S CURRENT BUSINESS OPERATIONS

18. As I have previously stated, I believe that Peraso is a viable business. Its products remain at the forefront of the 60 GHz wireless market, and its entry into the 5G wireless market is expected to be similarly successful. Overall, Peraso is positioned to be a market leader for the next generation of wireless technology.

19. Throughout these CCAA Proceedings, Peraso has used 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.

20. Peraso has continued to operate its business as a going concern, notwithstanding its financial challenges. Although there have been some layoffs at Peraso, Peraso continues to employ and/or engage approximately 67 employees and/or contractors. Peraso anticipates that going forward it can grow its workforce and customer base.

21. Peraso has been generating revenue throughout the course of these CCAA Proceedings, and it anticipates that it will continue to generate revenue (and grow its revenue) going forward. To this point, Peraso has won several contracts while in these CCAA Proceedings and will carry on with such contracts going forward.

22. Peraso has maintained possession of its rented headquarters at 144 Front Street West, Toronto, Ontario.

E. TERMINATION OF THESE CCAA PROCEEDINGS

23. Peraso sought protection under the CCAA primarily due to the consequences of the Ubiquiti Litigation and the uncertainty surrounding the termination of a License and Development Agreement dated December 21, 2018 between Peraso and Ubiquiti.

Accordingly, the resolution of the Ubiquiti Litigation and the entering into of a new relationship between Peraso and Ubiquiti has been the focus of these CCAA Proceedings.

24. Now that the Existing Litigation is resolved and the parties have developed and agreed to a going-forward relationship that they believe will be profitable for both of them, Peraso no longer faces the same financial and operational challenges that it did at the start of these CCAA Proceedings. Indeed, Peraso's situation no longer warrants protection under the CCAA or the continuation of these CCAA Proceedings. Accordingly, Peraso is seeking to terminate these CCAA Proceedings.

25. Peraso intends to continue to operate as a going-concern business upon its emergence from these CCAA Proceedings. On account of the Existing Litigation being resolved (which, by implication, means that Peraso's risk profile as viewed by investors and lenders has been significantly reduced), Peraso is now in a much stronger position to attract new financing. Peraso intends to commence a financing process immediately after emerging from these CCAA Proceedings, and to this point it has already been approached by several potential financial and strategic partners to start financing discussions.

26. Further, after emerging from these CCAA Proceedings, Peraso will be able to proceed with specialized government programs targeting strategic technology development.

(i) **Proposed Method of Termination**

27. The proposed CCAA Termination Order provides that the CCAA Proceedings will terminate when the Monitor serves a certificate on the Service List certifying that the Monitor has been advised in writing by counsel for the Applicant that the specific items remaining to be completed by Peraso in this proceeding (the "**Remaining Activities**", as enumerated below) have been completed (such certificate, the "**Monitor's Certificate**").

28. The Remaining Activities are the following:

a. the beneficiaries of the Administration Charge are to be paid in full for any amounts covered by the Administration Charge;

b. Peraso is to provide notice to all known creditors that the CCAA Proceedings are being terminated and the stay of proceedings lifted;

Deponent's Initials DS RG

c. the Monitor and its Canadian and U.S. counsel are to return the balance of any retainer paid to them by Peraso (less any reserves);

d. the Existing Litigation is to be dismissed;

e. Peraso is to receive shareholder and debenture holder consents with respect to the Roadmap Repayment (as defined below); and

f. the Roadmap Repayment is to be completed.

29. The use of the Monitor's Certificate is to provide the Applicant and the Monitor with some flexibility as to the timing in completing the Remaining Activities in these CCAA Proceedings while avoiding the costs and expenses of another court appearance.

30. The Applicant proposes that the Monitor will serve the Monitor's Certificate within one (1) business day of being advised in writing by Peraso's counsel that the Remaining Activities have been completed, and in any event no later than December 1, 2020. In practical terms, this means that the Monitor's Certificate should be served within one (1) business day of the completion of the Roadmap Repayment (as defined below), given that the Roadmap Repayment is the main outstanding Remaining Activities. I anticipate that the Roadmap Repayment will be completed by the end of October or early November.

31. Ernst & Young Inc. will be discharged from its duties as the Monitor on the serving of the Monitor's Certificate; notwithstanding the discharge of Ernst & Young Inc. as Monitor:

a. the Monitor shall remain Monitor and have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to these CCAA Proceedings, including any matter in respect of the Chapter 15 Proceeding (as defined below), following the CCAA Termination Time (as defined in the CCAA Termination Order); and

b. Ernst & Young Inc. and its counsel will continue to have the benefit of any of the rights, approvals, releases, and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, and all other Orders made in these CCAA Proceedings.

Deponent's Initials DS RG

32. The serving of the Monitor's Certificate will also release claims against the Monitor and its Canadian and U.S. counsel relating to, arising out of or in respect of the CCAA Proceedings and the recognition proceedings, except for any claim or liability arising out of any gross negligence or wilful misconduct. I believe the Monitor and its legal counsel have been a critical component of these CCAA Proceedings, and they have contributed significant value to these CCAA Proceedings. From Peraso's perspective, the release in favour of the Monitor and its counsel is appropriate.

33. The proposed CCAA Termination Order also provides that the Monitor, in its capacity as foreign representative of the Applicant, is authorized to seek the termination of the recognition proceedings commenced in the United States Bankruptcy Court for the Southern District of New York pursuant to chapter 15 of title 11 of the *United States Code* (the "**Chapter 15 Proceeding**"). The termination of the Chapter 15 Proceeding is not a Remaining Activity; it is likely that the Chapter 15 Proceeding will not be terminated prior to the termination of these CCAA Proceedings. The proposed CCAA Termination Order provides that the Monitor remains empowered to deal with the termination of the Chapter 15 Proceeding even after the termination of the CCAA Proceedings and its discharge as Monitor.

(ii) **CCAA Charges**

34. Peraso obtained three interim financing facilities during the course of these CCAA Proceedings. Each facility had an associated charge against the property of the Applicant, being the DIP Lenders' Charge,[1] the Second DIP Lenders' Charge,[2] and the Third DIP Lender's Charge.[3] Pursuant to the proposed CCAA Termination Order, all three charges are to be fully and unconditionally terminated, released and discharged.

35. The DIP Lenders' Charge in favour of Roadmap Capital General Partner Ltd. ("**Roadmap Capital**"), Roadmap Peraso LP III (U.S. and Offshore) (together with Roadmap Capital, "**Roadmap**") and XCOM Labs, Inc. XCOM Labs, Inc. was fully repaid earlier in these proceedings, leaving Roadmap as the only unpaid lender under the DIP Lenders' Charge. Roadmap is also the only lender benefiting from the Second DIP Lenders' Charge.

---

[1] As defined in the Order re: Approval of DIP Agreement & Extension of the Stay of Proceedings granted July 2, 2020.
[2] As defined in the Order re: Approval of Second DIP Agreement Order granted August 20, 2020.
[3] As defined in the Order re: Approval of Third DIP Agreement granted September 2, 2020.

Deponent's Initials DS RG

36. Peraso will satisfy the amounts owing to Roadmap under the first and second interim facilities by means of: (a) with respect to the principal, secured convertible debentures (the "**Roadmap Debentures**") in the amount of US$2,550,000, cash payments in the amount of US$100,000, and warrants; and (b) with respect to interest, cash payments (such satisfaction of the first and second interim facilities, the "**Roadmap Repayment**"). Once the Roadmap Repayment is complete, the DIP Lenders' Charge and the Second DIP Lenders' Charge can be discharged.

37. The Roadmap Debentures will be substantively identical in form to the secured convertible notes issued on March 12, 2020 (such notes are described in the First Glibbery Affidavit and defined therein as the "**2020 Notes**"). The 2020 Notes are secured by a general security interest in all present and after acquired property and assets of Peraso but subordinated in interest to certain senior bank financing. The 2020 Notes carry simple interest on the principal amount of the notes accruing annually at a rate of 6% *per annum*. The 2020 Notes mature and become due and payable on December 31, 2023. The 2020 Notes are convertible into Peraso's equity securities.

38. Peraso is in the process of seeking the consent of its existing debenture holders and shareholders prior to finalizing the Roadmap Repayment. I anticipate that such consents will be obtained in the coming days.

39. Peraso obtained a third interim financing facility from Ubiquiti Networks Canada Inc. This facility was fully repaid from a portion of the US$5 million payment that Ubiquiti provided Peraso pursuant to the Settlement Agreement. As such, there is no longer any amount outstanding under this facility and, in turn, no need for the Third DIP Lender's Charge.

40. All amounts owing to the beneficiaries of the Administration Charge and the Directors' Charge (as defined in the Initial Order) for the period up to the CCAA Termination Time will be paid prior to the CCAA Termination Time (as defined in the CCAA Termination Order). Accordingly, the beneficiaries of these charges consent to these charges being discharged upon the filing of the Monitor's Certificate.

Deponent's Initials DS RG

(iii) **Outstanding Liabilities**

41. As noted in the First Glibbery Affidavit, Peraso entered these CCAA Proceedings with liabilities totalling approximately US$6.9 million. These liabilities were mainly related to secured notes totalling approximately US$5.6 million and unsecured obligations totalling approximately US$1.2 million.

42. Peraso is not seeking to impact its existing secured notes, which were defined in the First Glibbery Affidavit as the 2019 Notes and the 2020 Notes. The indebtedness owing pursuant to the 2019 Notes and the 2020 Notes will continue after the termination of these CCAA Proceedings.

43. Peraso intends to deal with all of its outstanding indebtedness once it emerges from these CCAA Proceedings, including any post-filing indebtedness that is not covered by the Administration Charge.

(iv) **Approval of Activities and Fees and Disbursements**

44. I understand that the Monitor will be filing the Tenth Report in connection with the within motion seeking approval of its activities, as detailed in the pre-filing report of the proposed Monitor dated June 2, 2020; the first report of the Monitor dated June 10, 2020; the second report of the Monitor dated June 29, 2020; the third report of the Monitor dated August 11, 2020; the fourth report of the Monitor dated August 19, 2020; the fifth report of the Monitor dated August 27, 2020; the sixth report of the Monitor dated September 2, 2020; the seventh report of the Monitor dated September 14, 2020; the eighth report of the Monitor dated October 1, 2020; the ninth report of the Monitor dated October 13, 2020; and the Tenth Report of the Monitor.

45. The Applicant supports the approval of the Monitor's activities.

46. The Applicant further understands that the Monitor and the Monitor's Canadian and U.S. counsel are seeking approval of their fees and disbursements and payment of same. The Applicant has reviewed theses fees and disbursements and supports the approval of same.

47. The proposed CCAA Termination Order sought by the Applicant also provides that any further fees and disbursements incurred by the Monitor and the Monitor's counsel up to

the CCAA Termination Time are authorized and approved without further order of this Court, up to an amount to be agreed with the Monitor, which will be addressed in the Monitor's Tenth Report.

(v) **Stay Period Extension**

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

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

50. Roadmap has agreed to extend the maturity of its first and second interim facilities to the expiry of the proposed Stay Period extension, that being November 30, 2020.

51. The proposed extension to the Stay Period will be used to resolve the Remaining Activities prior to terminating these CCAA Proceedings, including the Roadmap Repayment as described above. I anticipate that all Remaining Activities will be resolved by the end of October or early November 2020, and I anticipate that the Monitor's Certificate will be served within one business day of that happening. Peraso is requesting a stay extension to November 30, 2020 as a buffer in the event of any unforeseen delays. When all outstanding matters are complete, the Monitor will issue the Monitor's Certificate to officially terminate these CCAA Proceedings.

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

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

I confirm that while connected via video technology, Ronald Glibbery showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid.

Affirmed before me by video conference from the City of Toronto, Ontario, to the Community of Eugenia (Grey County), Ontario, on October 26, 2020.

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Nicholas Avis
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
Ronald Glibbery
D41573EF6574469...

RONALD GLIBBERY

Deponent's Initials
DS
RG

This is
EXHIBIT "A"
referred to in the affidavit of
RONALD GLIBBERY
dated October 26, 2020

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Commissioner for taking affidavits

Court File No. ___________________

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

(Applicant)

AFFIDAVIT OF RONALD GLIBBERY
(Sworn June 2, 2020)

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

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

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

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

A. INTRODUCTION

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

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

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

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

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

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

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

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B. BACKGROUND

(i) Corporate Overview

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

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

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

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

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[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.

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

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

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

(ii) Peraso's Products and Services

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

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

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

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

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

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

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

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

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

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

(iii) Employees and Contractors

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

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

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

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

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

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

(iv) Peraso's Customers

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

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

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

C. RELATIONSHIP WITH UBIQUITI

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

(i) The Peraso-Ubiquiti Transaction

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

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

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

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

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

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

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**").

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

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

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

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

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

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

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

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

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

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

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

(vii) The Notice Litigation

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

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

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

D. FINANCIAL STATUS

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

(i) Assets

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

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

(ii) Liabilities

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

Secured Indebtedness

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

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

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

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

74. Peraso does not maintain any open credit facilities.

Unsecured Indebtedness

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

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

E. PERASO'S NEED FOR CCAA PROTECTION

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

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

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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.

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.

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

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

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

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

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

I. COMEBACK MOTION

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

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

(b) approval of DIP financing; and

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

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

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

DocuSigned by:
Nicholas Avis
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Nicholas Avis
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
Ronald Glibbery
D41573EF6574469...

RONALD GLIBBERY

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This is
EXHIBIT "B"
referred to in the affidavit of
RONALD GLIBBERY
dated October 26, 2020

DocuSigned by:
2C12EFAB5242430...

Commissioner for taking affidavits

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicant

AFFIDAVIT OF RONALD GLIBBERY
(Affirmed 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.

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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**").

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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 September[1] 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.

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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

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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

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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:
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Nicholas Avis
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
D41573EF6574469...

RONALD GLIBBERY

Deponent's Initials

DS

This is
EXHIBIT "C"
referred to in the affidavit of
RONALD GLIBBERY
dated October 26, 2020

DocuSigned by:
Nicholas Avis
2C12EFAB5242430...

Commissioner for taking affidavits

Peraso Technologies Inc. Cash Flow Projection thousands, USD	Note	17-Oct-20 23-Oct-20	24-Oct-20 30-Oct-20	31-Oct-20 6-Nov-20	7-Nov-20 13-Nov-20	14-Nov-20 20-Nov-20	21-Nov-20 27-Nov-20	28-Nov-20 4-Dec-20	17-Oct-20 4-Dec-20
Receipts									
Sales Collections	2	-	-	150.0	250.0	-	-	-	400.0
Other Receipts	3	5,000.0	-	-	-	249.5	-	-	5,249.5
DIP Draw/(Repayment)	4	(2,500.0)	(100.0)	-	-	-	-	-	(2,600.0)
Total Receipts		2,500.0	(100.0)	150.0	250.00	249.5	-	-	3,049.5
Disbursements									
Personnel, Payroll & Benefits	5	2.1	253.5	87.8	247.1	38.9	246.2	158.2	1,033.9
Operating Expenses	6	136.9	142.9	25.3	93.4	120.3	58.0	3.5	580.3
Software and IT Expenses	7	0.0	34.4	22.3	334.7	0.8	-	19.7	411.9
Rent	8	-	5.4	5.1	62.7	0.9	-	5.1	79.2
Restructuring Costs	9	24.9	204.4	89.9	34.3	8.0	-	-	361.4
DIP Interest & Fees Payable	10	22.1	17.6	-	-	-	-	-	39.6
Total Disbursements		185.9	658.3	230.4	772.2	168.9	304.2	186.5	2,506.5
Net Cash Flow		2,314.1	(758.3)	(80.4)	(522.2)	80.7	(304.2)	(186.5)	543.1
Opening Available Cash Balance	1	963.9	3,277.9	2,519.7	2,439.2	1,917.0	1,997.7	1,693.4	963.9
Closing Available Cash Balance		3,277.9	2,519.7	2,439.2	1,917.0	1,997.7	1,693.4	1,507.0	1,507.0
DIP Facilities									
Opening Balance		5,150.0	2,650.0	-	-	-	-	-	5,150.0
DIP Draw/(Repayment)		(2,500.0)	(2,650.0)	-	-	-	-	-	(5,150.0)
Closing Balance	4	2,650.0	-	-	-	-	-	-	-

In the Matter of the CCAA of Peraso Technologies Inc. (the "Applicant")

Notes to the Applicant's Unaudited Cash Flow Projection

Disclaimer:

In preparing this cash flow projection (the "**Projection**"), the Applicant has relied upon unaudited financial information and the Applicant has not attempted to further verify the accuracy or completeness of such information. The Projection includes estimates concerning the operations of the company and additional assumptions discussed below with respect to the requirements and impact of a ***Companies' Creditors Arrangement Act*** ("**CCAA**") filing. Since the Projection is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Projection period will vary from the Projection, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Projection reflects cash flows from the Applicant's operations on a "business as usual" basis. The Applicant, with the assistance of the Monitor, has prepared the Projection based primarily on historical results and Peraso's current expectations. Peraso expects to repay the outstanding DIP facilities in the near term, following which the CCAA proceeding will be terminated. The Projection assumes the Applicant will exit CCAA during the projection period and that the stay of proceedings will be lifted at that time.

The Projection assumes that pre-filing amounts owing to third party suppliers, excluding contractors, will be stayed, while all post-filing goods and services will be settled in the normal course. The Projection does not include the effect of the CCAA proceedings being terminated and the resumption of payment of pre-filing liabilities has not been forecast.

The cash flow projection is presented in thousands of United States dollars. Receipts and disbursements denominated in Canadian dollars have been converted into United States dollars using an exchange rate of CAD 1.3192 = USD 1.00.

Assumptions:

1. **Beginning balance**
   This represents the cash balance as of October 17, 2020.

2. Sales Receipts

Peraso's sales receipts are based on forecast collections from opening accounts receivable and projected sales during the projection period. Collections are estimated based on revenue forecasts and customer collection experience.

3. Other

Other collections include anticipated receipts related to HST refunds, based on anticipated input tax credits and sales tax collected and a receipt from Ubiquiti pursuant to the Settlement Agreement. The timing of any such receipts are based on historical results and may vary at the discretion of the Canada Revenue Agency.

4. DIP Draw/(Repayment)

The Projection forecasts the repayment of all interim financing during the forecast period. These repayments will be made through a combination of cash and the issuance of certain debentures and warrants, following which all outstanding post-filing DIP facilities will be fully repaid.

5. Personnel, Payroll & Benefits

These disbursements include payroll costs for all salaried employees through November 30, 2020 and are forecast based on historical run rates and expected disbursements. Salaried employees are paid semi-monthly, while contractors are paid monthly based on invoiced time. These disbursements include employment taxes, payroll processing fees and reimbursement payments. All statutory deemed trust amounts in favour of the Crown in right of Canada or any Province or other taxing authority that are required to be deducted from employee wages including, in respect of employee insurance, Canada Pension Plan and income taxes will be remitted.

6. Operating Expenses

These disbursements include business insurance, telephone services, office supplies, royalty fees, tax services, delivery services, kitchen supplies, and postage, among others.

7. Software & IT Expenses

These disbursements include all software license fees and information technologies cost, including IT supplies and equipment less than $1,500.

8. Rent

These disbursements include rental and building operating costs for facilities and equipment rental costs.

9. Restructuring costs

Restructuring costs include the estimated fees and disbursements of the Applicant's Canadian and US legal Counsel, the CCAA Monitor and its Canadian and US legal counsel. These disbursements include the payment of all outstanding payables and accruals, plus all estimated fees required to complete the CCAA Proceedings.

10. DIP Interest Payable

Interest is estimated based on the drawn amounts under the First DIP Agreement at the rate of 6% per annum and under the Second DIP Agreement and Third DIP Agreement at the rate of and 14% per annum, compounded monthly and payable in arrears on the last business day of each month.

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 26, 2020

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

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicant, Peraso Technologies Inc.

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 28TH
	)	
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
(Termination of CCAA Proceedings)

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 affidavit of Ronald Glibbery affirmed October 26, 2020 (the "**Thirteenth Glibbery Affidavit**") and the Exhibits thereto, the Tenth Report of Ernst & Young Inc., in its capacity as Monitor (the "**Monitor**"), dated October ●, 2020 (the "**Tenth 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. 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.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used herein but not defined shall have the meaning given to them in the Order dated June 3, 2020 (as amended and restated on June 12, 2020, the "**Initial Order**").

TERMINATION OF CCAA PROCEEDINGS AND RELATED PROVISIONS

3. **THIS COURT ORDERS** that upon the Monitor being advised in writing by counsel for the Applicant that all Remaining Activities (as listed and defined in the Thirteenth Glibbery Affidavit) have been completed, the Monitor is authorized and directed to serve an executed certificate substantially in the form attached hereto as Schedule "A" (the "**Monitor's Certificate**") on the Service List, whereupon these CCAA proceedings shall be terminated without any other act or formality (the "**CCAA Termination Time**"), save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in these CCAA proceedings or any actions or steps taken by any Person.

4. **THIS COURT ORDERS** that the Monitor is hereby directed to file a copy of the Monitor's Certificate with the Court as soon as is practicable following its service thereof on the Service List.

5. **THIS COURT ORDERS** that the Stay Period referred to in the Initial Order is extended until and including the earlier of (i) the CCAA Termination Time, or (ii) November 30, 2020.

6. **THIS COURT ORDERS** that, effective as at the CCAA Termination Time, the DIP Lenders' Charge (as defined in the Order re: Approval of DIP Agreement & Extension of the Stay of Proceedings granted July 2, 2020), the Second DIP Lenders' Charge (as defined in the Order re: Approval of Second DIP Agreement Order granted August 20, 2020), the Third DIP Lender's Charge (as defined in the Order re: Approval of Third DIP Agreement granted

September 2, 2020), the Administration Charge and the Directors' Charge shall be fully, unconditionally and automatically terminated, released and discharged.

CHAPTER 15 PROCEEDINGS

7. **THIS COURT ORDERS** that the Monitor, in its capacity as foreign representative of the Applicant, is hereby authorized and empowered to conclude or otherwise terminate any proceedings recognizing the within proceedings in a jurisdiction outside of Canada, including those proceedings with the case number 20-11354 (SHL) commenced in the United States Bankruptcy Court for the Southern District of New York pursuant to chapter 15 of title 11 of the *United States Code* (the "**Chapter 15 Proceeding**").

APPROVAL OF MONITOR'S FEES AND DISBURSEMENTS

8. **THIS COURT ORDERS** that the fees and disbursements of the Monitor up to and including October ●, 2020, all as set out in the affidavit of Brian Denega **[sworn/affirmed]** October ●, 2020 (the "**Denega Affidavit**"), incurred in connection with this proceeding and/or the Chapter 15 Proceeding, are hereby authorized and approved.

9. **THIS COURT ORDERS** that the fees and disbursements of the Monitor's Canadian counsel up to and including October ●, 2020, all as set out in the affidavit of Andrew Hanrahan **[sworn/affirmed]** October ●, 2020 (the "**Hanrahan Affidavit**"), incurred in connection with this proceeding and/or the Chapter 15 Proceeding, are hereby authorized and approved.

10. **THIS COURT ORDERS** that the fees and disbursements of the Monitor's U.S. counsel up to and including October ●, 2020, all as set out in the affidavit of Ken Coleman [**sworn/affirmed**] October ●, 2020 (the "**Coleman Affidavit**"), incurred in connection with this proceeding and/or the Chapter 15 Proceeding, are hereby authorized and approved.

11. **THIS COURT ORDERS AND DECLARES** that the fees and disbursements of the Monitor and the Monitor's Canadian and U.S. counsel that are not set out in the Denega Affidavit, the Hanrahan Affidavit, or the Coleman Affidavit, respectively, but have been or are anticipated to be incurred in the performance of the duties of the Monitor until the CCAA Termination Date are hereby authorized and approved up to a maximum of $● in the aggregate

(plus applicable HST) without further Order of the Court, and in that regard the Monitor shall provide to the Applicant an account or accounts for the fees and disbursements of the Monitor and the Monitor's Canadian and U.S. counsel so incurred (the "**Actual Fees and Expenses**"), and for the avoidance of doubt, only the Actual Fees and Expenses shall be paid to the Monitor and the Monitor's Canadian and U.S. counsel.

APPROVAL OF MONITOR'S ACTIVITIES

12. **THIS COURT ORDERS** that the pre-filing report of the proposed Monitor dated June 2, 2020; the first report of the Monitor dated June 10, 2020; the second report of the Monitor dated June 29, 2020; the third report of the Monitor dated August 11, 2020; the fourth report of the Monitor dated August 19, 2020; the fifth report of the Monitor dated August 27, 2020; the sixth report of the Monitor dated September 2, 2020; the seventh report of the Monitor dated September 14, 2020; the eighth report of the Monitor dated October 1, 2020; the ninth report of the Monitor dated October 13, 2020; and the Tenth Report of the Monitor are each hereby approved and the activities and conduct of the Monitor prior to the date hereof in relation to the Applicant and these CCAA proceedings are hereby ratified and approved; provided, however, that only the Monitor in its personal and/or corporate capacity and only with respect to its personal and/or corporate liability, shall be entitled to rely upon or use in any way such approvals.

13. **THIS COURT ORDERS AND DECLARES** that the Monitor has duly and properly satisfied, discharged and performed all of its obligations, liabilities, responsibilities and duties in respect of the Applicant in compliance and in accordance with the CCAA, the Initial Order and any other Orders of this Court made in the within CCAA proceedings.

DISCHARGE OF MONITOR

14. **THIS COURT ORDERS** that effective at the CCAA Termination Time, Ernst & Young Inc. shall be and is hereby discharged from its duties as the Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time and further that, notwithstanding the discharge of Ernst & Young Inc. as Monitor, the Monitor shall remain Monitor and have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to these CCAA proceedings, including any

matter in respect of the Chapter 15 Proceeding, following the CCAA Termination Time, as may be required (the "**Monitor Incidental Matters**").

15. **THIS COURT ORDERS** that, notwithstanding its discharge and the termination of these CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and Ernst & Young Inc. and its counsel shall continue to have the benefit of any of the rights, approvals, releases, and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, and all other Orders made in these CCAA proceedings, including in connection with any Monitor Incidental Matters and other actions taken by the Monitor pursuant to this Order following the CCAA Termination Time.

16. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Monitor at any time in any way arising from or related to its capacity or conduct as Monitor except with prior leave of this Court and on prior written notice to the Monitor.

RELEASES

17. **THIS COURT ORDERS** that the Monitor and its Canadian and U.S. counsel and each of their respective affiliates, officers, directors, partners, employees and agents (collectively, the "**Released Persons**") shall be and are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Persons, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the within proceedings or with respect to their conduct in the within proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Persons shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Released Persons.

18. **THIS COURT ORDERS** that, at the CCAA Termination Time, and subject to paragraph 19 hereof, the Released Persons shall be released and discharged from any and all claims that any person may have or be entitled to assert against the Released Persons, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or thereafter arising, based

in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the date of this Order in any way relating to, arising out of or in respect of the within CCAA proceedings or with respect to their respective conduct in the within CCAA proceedings (collectively, the "**Subsequent Released Claims**"), and any such Subsequent Released Claims shall be released, stayed, extinguished and forever barred and the Released Persons shall have no liability in respect thereof, provided that the Subsequent Released Claims shall not include any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Released Persons.

19. **THIS COURT ORDERS** that in the event that any person objects to the release and discharge of the Subsequent Released Claims, that person must send a written notice of objection and the grounds therefor to the Monitor such that the notice of objection is received by the Monitor prior to the proposed CCAA Termination Time. If no objection is received by the Monitor prior to the CCAA Termination Time, the release and discharge of Subsequent Released Claims pursuant to paragraph 18 hereof shall be automatically deemed effective upon the CCAA Termination Time, without further Order of the Court.

20. **THIS COURT ORDERS** that if an objection to the release of the Subsequent Released Claims is received by the Monitor pursuant to paragraph 19 hereof, the release and discharge of the Subsequent Released Claims pursuant to paragraph 18 hereof shall not become effective pending further Order of the Court. For greater certainty, no objection received in accordance with paragraph 19 hereof shall affect the release and discharge of the Released Claims pursuant to paragraph 17 hereof, which shall be effective as of the date of this Order.

21. **THIS COURT ORDERS** that from and after the CCAA Termination Time no action or other proceeding shall be commenced against any of the Released Persons in any way arising from or related to the within CCAA proceedings, except with prior leave of this Court on at least seven days' prior written notice to the applicable Released Person, and provided that any such Order granting leave includes a term granting the applicable Released Person security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms this Court deems just and appropriate.

22. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the termination of the CCAA proceedings or the discharge of the Monitor, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor and its counsel shall continue to have the benefit of, the approvals and protections in favour of the Monitor at law or pursuant to the Initial Order or any other Order of this Court in the CCAA proceedings, all of which are expressly continued and confirmed, including in connection with any actions taken by the Monitor pursuant to this Order following the filing of the Monitor's Certificate.

GENERAL

23. **THIS COURT ORDERS** that notwithstanding the discharge of the Monitor and the termination of the CCAA proceedings, this Court shall remain seized of any matter arising from these CCAA proceedings, and each of the Applicant, the Monitor and any other interested party shall have the authority from and after the date of this Order to apply to this Court to address matters ancillary or incidental to these CCAA proceedings notwithstanding the termination thereof. The Monitor is authorized to take such steps and actions as the Monitor determines are necessary to give effect to this Order following the date of this Order until the CCAA Termination Time.

24. **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.

25. **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.

26. **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.

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.

(the "**Applicant**")

MONITOR'S CERTIFICATE

RECITALS

A. Ernst & Young Inc. ("**EY**") was appointed as the Monitor of the Applicant in the within proceedings commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated June 3, 2020 (as amended and restated on June 12, 2020, the "**Initial Order**").

B. Pursuant to an Order of this Court dated October ●, 2020 (the "**CCAA Termination Order**"), among other things, EY shall be discharged as Monitor and the Applicant's CCAA proceedings shall be terminated upon the service of this Monitor's Certificate on the Service List, all in accordance with the terms of the CCAA Termination Order.

C. Unless otherwise indicated herein, capitalized terms used in this Monitor's Certificate shall have the meanings given to them in the CCAA Termination Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has been advised in writing by counsel for the Applicant that all Remaining Activities (as defined in the affidavit of Ronald Glibbery affirmed October 26, 2020) have been completed.

ACCORDINGLY, the CCAA Termination Time as defined in the CCAA Termination Order has occurred.

DATED at Toronto, Ontario, this _____ date of __________________, 2020.

ERNST & YOUNG INC., in its capacity as Monitor of the Applicant, and not in its personal capacity

By: ____

Name:

Title:

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

MONITOR'S CERTIFICATE

Thornton Grout Finnigan LLP
Suite 3200, 100 Wellington Street West
P.O. Box 329
Toronto-Dominion Centre
Toronto, Canada M5K 1K7

D.J. Miller LSO#: 34393P
Tel: (416) 304-0559
Email: djmiller@tgf.ca

Andrew Hanrahan LSO#: 78003K
Tel: (416) 304-7974
Email: ahanrahan@tgf.ca

Lawyers for the Monitor

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
(Termination of CCAA Proceedings)

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

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

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 28, 2020)

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

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicant, Peraso Technologies Inc.