IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	)	Chapter 15
SANDVINE CORPORATION, *et al.*,[1]	)	Case No. 24-33617 (SGJ)
Debtors in a Foreign Proceeding.	)	(Joint Administration Requested)

DECLARATION OF JEFFREY A. KUPP
IN SUPPORT OF (A) VERIFIED PETITION FOR
ENTRY OF AN ORDER (I) RECOGNIZING FOREIGN MAIN
PROCEEDINGS, OR IN THE ALTERNATIVE, FOREIGN NONMAIN
PROCEEDINGS, (II) RECOGNIZING THE FOREIGN REPRESENTATIVE; AND
(III) GRANTING RELATED RELIEF AND (B) DEBTORS' EMERGENCY MOTION
FOR PROVISIONAL RELIEF UNDER CHAPTER 15 OF THE BANKRUPTCY CODE

I, Jeffrey A. Kupp, pursuant to 28. U.S.C. §1746 hereby declare under penalty of perjury under the laws of the United States of America that the following is true and correct to the best of my knowledge, information, and belief:

1. I am the Treasurer and Secretary of New Procera GP Company ("GP"), and the Chief Financial Officer of Sandvine Corporation ("Sandvine Canada," and together with the other above-captioned debtors, collectively, the "Debtors," and together with their non-debtor affiliates, "Sandvine" or the "Company") which are the subject of proceedings commenced under the Companies' Creditors Arrangement Act., R.S.C. 1985, c. C-36 (as amended, the "CCAA") in the Ontario Superior Court of Justice (Commercial List) (the "CCAA Proceedings" and such court, the "CCAA Court"). I have served as Sandvine Corporation's Chief Financial Officer since 2020

[1] The Debtors in these chapter 15 cases, along with the Debtors' unique identifiers, are: Sandvine Corporation (Business No.: 885025916), New Procera GP Company (Company Registration No.: WC-7044), Sandvine Holdings UK Limited (Company No.: 10533653), Sandvine OP (UK) Ltd. (Company No.: 10791762), Procera Networks, Inc. (EIN: 33-0974674), and Procera Holding, Inc. (EIN: 47-4070338). The location of the Debtors' service address for purposes of these chapter 15 cases is: 410 Albert St Suite 201, Waterloo, ON N2L 3V3, Canada. Copies of materials filed with the applicable court in the CCAA proceedings and these chapter 15 cases are available on the website of the CCAA monitor: https://www.ksvadvisory.com/experience/case/sandvine.

and have been an officer of GP since June 2024. As Chief Financial Officer for Sandvine Canada, I am responsible for all financial-related aspects of Sandvine's business. As such, I have personal knowledge of the matters discussed herein, including the business and financial affairs of the Company. In addition, I am a representative duly authorized to act on behalf of Sandvine Canada, the proposed foreign representative (the "Foreign Representative") in these chapter 15 cases (the "Chapter 15 Cases," and the date such Chapter 15 Cases were commenced, the "Petition Date").

2. I am over the age of 18 and am authorized to submit this declaration (the "Declaration") on behalf of the Foreign Representative. If called upon to testify, I could and would testify competently to the facts set forth in this Declaration. The facts set forth in this Declaration are based upon (a) my personal knowledge, (b) my review of relevant documents, including the documents prepared and/or filed in connection with the CCAA Proceedings, (c) information supplied to me by professionals retained by the Debtors and the Foreign Representative, or (d) based on my experience and knowledge of the Company's assets, financial condition, and the industry in which it operates.

3. I submit this Declaration to assist the United States Bankruptcy Court for the Northern District of Texas (Dallas Division) (the "Court") and parties in interest in better understanding the circumstances that compelled the commencement of the CCAA Proceedings and these Chapter 15 Cases, and in support of the:

a. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing (A) the Joint Administration of Cases Under Chapter 15 of the Bankruptcy Code and (B) the Foreign Representative to File Consolidated Lists of Information Required By Bankruptcy Rule 1007(a)(4), and (II) Granting Related Relief* [Docket No. 2];

b. *Notice of Designation as Complex Bankruptcy Cases* [Docket No. 3];

c. *Debtors' Emergency Motion Pursuant to Federal Rules of Bankruptcy Procedure 2002 and 9007 Requesting Entry of an Order (I) Scheduling a Recognition Hearing, (II) Specifying Form and Manner of Service of Notice, and (III) Granting Related Relief* [Docket No. 4];

d. *Debtors' Emergency Motion for Provisional Relief Under Section 1519 of the Bankruptcy Code* [Docket No. 8] (the "Provisional Relief Motion"); and

e. *Verified Petition for Entry of an Order (I) Recognizing Foreign Main Proceedings, or in the Alternative, Foreign Nonmain Proceedings, (II) Recognizing the Foreign Representative, and (III) Granting Related Relief* [Docket No. 9].

4. ***Part I*** of this Declaration introduces Sandvine and discusses the reasons the CCAA Proceedings and these Chapter 15 Cases are necessary, including the Debtors' prepetition stabilization efforts. ***Part II*** provides a general overview of the Debtors, their business, and their operations. ***Part III*** describes the Debtors' corporate structure. ***Part IV*** details the Debtors' prepetition capital structure. ***Part V*** describes in more detail the events leading to these Chapter 15 Cases, the Debtors' postpetition financing facility, and some of the interim relief provided in the order granted by the CCAA Court on November 7, 2024 (the "Initial Order").[2] ***Part VI*** describes the CCAA Proceedings, and the relief requested from this Court.

Part I: Introduction

5. Sandvine is a Canadian application and network optimization company headquartered in Waterloo, Ontario. Sandvine provides quality of experience ("QoE") analysis and performance optimization software applications to its customers, the majority of whom are telecommunications service providers located across the world. Sandvine's technology generates metadata (*i.e.*, information about data) for its customers, including information about the applications, application categories, and content categories with which its end users engage,

[2] A copy of the entered Initial Order is attached to as Exhibit 5 to each Debtor's Form 401 petition. The Debtors will file a certified copy of the order as soon as practicable.

without decrypting user content. Sandvine's customers use that metadata to classify network traffic, enhance network connectivity, counter threats to network security, and optimize application QoE. Sandvine's technology facilitates internet access for hundreds of millions of people around the world.

6. Sandvine is a market leader. Its products allow its customers to understand the traffic flowing in their networks with 95% accuracy – a significantly higher accuracy rate than available with other products on the market. Sandvine's products are integrated into customer networks and provide services that are integral to its customers' network optimization, planning, security, and revenue generation. Many of Sandvine's products are active network elements used to manage network traffic—meaning that customers design their network policies to incorporate Sandvine's products. Any interruption in Sandvine's services would have serious implications for the continuity and security of services provided by Sandvine's customers, which include many of the largest internet service providers in Canada and around the world.

7. On February 27, 2024, the U.S. Department of Commerce placed Sandvine Canada and certain of the other non-U.S. Debtors onto its Entity List (the "Entity List"). Being placed on the Entity List imposed export restrictions on certain vendors that prevented them from providing U.S.-origin goods and technology to Sandvine without a special export license. These restrictions impacted the goods and technology critical to Sandvine Canada's core business operations. In addition, some customers paused new orders because of the Entity List designation. This had a material negative impact on the Company's business. Sandvine estimates that the combined impact of being placed on the Entity List, material operational adjustments it agreed to in connection with its removal from the Entity List, and customer attrition resulting from the Entity

List designation, will reduce its projected revenue by over 50%. On October 23, 2024, Sandvine was removed from the Entity List.

8. In light of these impacts on the Company's operations and cash flow, the Company and its Legacy Loan Lenders (as defined below) negotiated agreements for the financing and restructuring of the Company's business. The transactions set forth in these agreements provide for a comprehensive operational and balance sheet restructuring of the Company (the "Restructuring Transactions"), which will be implemented through the CCAA Proceedings and these Chapter 15 Cases. The terms of the Restructuring Transactions are memorialized in a restructuring support agreement (the "RSA") and restructuring term sheet (the "Restructuring Term Sheet") attached thereto, which was supported by approximately 97% of the Debtors' Legacy Loan Lenders. The RSA terms include:

a. **Financing**: $45 million in new money financing under the Debtors' delayed draw term loan facility (the "DDTL Facility"), plus a commitment to provide any undrawn portion of such financing as a debtor-in-possession facility (the "DIP Facility", and the loans borrowed thereunder, the "DIP Loans"), with the Legacy Loan Lenders backstopping such financing (pursuant to a separate commitment letter) receiving a $5 million Backstop Premium (as defined below) net funded on the DDTL Closing Date (as defined below). All Legacy Loan Lenders that committed to providing such financing (as further defined below, the "DDTL Tranche A Commitment Parties") are to receive the DDTL Commitment Fee (as defined below) and had the opportunity to participate in the Uptier Exchange (as defined below);

b. **Forbearance**: the Legacy Loan Lenders' agreement to forbear from exercising any rights to enforce default remedies under the Legacy Loan Credit Agreement (as defined below) and the Debtors' other funded debt documents; and

c. **Recapitalization**: a proposed transaction, to be implemented through a sales process as part of the CCAA Proceedings, pursuant to which (i) all outstanding DDTL Tranche A Loans (as defined below), DDTL Tranche B Loans (as defined below), and DIP Loans will be converted and exchanged into Exit Facility Loans (as defined below) on a *pari passu* and dollar-for-dollar basis; (ii) all of the Debtors' claims under the Legacy Loan Credit Agreement (as defined below) will be released and extinguished, and each holder of a claim on account of the Legacy Loans will receive, in full and final satisfaction of such Legacy Loan Claim, its *pro rata* share of 50% of the NewCo Common Equity (as defined below) (and in the case of (i) and (ii), in full satisfaction thereof); and (iii) NewCo (as defined below) shall pay the DDTL Commitment Fee to the DDTL Tranche A Commitment Parties.

9. All of the Legacy Loan Lenders were offered the opportunity to participate in the RSA and the DDTL Facility (including the commitments related thereto), and, as previously noted, 97% determined to do so. The RSA and documents memorializing the Restructuring Transactions were executed on October 2, 2024. Also on October 2, 2024, the Company drew $20 million under the DDTL Facility (which draw included the $5 million net funded Backstop Premium). The Debtors are pursuing the CCAA Proceedings and Chapter 15 Cases to implement the Restructuring Transactions in accordance with, and pursuant to, the RSA.

Part II:
General Background

A. Overview

10. Founded in Canada in 2001, Sandvine Canada is an application and network optimization company headquartered in Waterloo, Ontario that provides QoE analysis and performance optimization software to its customers.

11. Sandvine provides software products and services in approximately 50 countries, with its customers including approximately 130 of the largest global communications service providers that collectively service hundreds of millions of network users. Its products help service providers deliver high quality experiences to their consumer and enterprise customers. Sandvine's products classify internet traffic into different types of data being transmitted over networks—for example, Sandvine's products can inform telecom organizations which network traffic relates to streaming applications or gaming so they can better plan their networks to handle traffic caused by these applications, improve the delivery capability of these applications, support fair usage for

end users and business users, and appropriately prioritize latency sensitive traffic (*i.e.*, prioritize traffic for applications where a delay between data delivery and data processing impacts the success of that application's performance).

1. Products

12. Sandvine's software creates metadata about the quality and usage of over the top ("OTT") applications (*e.g.*, Netflix, Amazon Prime, YouTube), application categories (*e.g.*, video, social media, gaming), and content categories (*e.g.,* browsing, streaming, messaging) by subscribers, without decrypting user content. Sandvine's customers use its detailed metadata reports to analyze OTT application usage and understand subscriber experiences when using these applications.

13. Sandvine's software products include, among others: (a) ActiveLogic, which captures network traffic data and processes it at scale for use by other software applications; (b) AppLogic, which allows Sandvine to classify and categorize OTT applications and service provider's proprietary applications so that service providers can know precisely what is happening over their networks in real time, manage capacity and congestion, and proactively identify and address customer sentiment resulting from network and application issues; and (c) App QoE Scoring, which provides a depiction of how an application is performing in near real-time.

14. These products assist internet service providers and corporate enterprises to: (a) transition from the 4G to 5G network, which requires high application and network performance; (b) offer mobile plans with limited application and service usage; (c) ensure consistency of video streaming experiences; (d) tailor services to subscriber consumption patterns; (e) proactively diagnose WiFi connectivity issues; and (f) prevent fraud.

15. Historically, Sandvine sold proprietary computer hardware, and more recently sold commercial off-the-shelf hardware, to customers to support its software products. Sandvine anticipates completing its transition to a software only business at the end of 2024, or early 2025, and is effectively no longer providing hardware services, other than limited ongoing maintenance and support contracts related thereto. As of September 30, 2024, the net value of Sandvine's remaining hardware inventory totaled approximately $4.0 million and was held by Sandvine Canada. Procera Networks, Inc. ("Procera US") has inventory which was returned to a location in Irving, Texas that is valued at $563,000. In the ordinary course, in the absence of the Entity List restrictions, any hardware inventory returns would have been sent to Sandvine Canada.

2. Customers, Sales, and Services

16. Sandvine's customers include primarily telecommunication service providers and corporate groups or enterprises. Sandvine's software solutions can be deployed by internet service providers of any size, with any combination of access technologies (*e.g.*, mobile 3G/4G/5G, WiFi, fixed cable/ DOCSIS/DSL/Ft/Satellite) in any deployment model (*e.g.,* cloud, hybrid, virtualized, physical).

17. Sandvine's sales are typically executed through a "right to use" ("RTU") its software in accordance with the terms of an end user license agreement ("EULA"). RTUs are normally sold on a perpetual basis, subject to compliance with the EULA, although they may also be sold on an annual subscription basis. In conjunction with the RTUs, the Company sells software maintenance and support services (software maintenance is imbedded with subscription license sales), which generally need to be renewed on an annual basis. These support services include frequent software updates that are critical to ensure that the software continues to accurately identify network traffic flow.

18. Sandvine also offers customers:

a. project deployment professional services, which consist of project management and technical work assistance needed to install, configure, integrate and test software solutions;

b. training services (both instructor led and e-learning) for Sandvine's products; and

c. Value-Added Services ("VAS") which provide customers with specific types of assistance using Sandvine's system on a daily basis. VAS has several variations and includes (a) updating and customizing the signatures which identify consumer applications; (b) daily operation, change management and customer assistance using Sandvine's products; and (c) success management through dedicating a single point of contact for all post-sales customer support work.

19. Three primary paths to market exist for Sandvine's products: (a) direct sales to operator or enterprise customers; (b) reseller transactions with third parties who resell Sandvine's products to operator or enterprise customers, sometimes bundled with other products and services; and (c) distribution relationships in which Sandvine contracts with a distributer who contracts with a reseller for the sale of products. Sandvine's reseller and distributor transactions comprise a majority of the Company's business.

20. Sandvine Canada and Procera US are the contractual counterparties for substantially all of the Company's customer contracts, depending on the customer's location. Approximately 69% of the Company's end customers contract with Sandvine Canada. In 2023, Sandvine Canada generated approximately two thirds of the Company's revenue, and Procera US generated approximately one third.

3. Vendors

21. Sandvine relies on several third-party software providers for: (a) products it imbeds into its application QoE software and (b) for products used in its internal operations, many of which are critical to Sandvine's business and its ability to serve customers. Embedded software

is essential to the operation of the software products that Sandvine sells to its customers and it generally requires lengthy development and test cycles to change or substitute products.

22. Third-party software for Sandvine's internal needs include, among other things, security solutions for Sandvine's internal IT networks, customer relationship management software, software to integrate the Company's information technology applications, data storage and business intelligence products, video and messaging software programs for online collaboration, enterprise resource planning and finance software, shipping and logistics services, as well as export control and denied party screening essential to complying with export laws. Sandvine also relies on third-party suppliers who provide hardware that is critical for its business.

23. The Company also uses vendors for several corporate functions including human resources, marketing, and payroll.

B. Assets

24. The majority of the Company's assets are in Canada, including most notably, the majority of its crucial intellectual property assets, as well as the majority of the Company's cash, customer accounts receivable, inventory, fixed assets, and Sandvine Canada's minority interests in two joint ventures that hold real estate investments (WTC1 Inc. and WTC2 Inc.).

1. Proprietary Software and Related IP

25. Sandvine's principal assets are software products and related intellectual property rights and know-how. Sandvine maintains its application QoE products with a technology patent portfolio that protects its data foundations as well as its solutions and use cases. As of October 23, 2024, Sandvine Canada owns approximately 166 patents and has approximately 148 patent applications pending, covering the following: (a) network optimization; (b) monetization / policy enforcement; (c) classification and QoE; (d) service assurance; and (e) 5G.

26. Sandvine Canada has 157 registered trademarks, with 39 additional trademark applications pending. Sandvine Canada also has one U.S. copyright registration titled SCORECARD registered November 28, 2018. Procera US has 13 registered trademarks and one patent.

2. Real Property Interests

27. Sandvine leases most of its office space, including the Waterloo Technology Centre where the Company is headquartered. Sandvine Canada owns a 49% interest in WTC1 Inc. and WTC2 Inc., the owners of the three office buildings comprising the Waterloo Technology Centre. WTC1 Inc. operates the entire complex, although both WTC1 Inc. and WTC2 Inc. own buildings within it. The owners are currently marketing the Waterloo Technology Centre for sale.

28. The Company also leases office space in: Sweden, Japan, UAE, Malaysia, India, and the United States. The Debtors do not own any other real property interests, and do not own any real property outright.

C. Employees

29. As of October 25, 2024, Sandvine employed approximately 475 employees and had 32 independent contractors in 30 countries. None of the employees are unionized and Sandvine has no collective bargaining agreements. Sandvine employs regional managers in numerous locations around the world, along with sales teams supported by regional sales managers. The Company's other employees perform customary functions for a globally integrated corporate group from various locations, including finance, human resources, marketing and strategy, and information technology support. The geographic distribution of the employees and independent contractors is as follows:

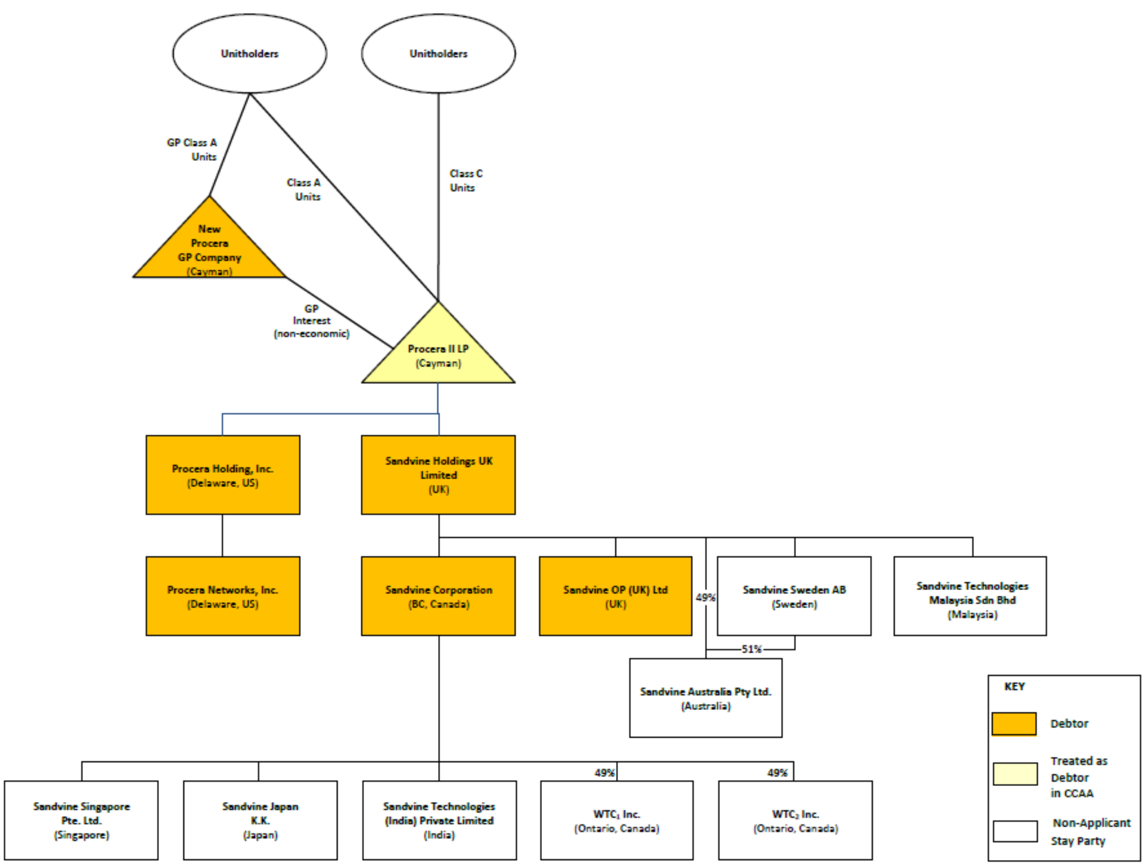
	Employee	Independent Contractor	Total
India	**219**	**0**	**219**
Americas	**131**	**10**	**141**
• Canada	84	1	85
• United States	47	1	48
• Other	0	8	8
META	**56**	**11**	**67**
• Egypt	25	0	25
• United Arab Emirates	21	0	21
• Turkey	2	9	11
• Other	8	2	10
Europe	**35**	**3**	**38**
• Sweden	20	0	20
• United Kingdom	6	0	6
• Other	9	3	12
South Asia	**23**	**3**	**26**
• Malaysia	14	0	14
• Australia	9	0	9
• Other	0	3	3
North Asia	**11**	**5**	**16**
• Japan	11	1	12
• Republic of Korea	0	4	4
Total	**475**	**32**	**507**

30. The Company offers eligible employees medical, prescription drug, dental, and vision care coverage and certain other benefits, including basic life, short-term and long-term disability and AD&D insurance, travel insurance, an employee assistance program, retirement savings programs, and time-off benefits. Benefit offerings vary depending on region.

31. In the U.S., the Company offers employees additional options for saving pre-tax dollars to help pay for healthcare expenses under flexible spending accounts or health savings accounts depending on the medical plan chosen. For retirement savings programs, the Company offers a 401(k) defined contribution plan to eligible employees in the United States, a registered retirement savings plan in Canada, and other similar defined contribution plans in Sweden and the United Kingdom.

Part III:
Corporate Structure

32. The Debtors are affiliates. Each Debtor (except for New Procera GP Company) is a borrower or guarantor under the Legacy Loan Credit Agreement and the DDTL Credit Agreement (as defined below). GP is the general partner of Procera II LP. A corporate structure chart is below.



33. The following briefly describes each of the Debtors:

a. Sandvine Canada is a privately owned company incorporated in British Columbia with a registered head office in Vancouver, British Columbia. Sandvine Canada operates out of an office in Waterloo, Ontario. It has approximately 84 employees and one independent contractor.

b. Procera US is a Delaware corporation that operates out of an office in Plano, Texas. It has approximately 47 employees and 12 independent contractors.

Procera US has a branch office in Dubai, United Arab Emirates that has approximately 56 employees and 10 independent contractors.

c. Sandvine OP (UK) Ltd. is incorporated in the United Kingdom, has 11 employees that provide sales, customer success, and human resources services. It does not have a physical office.

d. Sandvine Holdings UK Limited ("Sandvine UK") is a holding company incorporated in the United Kingdom. Sandvine UK does not have an office or any employees.

e. Procera Holding, Inc. ("Procera Holding") is a holding company incorporated in Delaware. Procera Holding's registered office is in Delaware and it does not have a physical office.

f. New Procera GP Company is a limited liability company incorporated in the Cayman Islands. It is the general partner of Procera II LP, a limited partnership registered in the Cayman Islands, that directly and indirectly owns the U.S. and non-U.S. Debtors and their subsidiaries. Procera II LP is not a Debtor.

34. Each of the Debtors has assets in the United States, including through opening and funding bank accounts or funding a retainer.

35. Non-Debtor entities include:

a. Procera II LP is an exempted limited partnership registered in the Cayman Islands. Procera II LP's registered office is in the Cayman Islands and it does not have a physical office. Procera II LP does not employ any employees. Procera II LP directly and indirectly wholly owns all of the Debtors, other than New Procera GP Company, which is the general partner of Procera II LP. Equity interests in Procera II LP, in the form of Class A and Class C Units, are privately held by Legacy Loan Lenders.

b. Sandvine Sweden AB is incorporated in Sweden and operates out of offices located in Varberg and Malmo, Sweden. It has 23 employees and one (1) independent contractor that engage in research and development and provide customer success and support services.

c. Various subsidiaries around the world including in Singapore, Japan, India, Australia and Malaysia.

36. Sandvine conducts most of its core enterprise functions out of Canada. The legal entities within the corporate group are functionally and operationally integrated, and Sandvine Canada provides substantially all corporate services for the benefit of all the Debtors. Sandvine Canada manages the corporate group from Waterloo, as evidenced by the following:

a. The majority of the Company's North American employees are in Canada;

b. The majority of the Company's assets (in particular, the majority of its IP assets, cash, customer accounts receivable, inventory, fixed assets, and real estate investments) are in Canada;

c. The Company's general counsel resides in Canada;

d. The Company's accounting, and back office teams are primarily located in Canada and these teams are shared globally;

e. The majority of the Company's customer receipts are deposited into Sandvine Canada's Canadian bank accounts;

f. The majority of the Company's patents are held by Sandvine Canada; and

g. Sandvine Canada is party to the majority of the Company's shared services agreements.

37. I believe that the Company's "nerve center" from which it directs and manages the Debtors' affairs is in Canada.

A. Intercompany Shared Services Agreements

38. As a global software provider, the Company relies on various intercompany shared services agreements including: (a) an IP Cost Sharing Agreement; (b) an Intercompany Software Licensing Agreement; (c) an Intercompany Distribution Agreement; (d) an Intercompany R&D Agreement; and (e) an International Services Agreement.

B. Cash Management

39. The Company has 33 bank accounts across 10 countries. The Company's cash management and treasury team is located in Canada and controls the Company's bank accounts (and cash transactions) with a few exceptions (*e.g.*, Japan where two trust accounts are managed by an outside provider). Treasury, accounting, and back office teams are located primarily in Canada, with a small team in India, which oversees accounting for India as well as global expense report processing and A/P, and these teams are shared globally.

40. Almost all cash from customers and other incoming wire transfers and deposits are received into one of Sandvine Canada's bank accounts in Canada or into the Procera US bank account in the United States. From October 1, 2023 to June 1, 2024, approximately two thirds of the Company's customer receipts were received by Sandvine Canada and approximately one third of the customer receipts were received by Procera US.

41. Funding for Sandvine's other international offices is made through periodic intercompany cash transfers from either Sandvine Canada or Procera US bank accounts. Some liabilities of the Company's international locations, including certain payroll, benefits and tax payments, are paid directly by Sandvine Canada or Procera US. If currency conversions are required before disbursements are made by Sandvine's international entities, payments may be transferred from Sandvine Canada or Procera US through more than one Company bank account, and then accounted for through intercompany transactions. Sandvine Canada regularly purchases Swedish Krona hedges which are then transferred to Sandvine Sweden AB for it to pay its liabilities, as well as CAD hedges for Sandvine Canada's own payroll and rent. Sandvine India also purchases its own hedges. To the extent that the Company has excess cash that is not immediately required for its operations, these amounts are transferred to an interest-earning savings account.

Part IV:
Prepetition Capital Structure

42. The following table summarizes Sandvine's significant non-trade debt as of the Petition Date listed by priority of payment:

	Type	Borrower(s)	Guarantors	Maturity Date	Outstanding Principal Amount as of the Petition Date
DDTL Credit Agreement	Non-revolving, super-senior secured delayed-draw term loan facility	Sandvine Corporation; Procera Networks, Inc.	Procera II LP; Procera Holding, Inc.; Sandvine Holdings UK Limited; Sandvine OP (UK) Ltd.; and Sandvine Sweden AB	October 3, 2025	DDTL Tranche A Loans: $20 million DDTL Tranche B Loans: $75 million
Legacy Loan Credit Agreement	Non-revolving, first lien term loan facility	Sandvine Corporation; Procera Networks, Inc.	Procera II LP; Procera Holding, Inc.; Sandvine Holdings UK Limited; Sandvine OP (UK) Ltd.; and Sandvine Sweden AB	June 28, 2027	$336,802,432.45

A. Legacy Loan Credit Agreement

43. Sandvine Corporation and Procera Networks, Inc. (collectively, the "Borrowers") are borrowers under that certain First Lien Credit Agreement dated as of November 2, 2018 by and among the borrowers thereto, Procera II LP, as ultimate parent, Seaport Loan Products LLC, as successor co-administrative agent, and Acquiom Agency Services LLC as successor co-administrative agent and collateral agent, and the lenders party thereto (the "Legacy Loan Lenders") (as may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Legacy Loan Credit Agreement" and the loans thereunder, the "Legacy Loans").

44. Procera II LP, Procera Holding, Inc., Sandvine Holdings UK Limited, Sandvine OP (UK) Ltd., and Sandvine Sweden AB (collectively, the "Guarantors," and together with the

Borrowers, the "Loan Parties"), each of which (other than Procera II LP and Sandvine Sweden AB) is a Debtor in the CCAA Proceedings and these Chapter 15 Cases, unconditionally guarantees Borrowers' obligations under the Legacy Loan Credit Agreement. The Legacy Loans are secured by substantially all of the Loan Parties' assets (including their intellectual property), subject to certain customary exceptions.

B. The DDTL Credit Agreement

45. Sandvine Corporation and Procera Networks, Inc. are borrowers under that certain Super Senior Credit Agreement dated as of October 2, 2024 by and among the Borrowers, Procera II LP, as ultimate parent, Seaport Loan Products LLC, as co-administrative agent, and Acquiom Agency Services LLC as co-administrative agent and collateral agent, and the lenders party thereto (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "DDTL Credit Agreement"). The lender parties to the DDTL Credit Agreement are Legacy Loan Lenders that beneficially held approximately 97% of the Legacy Loans as of October 2, 2024.

46. Each Legacy Loan Lender was offered the opportunity to (a) commit to funding in aggregate up to $45 million in delayed draw term loans (the "DDTL Tranche A Loans") incurred under the DDTL Facility (the commitment to fund the DDTL Facility, the "DDTL Tranche A Commitments"); and (b) commit to backstopping the DDTL Tranche A Commitments in exchange for an aggregate $5 million (the "Backstop Premium") payable in cash on the closing date of the DDTL Facility (the "DDTL Closing Date"), which was net funded into a corresponding amount of DDTL Tranche A Loans. In addition, pursuant to the RSA, which all DDTL Tranche A Commitment Parties entered into in connection with the DDTL Facility, each DDTL Tranche A Commitment Party agreed to provide a commitment of post-petition financing in the amount of

any unfunded portion of its DDTL Tranche A Commitments as of the petition date of any bankruptcy case of the Company.

47. In exchange for its above-mentioned commitments, each DDTL Tranche A Commitment Party also received the opportunity to exchange $5 of Legacy Loans it held on a dollar-for-dollar basis into loans under the DDTL Facility (the "DDTL Tranche B Loans") for each $3 of DDTL Tranche A Commitments it made (the "Uptier Exchange"). In total, $75 million of Legacy Loans were exchanged into the DDTL Tranche B Loans on the DDTL Closing Date.

48. The DDTL Credit Agreement is governed by New York law. Each Guarantor unconditionally guarantees the Borrowers' obligations under the DDTL Credit Agreement. The DDTL Tranche A Loans and DDTL Tranche B Loans are secured by the same collateral that secures the Legacy Loans. The DDTL Facility matures one year from the date of issuance and any loans thereunder are subject to an interest rate of SOFR + 9%, paid in cash semi-annually. As of November 6, 2024, prior to the commencement of the CCAA Proceedings, no "Event of Default," as defined in the DDTL Credit Agreement, has occurred. The DDTL Tranche A Loans and DDTL Tranche B Loans rank *pari passu* in lien and payment priority and they are both senior in lien and payment priority to Legacy Loans.

49. On the DDTL Closing Date, the Borrowers made an initial draw under the DDTL Facility in the amount of $20 million, which draw included the $5 million net funded Backstop Premium. As of November 6, 2024, the aggregate principal balance outstanding under the DDTL Facility is $95 million, including $20 million of DDTL Tranche A Loans and $75 million of DDTL Tranche B Loans. As a result, $30 million of DDTL Tranche A Commitment remained unfunded as of the commencement of the CCAA Proceedings.

C. Intercompany Debt

50. The Debtors maintain business relationships with each other resulting in intercompany receivables and payables in the ordinary course of business. As business is transacted between the Debtors, at any given time there may be intercompany balances owing by one Debtor to another. These intercompany balances are reflected in the Company's ledger entries as receivables and payables, as applicable, in the respective Debtor's accounting system. In addition, the Company has two intercompany notes exist in place, as described in greater detail below.

51. As part of the June 2024 Restructuring (as defined below), Sandvine OP (UK) Ltd. and Sandvine Canada entered into a Note Transfer Agreement effective June 28, 2024, pursuant to which Sandvine OP (UK) Ltd. purchased all of Sandvine Canada's rights, title, and interest in, to and under an amended and restated loan note instrument dated October 31, 2023, under which Sandvine UK was indebted to Sandvine Canada with a principal amount of $102,586,214.75, plus accrued and unpaid interest of $6,240,247.00.

52. Likewise, Procera Holding and Sandvine Canada entered into a Note Transfer Agreement effective June 28, 2024, pursuant to which Procera Holding purchased all of Sandvine Canada's remaining rights, title, and interest in, to, and under a promissory note dated December 22, 2021, under which Procera US was indebted to Sandvine Canada, in the principal amount of $44,008,120.12 plus accrued and unpaid interest of $2,676,982.51.

D. Equity

53. At the time of the June 2024 Restructuring, ownership of the Company was acquired by the Prior First Lien Lenders and Prior Second Lien Lenders (each as defined below) through equity interests in Procera II LP and, in the case of the Prior First Lien Lenders, its general partner, New Procera GP Company. Procera II LP's issued and outstanding equity interests now

consist of (a) 6,557,534 privately held Class A Units and (b) 2,000,000 privately held Class C Units. New Procera GP Company's equity interests now consist of 6,557,534 privately held GP Class A Units, which are "stapled" to the Class A Units of Procera II LP, meaning that when issued, each Prior First Lien Lender received one GP Class A Unit for each Class A Unit it received and if a holder wants to transfer the Class A Unit or the GP Class A Unit, such holder must transfer both to the same person in the same transaction. Under Procera II LP's governance documents, the Class A Units are economic units with voting rights while the Class C Units are economic units with no voting rights. New Procera GP Company holds a non-economic general partner interest in Procera II LP. Other than with respect to New Procera GP Company's non-economic general partnership interest in Procera II LP, following the consummation of the June 2024 Restructuring, the Legacy Loan Lenders own 100% of the units in Procera II LP and a subset of the Legacy Loan Lenders own 100% of the units in New Procera GP Company.

54. In addition, Procera II LP, GP, and certain investors entered into that certain Right to Units Agreement dated June 28, 2024, pursuant to which such investors agreed to receive, in lieu of their *pro rata* share of Class A Units and GP Class A Units, rights to purchase, for no additional consideration, these equity interests at any time. The Right to Units Agreement provides such investors the right to purchase 1,386,771 Class A Units and 1,386,771 GP Class A Units. These rights were issued to the relevant investors in lieu of the corresponding amount of equity interests in GP and Procera II LP to address limitations such investors have in connection with direct equity holdings. The rights have not been exercised as of the date hereof.

Part V:
Events Leading to These Chapter 15 Cases

55. On February 27, 2024, the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") added Sandvine and certain of the other Debtors to the Entity List. As a result,

the Company was restricted in its ability to procure from its vendors and suppliers hardware, software, and technology critical to its core business operations.

56. Sandvine immediately submitted an emergency request for authorization that would allow it to receive critical updates for certain of its software. On March 28, 2024, BIS granted the emergency authorization which provided Sandvine with certain interim relief from the effects of the Entity List designation. The emergency authorization initially expired on September 30, 2024. BIS extended the authorization through December 31, 2024 prior to the expiration date. This allowed Sandvine to continue to provide support to its existing customers. On October 21, 2024, the Federal Register published a determination by the End User Review Committee ("ERC") effective October 23, 2024 to remove the Company from the Entity List, based on the information BIS received pursuant to § 744.16 of the Export Administration Regulations ("EAR") and the review the ERC conducted in accordance with procedures described in supplement no. 5 to part 744 of the EAR.

A. June 2024 Restructuring

57. Despite receiving interim relief from BIS in the form of the emergency authorization, the Debtors' bookings were adversely impacted due to incumbent customers pausing purchases from Sandvine, prospective customers ceasing engagement with Sandvine and Sandvine's inability to procure that hardware necessary for it to fulfill certain orders. In addition, following Sandvine's Entity List designation, it elected not to accept purchase orders from customers in potential exit countries as it analyzed what business changes may be necessary for its removal from the Entity List. As a result, the Company's short-term liquidity and operating results were significantly impaired. In April 2024, the Company determined it could not make a May 6, 2024, mandatory prepayment due under its then existing Legacy Loan Credit Agreement, among other things. With its advisors, the Company explored a range of strategic alternatives that resulted

in the Company consummating an out-of-court restructuring transaction (the "June 2024 Restructuring") with lenders under its Legacy Loan Credit Agreement (the "Prior First Lien Lenders"), and lenders under that certain Second Lien Credit Agreement, dated as of November 2, 2018 (as amended by that certain First Amendment to Second Lien Credit Agreement, dated as of May 26, 2023, by and among, Procera US and Sandvine Canada, as borrowers, the guarantors party thereto, and Barings Finance LLC, as administrative agent (the "Second Lien Credit Agreement," together with the Legacy Loan Credit Agreement as in effect prior to June 28, 2024, the "Credit Agreements" and the lenders under the Second Lien Credit Agreement, the "Prior Second Lien Lenders"). On May 6, 2024, and May 28, 2024, respectively, the Debtors entered into forbearance agreements with the Prior First Lien Lenders and Prior Second Lien Lenders to address prospective defaults under the Credit Agreements. The term of each forbearance agreement was subsequently extended to June 28, 2024.

58. On June 28, 2024, the Company completed an initial transaction (the previously defined June 2024 Restructuring) pursuant to which the Prior First Lien Lenders became owners of the 100% of GP's equity interests and 80% of LP's equity interests and the Prior Second Lien Lenders became the owners of 20% of LP's equity interests. Among other things:

a. the Prior First Lien Lenders agreed to certain modifications of their then $394 million (plus interest and fees) first lien debt facility, including (i) a reduction of the interest rate to 2% per annum, payable quarterly in cash and (ii) an extension of the maturity date from November 2025 through June 28, 2027. In exchange, the Prior First Lien Lenders received (i) units representing 100% of the voting rights in Procera II LP and 80% of the economic rights in Procera II LP and (ii) 100% of GP's units; and

b. the Prior Second Lien Lenders agreed to exchange their $110 million outstanding second lien term loans under the Second Lien Credit Agreement into (i) $18 million (approximately 4.5%) of incremental term loans under the amended Legacy Loan Credit Agreement and (ii) 20% of LP's economic, non-voting units.

59. This was an interim step. The parties recognized that further restructuring or liquidity would be needed, but it was not possible to structure a comprehensive recapitalization before the submission of the delisting application was made and its approval obtained.

B. Operational Restructuring

60. Over the last two years, Sandvine has been in the process of simplifying its business and focusing its investments on its differentiated software products and its go-to-market capabilities. This simplification led Sandvine to move away from selling hardware platforms within its target markets, providing customers with more flexibility with their hardware platform decisions. By early 2024, Sandvine had substantially progressed its transition away from the sale of hardware products. Sandvine expects that it will complete its transition to a software only business at the end of 2024, or in early 2025.

61. Given the significant loss of revenue arising from the Entity List designation, Sandvine took additional steps over the past six months to streamline its operations in order to right-size its business. Among other things, the Company has:

a. reduced its workforce by approximately 40% since early 2024;

b. focused product development investments on its traffic classification capabilities, its core differentiation in the marketplace;

c. directed go-to-market investments at target countries and customers;

d. accelerated its transition to software only products; and

e. launched simplified solution bundles for certain small telco operators and certain enterprise segments.

C. The Comprehensive Restructuring and RSA

62. In early September 2024, all but two of the Company's Legacy Loan Lenders agreed to enter into non-disclosure agreements with the Company to negotiate a further recapitalization transaction. On October 2, 2024, the Company and holders of 97% of the Legacy

Loans (in such capacity, the "Consenting Stakeholders") executed the RSA (with the Restructuring Term Sheet attached as an exhibit), the DDTL Credit Agreement, and other ancillary agreements to memorialize the Restructuring Transactions, including:

a. The DDTL Facility. Consenting Stakeholders agreed to provide the $45 million DDTL Tranche A Commitments and the DIP Commitments (as defined below) in exchange for (i) the $5 million Backstop Premium, (ii) the DDTL Commitment Fee, and (iii) the opportunity to participate in the Uptier Exchange.

b. DIP Financing. The DDTL Tranche A Commitment Parties agreed to finance any CCAA proceedings in an aggregate principal amount equal to their unfunded DDTL Tranche A Commitments as of the commencement date of the CCAA proceedings (such commitments, the "DIP Commitments").

c. DDTL Commitment Fee. In exchange for the DDTL Tranche A Commitments, 50% of the common equity of the top holding entity of the Company (or a successor entity following the Restructuring Transactions, including an entity that directly or indirectly acquires substantially all of the business assets of the Company) ("NewCo", and such common equity, "NewCo Common Equity") (subject to dilution of any management incentive plan) (the "DDTL Commitment Fee") will be issued to the DDTL Tranche A Commitment Parties on the effective date of the Restructuring Transactions (the "Transaction Effective Date").

d. Forbearance. The Consenting Stakeholders agreed to forbear from exercising any default remedies under the Legacy Loan Credit Agreement and other debt documents.

63. The Restructuring Term Sheet further provides that on the Transaction Effective Date:

a. the outstanding DDTL Tranche A Loans and DIP Loans (up to $50 million in the aggregate plus any accrued interest) and DDTL Tranche B Loans ($75 million in the aggregate plus any accrued interest) will be converted into and exchanged for up to $125 million plus any accrued interest in exit facility term loans (the "Exit Facility Loans") on a dollar-for-dollar and *pari passu* basis:

b. the DDTL Tranche A Commitment Parties (or their designees) will receive the DDTL Commitment Fee;

c. The $337 million in Legacy Loans remaining will be exchanged for 50% of the NewCo Common Equity, subject to dilution by the management incentive plan;

d. Intercompany Claims and Intercompany Interests (both as defined in the Restructuring Term Sheet) will be retained or otherwise addressed in accordance with the Restructuring Term Sheet, without any distribution on account of such claims or interests;

e. All General Unsecured Claims (as defined in the Restructuring Term Sheet) not assumed or retained will be discharged or otherwise extinguished; and

f. All existing equity interests in Procera II LP and GP will be canceled with no consideration paid.

64. The RSA includes the following restructuring milestones:

Event	**Date**
Filing date for the CCAA Proceedings (the "CCAA Filing Date")	Not later than November 15, 2024
Entry of an order in CCAA Proceedings approving the Restructuring Transactions (the "Transaction Approval Order")	Not later than 90 days after the CCAA Filing Date
Entry of an order by the Court giving effect to the Transaction Approval Order	Not later than 30 days after the Transaction Approval Order is issued
Transaction Effective Date	Not later than 120 days after the CCAA Filing Date

D. The DIP Facility

65. Pursuant to the terms of the RSA, the DDTL Tranche A Commitment Parties committed to provide the DIP Commitments in an aggregate principal amount equal to the then unfunded portion of the DDTL Facility, which is $30 million. The terms of the DIP Facility set out in the Restructuring Term Sheet have been documented in the Amendment No. 1 to Super Senior Credit Agreement, dated as of November 6, 2024, by and among Sandvine Canada and Procera US, as borrowers, and the lenders party thereto (the "First DDTL Amendment"), which amended the DDTL Credit Agreement and re-titled it the "Super-Senior Debtor-in-Possession

Credit Agreement" (as further amended, amended and restated, supplemented, or otherwise modified from time to time, the "DIP Credit Agreement"), by and among Sandvine Canada and Procera US, as borrowers, Procera II LP, as ultimate parent, the Specified Term Lenders (as defined in the DIP Credit Agreement), the Delayed Draw DIP Term Lenders (as defined in the DIP Credit Agreement) (the "DIP Lenders"), Seaport Loan Products LLC, as co-administrative agent, and Acquiom Agency Services LLC, as co-administrative agent and collateral agent (solely in such capacity, the "DIP Agents," and together with the DIP Lenders, the "DIP Secured Parties").

66. As set forth in the DIP Credit Agreement, the DIP Facility will have a maturity of 366 days from the date of effectiveness of the First DDTL Amendment and any loans thereunder will be subject to an interest rate of SOFR + 9%, paid in cash semi-annually. The DIP Facility will also have a commitment fee of 1% per annum on the unused portion of the DIP Facility which will be payable quarterly in arrears.

67. As contemplated in the Restructuring Term Sheet, the DIP Loans will be *pari passu* in lien and payment priority to the DDTL Tranche A Loans and DDTL Tranche B Loans and senior in lien and payment priority to the Legacy Loans. This priority waterfall is reflected in the terms of the Initial Order (as defined below). In order to draw on the DIP Facility, the Company must not be in default under the RSA.

68. The DIP Credit Agreement requires the Debtors to pursue a sales and investment solicitation process as part of the CCAA Proceedings in accordance with the following milestones:

Event	Date
Receipt of non-binding letters of intent for potential sale, investment and/or restructuring transactions	Not later than December 18, 2024
Receipt of binding bids for potential sale, investment and/or restructuring transactions	Not later than January 27, 2025
Closing of transaction(s)	Not later than March 21, 2025

69. After taking into account the projected costs of the CCAA Proceedings and the Chapter 15 Cases and the anticipated revenues to be generated by the Company's ordinary course operations as it continues to implement its operational commitments in connection with its removal from the Entity List, the Company needs access to the DIP Facility to continue to operate its business and administer its restructuring proceedings. It is possible that the Debtors may need to access the DIP Facility prior to the recognition hearing.

70. The Company sought and obtained approval of the First DDTL Amendment and the DIP Credit Agreement in the Initial Order to provide necessary certainty and stability for the Company and its stakeholders and to ensure that there will be funding available to complete the transactions contemplated by the RSA (including any superior transaction received as part of the sale process). The Company will also be seeking this Court's approval to give effect to the postpetition charge granted to the DIP Secured Parties on the assets of the Debtors and Procera II LP (the "DIP Charge") in the Initial Order through the Provisional Relief Motion. The Company has no other immediate options or prospects to provide it with the liquidity it requires during its restructuring proceedings. Without access to the DIP Facility and the granting of the DIP Charge, I believe the Company's ability to continue operating its business on an uninterrupted basis and its ability to utilize the CCAA Proceedings and Chapter 15 Cases to pursue a value-maximizing restructuring transaction would be jeopardized.

Part VI:
CCAA and Chapter 15 Filing

71. After thoroughly evaluating all other available options, the Debtors commenced the CCAA Proceedings and, shortly thereafter, Sandvine Canada commenced these Chapter 15 Cases, to maintain the stability and integrity of the Company's market-leading business, to protect hundreds of millions of users in more than 50 countries that rely on its services, and to maximize the overall value of the Company.[3] In support of the Debtors' CCAA application, I swore an affidavit which formed part of the Debtors' application record (the "Kupp Affidavit"). A copy of the Kupp Affidavit is attached hereto as **Exhibit A**. At approximately 9 A.M. (prevailing Eastern Time) this morning, the CCAA Court entered the Initial Order and granted interim relief vital to maintaining Sandvine as a going concern, including, but not limited to:

a. a stay of proceedings against the Debtors that would otherwise undermine their ability to restructure their business and meaningfully engage with their stakeholders with respect to the Restructuring Transactions;

b. an extension of the stay of proceedings and certain other protections to Procera II LP and Sandvine Sweden AB (both of which are loan parties under Sandvine's debt documents) (together with the Debtors, the "Stay Parties") and certain other non-Debtor Company entities;

c. approval of the First DDTL Amendment (and the corresponding DIP Credit Agreement) and a grant of the related DIP Charge;.

d. the appointment of Sandvine Corporation as the Debtors' Foreign Representative; and

e. the appointment of KSV Restructuring Inc., a financial advisory firm, as the independent officer responsible for monitoring the Debtors' restructuring during the pendency of the CCAA Proceedings.

[3] The resolutions of each applicable Debtor's board of directors authorizing the commencement of the CCAA Proceedings and these Chapter 15 Cases are attached to the Form 401 petition of each applicable Debtor as Exhibit 4.

72. On a provisional basis in these Chapter 15 Cases, Sandvine, through the Provisional Relief Motion, requests that this Court recognize and enforce the terms of the Initial Order, approve the stay imposed thereby extend its application to the Stay Parties, the terms of the First DDTL Amendment and the corresponding DIP Credit Agreement, the granting of the DIP Charge, and other authorizations approved therein, all until such time as this Court holds a hearing to recognize, on a final basis, any orders issued in the CCAA Proceedings from the Petition Date to such hearing date, and the CCAA Proceedings themselves. Once the DIP Facility is available and the Debtors are able to return to ordinary course operations, they expect to work productively with their stakeholders, to reach a consensual exit from the CCAA Proceedings.

73. The Debtors urgently need a stay of proceedings and other protections provided by the CCAA and Chapter 15 to create the "breathing space" necessary for them and other Stay Parties to implement a restructuring for the benefit of their stakeholders. Any proceedings commenced or rights or remedies executed against the Stay Parties at this critical juncture would negatively and potentially materially impact the Stay Parties' business. attached hereto is a true and correct copy of my sworn affidavit filed

74. The Company needs access to the DIP Facility to ensure it has sufficient funding available to operate its business and administer the CCAA Proceedings and these Chapter 15 Cases. Although the Initial Order does not authorize the Debtors to draw from the DIP Facility, the Debtors are expected to receive such authority at the "come-back" hearing in the CCAA Proceedings scheduled on November 15, 2024, pursuant to an amended and restated Initial Order (the "A&R Initial Order") the CCAA Court is expected to enter. The DIP Credit Agreement conditions the Borrowers' ability to draw on the DIP Facility on (a) the entry of the A&R Initial Order and (b) there being no outstanding default under the DIP Credit Agreement. As one

covenant under the DIP Credit Agreement specifically requires the Debtors to seek this Court's recognition of the DIP Charge granted in the Initial Order promptly following the commencement of these Chapter 15 Cases and the Debtors' noncompliance of such covenant will cause a default, this Court's recognition of the DIP Charge is effectively a condition precedent for the Borrowers to draw on the DIP Facility. Consequently, absent the grant of a DIP Charge secured by the assets of the Debtors and Procera II LP in the United States, if the Debtors need to draw from the DIP Facility after the entry of the A&R Initial Order but before the Recognition Hearing, the Debtors will be unable to do so. As a result, the Debtors may encounter a severe liquidity crisis that would render them unable to fund and maintain their operations, which could result in the wind-down of their business and the near total loss of asset value. However, this Court's recognition and approval of DIP Credit Agreement and the DIP Charge will facilitate the Debtors' access to postpetition financing immediately after they receive the permission to draw from the CCAA Court and provide them with the stability necessary to implement the Restructuring Transactions.

75. The Company expects to incur significant costs as well as reduced revenues as it restructures its operations. The countries Sandvine is exiting represent 47% of its fiscal year 2023 bookings and 45% of 2023 revenue. Sandvine's bookings are projected to drop from $180 million in 2023 to approximately $80 million in 2024. Additionally, Sandvine expects that exits from certain countries will also impact its ability to collect on certain existing accounts receivable.

76. The RSA requires that Sandvine commence a restructuring process by November 15, 2024, failing which the Consenting Stakeholders can accelerate and take enforcement steps with respect to all outstanding principal and interest amounts under the Legacy Loan Credit Agreement and the DDTL Facility. Sandvine cannot pay or otherwise satisfy such amounts.

77. The Debtors accordingly urgently require the protections provided by the CCAA Proceedings as enforced in the United States through these Chapter 15 Cases, including the stability and access to funding provided by the DIP Facility. The Debtors require the breathing room afforded by the CCAA Proceedings and the Chapter 15 Cases to engage with their principal stakeholders, implement the process to exit the remaining jurisdictions it has committed to leaving, right-size their business and capital structure to accommodate for the reduction in their customer base, and conduct the proposed sales process with the benefit of the stability created by the committed exit transaction proposed by the Consenting Stakeholders.

78. An abrupt cessation of Sandvine's business could threaten the stability and security of telecommunications and Internet networks worldwide, affecting millions of civilian internet users as well as Sandvine's many significant customers with broad consumer bases that are located and operate in Canada. This could quickly result in Sandvine customers experiencing disruptions to essential services, leading to the potential for cascading failures for Sandvine's customers, including widespread outages, instability, congestion, and increased susceptibility of critical systems to cyber-attacks. Sandvine's products are tightly integrated into customer networks. It is difficult, and typically takes at least six months, and in many cases twelve to eighteen months, for customers to qualify and switch to alternate vendors' solutions.

79. In addition to the impact on global communications, Sandvine's products perform functions that provide their customers' subscribers with services that are essential to maintaining subscriber connectivity, managing subscriber billing, allowing customers to optimize their networks and manage congestion, identifying or preventing fraud, protecting their networks, filtering illicit content, and managing customer operations.

80. Many of the Debtors' software vendor and customer contracts contain termination provisions triggered by the Debtors' financial condition. Because Sandvine's own products are integrated with their customer's software, and because third-party vendor software is also a critical component of Sandvine's products and is separately, essential for Sandvine's continued operations, the Debtors require the requested provisional relief to preserve and maintain their existing contracts and prevent unilateral termination by counterparties. If contract counterparties can terminate these agreements—many of which comprise Sandvine's most valuable assets—the result would be catastrophic for the Company and its creditors, lenders, employees, and the hundreds of millions of internet users around the world that rely on its products.

81. The CCAA Proceedings and the Chapter 15 Cases will provide the stability Sandvine requires to reconfigure its business and conduct a sale process to maximize value for its stakeholders, while continuing to provide critical services to its customers.

82. Given the substantial benefits of the Restructuring Transactions, I believe that the proposed Restructuring Transactions currently represent the best available path forward to right-size the Company's balance sheet, position the Company to continue as a going-concern, maximize the value of its business for the benefit of all stakeholders, and enable it to continue serving customers in democracies around the world. With the RSA serving as the backbone for its path forward, the Company expects to use the time and tools afforded by the CCAA Proceedings and the Chapter 15 Cases to further develop and implement its go-forward business plan.

83. At the hearing on recognition of the CCAA Proceedings on a final basis, the Debtors intend to also seek this Court's approval of:

a. the provisional relief on a final basis; and

b. a sale process for the going concern sale of all or substantially all of the Debtors' business in accordance with the RSA.

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

November 7, 2024

Jeffrey Kupp
Chief Financial Officer
Sandvine Corporation