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

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

**DECLARATION OF KARIN SACHAR AS CANADIAN COUNSEL
 IN SUPPORT OF THE 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**

I, Karin Sachar, hereby declare under penalty of perjury as follows to the best of my knowledge, information and belief:

1. I am a partner of the Canadian law firm Osler, Hoskin & Harcourt LLP (“Osler”), located at 1 King St W #6200, Toronto, ON M5X 1B8, Canada. Osler acts as counsel to the above captioned debtors (collectively, the “Debtors” or “Sandvine”), who are the subject of proceedings

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>.

commenced pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 (as amended, the "CCAA") currently pending before the Ontario Superior Court of Justice, Commercial List (the "Canadian Proceedings" and such court, the "Canadian Court"). I was one of the attorneys that appeared before the Canadian Court as counsel of record seeking the Initial Order (as defined below).

2. Concurrently herewith, Sandvine Corporation, in its capacity as the Debtors' duly authorized foreign representative (the "Foreign Representative") has filed official Form 401 Petitions for each of the Debtors (the "Petitions"). I submit this declaration (this "Declaration") in support of the Petitions, the *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 (II) Granting Related Relief* (the "Verified Petition" and together with the Petitions, the "Chapter 15 Petition"), filed substantially contemporaneously herewith in connection with the relief the Foreign Representative of the Debtors is requesting in these chapter 15 cases (the "Chapter 15 Cases") and to aid the United States Bankruptcy Court for the Northern District of Texas (the "Court") in understanding Canadian law, and specifically, the CCAA.

3. All facts set forth in this Declaration are based on: (a) my knowledge; (b) my review of relevant documents; and/or (c) my opinion based upon my experience and knowledge of the Debtors' obligations. If I were called upon to testify, I could and would testify competently to the facts set forth herein.²

4. In this Declaration, after describing my background and qualifications, I provide a description of Canadian law and the practice relevant to this Court's consideration of the Chapter 15 Petition.

² Capitalized terms used but not defined herein shall have the meaning given to them in the Verified Petition.

Professional Background and Qualifications

5. I graduated from Queen's University in Kingston, Ontario with a Bachelor of Arts Honours in History and a Bachelor of Science in Chemistry. I graduated from the University of Toronto in 2010 with a Bachelor of Law. I was admitted to the Ontario Bar in 2011.

6. I have experience in corporate and commercial litigation with a focus on insolvency and restructuring, restructuring transactions and plans of arrangement under the CCAA, bankruptcies under the Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3, complex cross border matters, and the enforcement of debtor and creditor rights. Over the course of my career, I have served as counsel to debtor corporations, court officers, bondholders and other creditor groups.

The Debtors' Canadian Proceedings

7. On November 7, 2024, Sandvine filed an application (the "Application") with the Canadian Court pursuant to sections 9, 11, 11.51, 11.52 and 23 of the CCAA.

8. On November 7, 2024, the Canadian Court issued a first day initial order (the "Initial Order"), pursuant to which, *inter alia*: (a) the Canadian Court recognized that the Debtors are companies to which the CCAA applies; (b) KSV Restructuring Inc. was appointed to act as the monitor of the Debtors in the Canadian Proceedings (the "Monitor"); (c) a stay of proceedings was ordered, for an initial period of ten (10) days in accordance with the CCAA, to protect (i) the Debtors, (ii) certain of their affiliates, including but not limited to Procera II LP and Sandvine Sweden AB, (iii) the property of the Debtors and those affiliates, and (iv) and the Debtors' and Procera II LP's directors, officers, managers, employees, advisors or representatives, (v) the Monitor and its employees, advisors or representatives; (d) approving the Debtors' debtor in possession financing facility; (e) approving Sandvine Corporation's appointment to act as Foreign Representative of the Debtors; (f) authorizing the Foreign Representative to apply for foreign recognition and approval of the Canadian Proceedings and to seek related relief, as necessary,

including, without limitation, in this Court pursuant to Chapter 15 of title 11 of the United States Code (the “Bankruptcy Code”); (g) authorizing the Debtors to pay certain pre-filing amounts to key suppliers, with the consent of the Monitor; (h) approving the engagement of GLC Advisors & Co., LLC and GLC Securities, LLC as the independent financial advisor to the Debtors; and (i) granting priority charges over the Debtors’ Property (as defined in the Initial Order), including a charge securing the DIP Obligations (as defined in the Initial Order). A copy of the Initial Order was attached to each Petition.

9. The Monitor, in consultation with its independent counsel, submitted a detailed pre-filing report with the Canadian Court supporting all of the relief the Debtors requested in the Application and are requesting in these Chapter 15 Cases. A copy of such report is attached hereto as **Exhibit A**.

Overview of the CCAA Process

10. The CCAA provides for a court-supervised restructuring process designed to enable financially distressed companies with liabilities in excess of \$5 million to avoid foreclosure or seizure of their assets while maximizing the company’s value as a going concern for the benefit of creditors, employees, customers, and other parties in interest. A CCAA proceeding is, in the usual course, a voluntary insolvency proceeding in which a debtor, under court supervision, aims to reorganize or liquidate its business and distribute proceeds to creditors, typically pursuant to an Approval and Vesting Order, an Approval and Reverse Vesting Order, or a Plan of Arrangement. In addition to being subject to the supervision of a Canadian court during the pendency of a CCAA proceeding, a debtor’s assets and affairs are supervised by the monitor, a court-appointed independent officer.

11. In a CCAA proceeding, absent exceptional circumstances, a debtor’s management and board of directors remain in place, and the board maintains its power under Canadian law to

approve significant actions, including disposing of important assets, borrowing significant amounts, or changing corporate structures, subject to oversight by the monitor and the approval of the court.

12. Upon the commencement of a CCAA proceeding, the court will appoint a qualified monitor, who functions as an independent court officer and observer of the CCAA proceeding and the debtor's business. The monitor's powers and duties are set out in the CCAA and the relevant court order and may include, among others, the duty to (a) monitor the debtor's ongoing operations, (b) report to the court on any major events affecting the debtor, (c) notify the debtor's creditors who are owed over \$1,000 of the CCAA proceeding, (d) establish a website where public documents relating to the CCAA proceeding can be accessed, (e) arrange for the publication of notice of the CCAA proceedings, (f) assist with preparing, filing, and holding meetings for voting on a plan of arrangement, if one is filed, (g) prepare a report on the plan of arrangement, which is usually included in the mailing of the plan, if one is filed, (h) approve the disclaimer of contracts and leases, and (i) prepare reports in conjunction with any interlocutory motions by the company or other stakeholders. The consent of the monitor is generally not required for a debtor to manage its business in the ordinary course, including the sale of assets in the ordinary course, but the monitor may request that the court enjoin any actions that could prove harmful to the debtor and/or its creditors. Though the monitor need not formally approve significant transactions (such as asset sales outside of the ordinary course), court approval is required for such transactions and the court gives considerable weight to the recommendations the monitor sets out in its report concerning such transactions.

13. Following the commencement of a CCAA proceeding, in accordance with the initial order, the debtor may select one or more foreign representatives to apply to a court in a jurisdiction outside Canada for recognition of the CCAA proceeding on behalf of the debtor.

14. Upon the commencement of a CCAA proceeding, all actions against the debtor and its assets are stayed, world-wide. The stay presumptively applies to all persons who might bring proceedings or take either judicial or extra-judicial steps against the debtor or its property, unless there is an express exemption in the CCAA. The stay is initially granted for a maximum period of ten (10) days, but is typically extended where a debtor (a) can show that it continues to act with good faith and due diligence and (b) provides a cash flow forecast demonstrating sufficient liquidity to continue the CCAA proceeding during the proposed extension of the stay period. There is no prescribed limit on the number or duration of these extensions of the stay.

15. In a CCAA proceeding, subject to limited exceptions, clauses triggering termination rights upon the debtor's commencement of an insolvency proceeding are not enforceable, so contract counterparties may not terminate contracts solely by virtue of the commencement of the CCAA proceeding.

16. In a CCAA proceeding, a debtor is able to obtain postpetition financing (i.e., DIP financing), subject to a hearing and court approval, after showing that the proposed financing is in the best interests of its estate. Such borrowings would typically have priority status in the CCAA proceeding. The court may approve priority charges against the debtor's assets, which take priority over the security held by existing secured creditors, where notice of the hearing to approve such priority charges is given to the potentially affected secured creditors and the court is of the opinion that such charges are appropriate in the circumstances.

17. Throughout a CCAA proceeding, the court retains broad discretion to make any order that it considers appropriate in the circumstances.

The Canadian Proceedings Are Foreign Main Proceedings

18. To ensure the effective and economic administration of the Debtors' restructuring efforts, I believe that the Debtors require the protection afforded to foreign debtors pursuant to

chapter 15 of the Bankruptcy Code in order to prevent disruption of business and recognize the legal effect of the Canadian Proceedings in the United States.

19. The Canadian Proceedings provide full due process for impacted creditors, including receipt of notice, an opportunity to retain counsel and to appear, to raise objections, and to appeal.

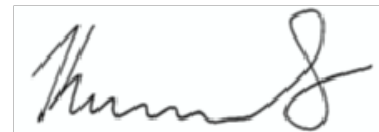
20. To the best of my information and belief, the Canadian Proceedings are collective judicial proceedings under Canadian law in which the purpose is a corporate restructuring.

21. I believe, to the best of my information, that the Canadian Proceedings are the only proceedings related to the insolvency of the Debtors and, therefore, are the only “foreign proceedings” with respect to the Debtors within the meaning of section 101(23) of the Bankruptcy Code as that provision has been explained to me by the Foreign Representative’s United States counsel.

Conclusion

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

Executed on this 7th day of November, 2024
Ontario, Canada



Karin Sachar
Partner
Osler, Hoskin & Harcourt LLP

Exhibit A

Monitor's Pre-Filing Report



November 6, 2024

**Pre-Filing Report of
KSV Restructuring Inc.
as Proposed CCAA Monitor of
Sandvine Corporation, Sandvine
Holdings UK Limited, Procera
Networks Inc., Procera Holding, Inc.,
New Procera GP Company and
Sandvine OP (UK) Ltd.**

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ONTARIO

Court File No.: _____

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
SANDVINE CORPORATION, SANDVINE HOLDINGS UK LIMITED, PROCERA
NETWORKS, INC., PROCERA HOLDING, INC., NEW PROCERA GP COMPANY AND
SANDVINE OP (UK) LTD.

PRE-FILING REPORT OF KSV RESTRUCTURING INC. AS
PROPOSED MONITOR

NOVEMBER 6, 2024

1.0 Introduction

1. KSV Restructuring Inc. ("**KSV**") understands that Sandvine Corporation ("**Sandvine Canada**"), Procera Networks, Inc. ("**Procera US**"), Sandvine Holdings UK Limited ("**Sandvine UK**"), Procera Holding, Inc., New Procera GP Company ("**Procera GP**") and Sandvine OP (UK) Ltd. ("**Sandvine OP**") (collectively the "**Applicants**" and each an "**Applicant**") intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and such proceedings, the "**CCAA Proceedings**"), for an initial order (the "**Initial Order**") granting, among other things, the Applicants protection under the CCAA and appointing KSV as the CCAA monitor (in such capacity, the "**Monitor**").
2. The Applicants are seeking to extend the benefit of the stay of proceedings and certain protections and authorizations under the Initial Order to the partnership Procera II LP ("**Procera LP**", and together with the Applicants, the "**Sandvine Entities**"), the ultimate parent of the Applicants.
3. Furthermore, the Applicants are seeking to extend the benefit of the stay to six related corporations (the "**Non-Applicant Stay Parties**")¹. The Applicants, together with Procera LP and the Non-Applicant Stay Parties are collectively referred to as "**Sandvine**" or the "**Company**".
4. On October 2, 2024, the Company and approximately 97% of its Lenders (as defined below) entered into a Restructuring Support Agreement ("**RSA**"), which requires that the Company commence a restructuring proceeding by no later than November 15, 2024.

¹ The Non-Applicant Stay Parties consist of: Sandvine Sweden A.B. ("**Sandvine Sweden**"), Sandvine Singapore Pte. Ltd., Sandvine Japan K.K., Sandvine Technologies (India) Private Limited, Sandvine Technologies Malaysia Sdn Bhd, and Sandvine Australia PTY Ltd.

5. The CCAA Proceedings are intended to create a stabilized environment to enable the Applicants to:
 - a) operate without interruption under CCAA protection;
 - b) secure debtor-in-possession (“**DIP**”) financing to fund the Company’s ongoing business and the restructuring proceedings pursuant to a DIP loan facility (the “**DIP Facility**”, and the loans borrowed thereunder, the “**DIP Loans**”); and
 - c) identify and complete a going-concern transaction through a Court-supervised sale and investment solicitation process (“**SISP**”). In this regard, at the comeback hearing (the “**Comeback Hearing**”), the Applicants will be seeking Court authorization to enter an agreement (the “**Stalking Horse Transaction Agreement**”) with the Consenting Stakeholders (as defined below) on substantially the same economic terms as set out in the restructuring term sheet appended to the RSA, which would be used as a stalking horse bid in the SISP;
6. The Affidavit of Jeffrey A. Kupp, Chief Financial Officer of Sandvine Canada and Treasurer and Secretary of Procera GP, sworn November 6, 2024, in support of the CCAA application (the “**Kupp Affidavit**”), provides information in respect of Sandvine’s business and operations, including the reasons for the commencement of these CCAA Proceedings.
7. If the Court grants the relief set out in the Initial Order, the Court materials filed in these proceedings will be made available by KSV on its website at <https://www.ksvadvisory.com/experience/case/sandvine> (the “**Case Website**”).
8. KSV is filing this report (“**Report**”) as proposed Monitor. If the Initial Order is granted by the Court, the Monitor will file a subsequent report to the Court in respect of the relief to be sought by the Applicants at the Comeback Hearing.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide KSV’s qualifications to act as Monitor;
 - b) provide background information about the Applicants and their financial position;
 - c) report on the Applicants’ cash flow projection for the period November 3, 2024 to February 1, 2025 (the “**Cash Flow Forecast**”);
 - d) Discuss the rationale for the following provisions in the Initial Order and related matters:
 - a charge in the amount of \$2.5 million (the “**Administration Charge**”) on the current and future property, assets and undertakings of the Sandvine Entities (collectively, the “**Property**”) to secure the fees and disbursements of the Monitor, Canadian and U.S. counsel to the Monitor, Canadian and U.S. counsel to the Applicants, and GLC Advisors & Co., LLC and GLC Securities, LLC (collectively “**GLC**”), Sandvine’s independent financial advisor (in respect of GLC, solely to the extent of the GLC’s Monthly Advisory Fees pursuant to the GLC Engagement Letter (each as defined below));

- a charge on the Property in the amount of \$4.44 million in favour of the directors, managers and officers of the Sandvine Entities (the “**Directors’ Charge**”);
 - approval of the terms of the DIP Facility pursuant to the DIP Agreement (as defined below) and the proposed charge on the Property in the aggregate amount of the outstanding DIP Obligations (as defined in the proposed Initial Order) in favour of the DIP Secured Parties (as defined below) (the “**DIP Charge**” and together with the Administration Charge and the Directors’ Charge, the “**Charges**”), provided that the Sandvine Entities will not be authorized to draw on the DIP Facility unless approved at the Comeback Hearing;
 - the proposed priority of the Charges;
 - approval of the engagement of GLC as the independent financial advisor to the Company, pursuant to an agreement dated June 29, 2024 between the Company and GLC (the “**GLC Engagement Letter**”);
 - a provision permitting the Sandvine Entities to pay certain pre-filing obligations to essential suppliers and contractors, subject to first obtaining the Monitor’s consent;
 - the stay of proceedings and certain other protections being extended to Procera LP and the Non-Applicant Stay Parties;
 - authorization for Sandvine Canada to act as the foreign representative of the Applicants in respect of the within proceeding for the purpose of having these CCAA Proceedings recognized and approved in a jurisdiction outside of Canada and authorizing Sandvine Canada to apply for foreign recognition and approval of these CCAA Proceedings and related relief, as necessary, in the United States Bankruptcy Court for the Northern District of Texas (Dallas Division) pursuant to Chapter 15 of Title 11 of the United States Bankruptcy Code (the “**Bankruptcy Code**”), 11 U.S.C. §§ 101-1532; and
 - the continued use of the Sandvine Entities’ existing cash management system; and
- e) provide the proposed Monitor’s recommendation regarding the relief sought by the Applicants in their application materials.
2. In considering the relief sought by the Applicants, KSV notes that the Lenders, owed approximately \$431.8 million in principal secured debt, are the largest economic stakeholders. KSV understands that approximately 97% of the Lenders have entered into the RSA and support the CCAA application and the substantive relief being sought at the initial hearing and at the Comeback Hearing, including approval of the DIP Facility, the SISP, the proposed transaction to be documented in the Stalking Horse Transaction Agreement, and the various related Charges ranking in priority to the security granted by the Sandvine Entities in favour of the Lenders.

1.2 Restrictions

1. In preparing this Report, KSV has relied upon Sandvine's audited and unaudited financial information, the books and records of Sandvine, and discussions with Sandvine's representatives, Sandvine's legal counsel (Osler Hoskin & Harcourt LLP ("**Osler**") and financial advisor, GLC.
2. KSV has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon Sandvine's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in U.S. dollars.

1.4 KSV's Qualifications to Act as Monitor

1. KSV is a licensed trustee within the meaning of Section 2(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, and is not restricted by any conditions under Section 11.7(2) of the CCAA from acting as monitor
2. KSV has consented to act as Monitor in these proceedings should the Initial Order be granted. A copy of KSV's consent to act as Monitor is attached as **Appendix "A"**.
3. KSV has extensive experience acting as CCAA monitor and in other court officer capacities in formal insolvency proceedings.
4. On October 15, 2024, Osler retained KSV on behalf of Sandvine, in contemplation of acting as Monitor if these proceedings were commenced. Since then, KSV has assisted the Applicants in preparing for this filing, including reviewing and advising on the proposed Initial Order, cash flow projections, DIP Facility, and SISF. Through this process, KSV has developed an understanding of Sandvine's financial and operational challenges.

2.0 Background

1. The Kupp Affidavit provides background on Sandvine's business and operations. Accordingly, that information is only summarized in this Report.
2. All the Applicants are affiliated entities and are borrowers or guarantors (or general partners of such guarantors) under the Existing Loans and DDTL Facility (each as defined below). Procera LP is the ultimate parent of the Company and each of the Non-Applicant Stay Parties is a direct or indirect wholly owned subsidiary of one of the Sandvine Entities.
3. A corporate chart outlining the corporate structure of the Company, as well as corporate information concerning each of the Applicants, is provided at paragraphs 22 to 27 of the Kupp Affidavit.

2.1 Business of the Applicants

1. Headquartered in Waterloo, Ontario, Sandvine specializes in application and network optimization software for telecommunications service providers worldwide. Sandvine's technology analyzes metadata to help customers manage network traffic, enhance security, and optimize user quality of experience without decrypting content. Sandvine's solutions are crucial for network planning and revenue generation and facilitate internet access for hundreds of millions of people.
2. Sandvine's products assist internet service providers and corporate enterprises to: (i) transition from the 4G to 5G network, (ii) offer mobile plans with limited app and service usage, (iii) ensure consistent video streaming experiences, (iv) tailor services to subscriber consumption patterns, (v) proactively diagnose WiFi issues, and (vi) prevent fraud.
3. Sandvine's customers include over 130 of the largest global communications service providers, serving hundreds of millions of network users. For the calendar year ending December 31, 2023, 81% of Sandvine's bookings were from telecom operators, 9% from enterprises, 9% from telecom regulators, and 1% from other government agencies.
4. Any disruption in Sandvine's services would have serious implications for the continuity and security of services provided by Sandvine's customers, including many of the largest internet service providers in Canada and globally.
5. Sandvine's sales are typically executed through a Right to Use ("**RTU**") license under a licensing agreement. RTUs are usually sold on a perpetual basis, although they may also be sold as annual subscriptions. In conjunction with the RTUs, the Company sells software maintenance and support services, which generally require annual renewal.
6. Notwithstanding that the Company operates through numerous subsidiaries and branches worldwide, Sandvine Canada and Procera US are the contractual parties for substantially all of the customer contracts, depending on the customer's location.

2.2 Employees

- As of October 24, 2024, Sandvine employed approximately 475 employees and engaged 32 independent contractors in 30 countries. Sandvine’s employees are not unionized, and no collective agreements apply. A geographic distribution of the employees and independent contractors is provided in the table below.

	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
Europe	35	3	38
South Asia	23	3	26
North Asia	11	5	16
Total	475	32	507

- As of the date of this Report, the Company’s accrued vacation pay obligations were approximately \$2.6 million. The proposed Monitor understands that the Company is current on its normal course payroll obligations.
- In addition, the Applicants are seeking authority to pay employee retention payments and termination and severance payments, arising before or after CCAA filing.

2.3 Restructuring

- The following subsections summarize significant events transpiring in 2024, including certain informal restructuring efforts, culminating in these CCAA Proceedings.

2.4 Entity List Designation

- On February 27, 2024, Sandvine Canada and certain of the other Applicants and Non-Applicant Stay Parties were added to the U.S. Department of Commerce’s Entity List (the “**Entity List**”), materially impacting the Company’s ability to procure essential goods and technology.
- The Company immediately took steps to mitigate these operational impacts, including seeking interim relief from U.S. authorities. Additionally, on May 1, 2024, the Company submitted a proposal for removal from the Entity List, predicated on certain changes to its existing business and governance model. In this respect, the Company has already exited over 30 jurisdictions and is in the process of exiting over 20 more non-democratic jurisdictions where digital rights risks are high. The exit from these jurisdictions will be complete by December 31, 2025, except for government customers in Egypt, where termination will be complete by March 31, 2025.

3. As a result of the Company's efforts and commitments to change its business model, on October 23, 2024, the Department of Commerce removed Sandvine from the Entity List.
4. Notwithstanding its mitigation efforts, the Entity List designation significantly impacted Sandvine's business. The countries that Sandvine has exited and is in the process of exiting represent approximately 45% of Sandvine's 2023 annual revenue. Furthermore, some customers have paused new orders as a result of the Entity List designation. Overall, the Company projects its top line to be reduced by approximately 50% compared to its 2023 revenue.

2.5 June 2024 Reorganization

1. Prior to June 2024, the Company's primary debt obligations consisted of two secured credit facilities in the aggregate amount of approximately \$504 million, being: (i) a first lien credit facility provided by a group of lenders (the "**First Lien Lenders**") for which Jefferies Finance LLC ("**Jefferies**") acted as administrative agent and collateral agent, and (ii) a second lien credit facility provided by a group of lenders (the "**Second Lien Lenders**") and together with the First Lien Lenders, the "**Lenders**") for which Barings Finance LLC acted as administrative agent and collateral agent.
2. As a result of the adverse impact of the Entity List designation, declining revenue, and the resulting short-term liquidity challenges, Sandvine became aware that it would fail to meet certain terms of the secured credit facilities leading to potential defaults. Accordingly, in June 2024, Sandvine negotiated a reorganization with the Lenders, resulting in: (i) the Lenders becoming the indirect owners of Sandvine and (ii) a significant reduction in Sandvine's funded debt obligations by approximately \$92 million to an aggregate of \$412 million. This included extinguishing the second lien facility and consolidating debt under the first lien facility (the revised capital structure, the "**Existing Loans**").

2.6 October 2024 Financing and RSA

1. The reorganization steps taken in June 2024 addressed the prospective near-term defaults under the credit facilities, but did not address the Company's overleveraged balance sheet, long-term liquidity need, or the impact of the reduced revenue on future operations.
2. Sandvine has made significant efforts over the past six months to streamline its operations in order to right-size its business given the significant loss in revenue, including, among other things, reducing its workforce by approximately 40% from early 2024 and accelerating a transition to software only products. Notwithstanding these efforts, the Company recognized that it needed additional financing and a more comprehensive restructuring to continue operating on a going-concern basis.
3. In September 2024, the Company engaged in further discussions with certain of the Lenders on the terms of a comprehensive restructuring, which included: (i) such Lenders agreeing to support a restructuring pursuant to the terms of the RSA; and (ii) new financing in the form of a \$45 million delayed draw term loan facility ("**DDTL Facility**") pursuant to a Super-Senior Credit Agreement dated October 2, 2024 (as amended, the "**DDTL Credit Agreement**") to address short-term liquidity concerns. This financing was designed to address short-term liquidity needs and included a commitment to provide any undrawn portion as a debtor-in-possession (DIP) facility in the event of court-supervised restructuring proceedings.

4. All Lenders holding the Existing Loans were offered the opportunity to participate in the RSA and DDTL Facility and approximately 97% agreed to do so (such Lenders, the “**Consenting Stakeholders**”).
5. Accordingly, the Consenting Stakeholders committed the new money to fund the DDTL Facility (in such capacity, the Consenting Stakeholders are referred to as “**DDTL Tranche A Commitment Parties**”), and to fund any undrawn amount as a DIP Facility upon commencement of any CCAA proceedings.
6. The RSA provides the foundation for completing certain financing and restructuring transactions (the “**Restructuring Transactions**”) that, subject to the approval and completion of the SISF and ultimate Court approval of a transaction, would see the Company emerge as a stronger business with significantly less debt. The RSA is further discussed in Section 4.0 of this Report.

2.7 Financial Position

1. The Company’s audited financial statements as at December 31, 2023, issued on May 24, 2024, noted that the Company’s ability to continue as a going concern remained dependent on its removal from the Entity List, achieving positive cash flows through restructuring, and addressing existing debt obligations.
2. The Company’s unaudited balance sheet as at September 30, 2024 (which remains subject to potential closing adjustments) is provided below.

Description	Book Value (\$000s)
Cash and cash equivalents	18,700
Short term investments	4,600
Accounts receivable	20,800
Inventory	4,000
Other current assets	8,100
Total Current Assets	56,200
Property, plant and equipment	6,600
Goodwill	154,100
Other	28,100
Total Non-current Assets	188,800
Total Assets	245,000
Lease liability - current	4,200
Accounts payable and accrued liabilities	27,000
Current portion term loan, net of capitalized fees	2,100
Deferred revenue	42,300
Total Current Liabilities	73,000
Lease liability	4,200
Term loan, net of capitalized costs	416,000
Deferred tax liability	9,900
Non-current deferred revenue	19,200
Other liabilities	5,400
Total Non-current Liabilities	454,700
Total Liabilities	527,700
Deficit	- 282,700
Total Liabilities & Equity	245,000

3. Key balance sheet items include:
 - a) Term loan, net of capitalized costs (\$416 million): Reflects the amounts owing under the Existing Loans after the June 2024 reorganization, which is more fully described above.
 - b) Deficit (\$282.7 million): As discussed above, the adverse business effects of being placed on the Entity List significantly impacted the Company’s orders and revenue in fiscal 2024 and, in turn, resulted in a material deficit on the balance sheet.
4. The majority of the Company’s assets are located in Canada, including cash, critical IP assets, accounts receivable, inventory and fixed assets.

3.0 Creditors

3.1 Existing Loans and DDTL Facility

1. As discussed above, the Company’s principal secured debt obligations following the June 2024 reorganization consisted of approximately \$412 million owing to the Lenders (being the Existing Loans).
2. Pursuant to the terms of the RSA and DDTL Credit Agreement, in October 2024, the DDTL Tranche A Commitment Parties, being the approximately 97% of Lenders that opted to participate in the RSA and DDTL Facility: (i) exchanged \$75 million of Existing Loans on a dollar-for-dollar basis into loans under the DDTL Facility (the “**DDTL Tranche B Loans**”); and (ii) on October 2, 2024, funded \$20 million under the DDTL Facility (being the “**DDTL Tranche A Loans**”). This funding included \$15 million as new capital and \$5 million as a Backstop Premium, payable on the closing of the DDTL Facility to the DDTL Tranche A Commitment Parties. The DDTL Tranche A Loans rank *pari passu* with the DDTL Tranche B Loans in lien and payment priority, both ranking senior to the Existing Loans.
3. Accordingly, as at the date of this Report, the Company’s principal amounts under its credit agreements totaled approximately \$431.8 million, as summarized below:

Priority	Type	Owing to	Amounts (\$000s)
First	DDTL Tranche A Loans	DDTL Tranche A Commitment Parties (~97% of Lenders)	20,000
First	DDTL Tranche B Loans	DDTL Tranche A Commitment Parties (~97% of Lenders)	75,000
Second	Existing Loans	Lenders (all)	336,800
Total			431,800

4. Sandvine’s obligations under the Existing Loans are secured by, among other things, a first priority security interest in all present and after-acquired personal property of the Sandvine Entities and certain of the Non-Applicant Stay Parties pursuant to security documents governed by the laws of Canada, the United States, the United Kingdom, and Sweden.

3.2 Other Secured Creditors

1. In addition to the secured loans noted above, as of September 30, 2024, the Company had 16 outstanding cash collateralized letters of credit totaling \$6.9 million, comprised of six letters of credit issued by Toronto-Dominion Bank (\$4.5 million) and 10 letters of credit issued by Jefferies (\$2.4 million). Fifteen of these letters of credit were issued for a customer in Egypt with the other issued for a customer in Algeria. The proposed Monitor understands that each of Toronto-Dominion Bank and Jefferies hold security over cash collateral of Sandvine Canada as security for such letters of credit.
2. The proposed Monitor also understands that Tip Fleet Canada Ltd. holds security over a trailer owned by Sandvine Canada.

3.3 Unsecured Creditors and other claims

1. Based on the Applicants' books and records, the unsecured obligations primarily consist of:
 - a) approximately \$1.2 million owed to vendors for goods and services invoiced, with additional amounts accrued but not yet invoiced; and
 - b) approximately \$319,000 owing to employees for termination and severance.
2. Further information concerning the Applicants' liabilities is provided in the Kupp Affidavit.

4.0 RSA²

1. Pursuant to the RSA, the Consenting Stakeholders have agreed to support the Restructuring Transactions, including utilizing the CCAA Proceedings and the accompanying Chapter 15 proceedings to complete these transactions. The proposed Monitor understands that the Company's obligations under the RSA include a "fiduciary out", allowing the Company to terminate the Restructuring Transactions and/or pursue an alternative transaction in certain circumstances, including a superior transaction identified through the SISP. A copy of the RSA is attached as Exhibit "O" to the Kupp Affidavit.
2. The Restructuring Transactions contemplate the following:
 - a) Financing under the DDTL Facility: this includes the new money advanced under the DDTL Tranche A Loans (\$15 million), the exchange of the Existing Loans for the DDTL Tranche B Loans (\$75 million) and the Backstop Premium (\$5 million);

Financing under the DIP Facility: any unfunded portion of the DDTL Facility to be made available by way of the DIP Facility as at the date of the commencement of any CCAA proceedings, as further described in Section 6.0 below, which the Monitor understands to be up to \$30 million;

² The following constitutes a summary description of the RSA only. Reference should be made directly to the RSA for a complete understanding of its terms and conditions. Capitalized terms used in this section and not otherwise defined have the meanings ascribed to them in the RSA.

- b) DTL Commitment Fee: in exchange for committing to advance the aggregate of \$50 million (\$45 million net of commitment fees) under the DDTL Facility and the DIP Facility, on the effective date of the Restructuring Transactions, the Consenting Stakeholders would receive 50% of the common equity of the top holding entity ("**NewCo**"); and
 - c) Recapitalization: on the effective date of the Restructuring Transactions: (i) the Lenders would exchange any remaining Existing Loans into 50% of the common equity of NewCo; (ii) all DDTL Tranche A Loans, DDTL Tranche B Loans and DIP Loans would be converted into approximately \$125 million in new first lien financing; and (iii) all general unsecured claims and existing equity interests in Procera GP and Procera LP will be compromised and cancelled for no consideration.
3. The RSA also requires that the Company commence a formal restructuring process by November 15, 2024. If this deadline is not met, the Lenders may accelerate enforcement steps on the amounts owed under the DDTL Tranche A Loans, and DDTL Tranche B Loans, which, in turn, would allow for acceleration and enforcement steps with respect to the Existing Loans. The Company cannot pay or satisfy these amounts.
4. The proposed Monitor views the RSA as a significant positive step, providing a roadmap to completing certain transactions that would see the Company emerge as a going concern. The RSA evidences the support for the restructuring by a significant majority (~97%) of the Applicants' principal economic stakeholders and therefore provides stability and certainty as to the conduct of these CCAA Proceedings. The RSA provides the framework for these proceedings to be carried out on a consensual basis in order to complete a going-concern recapitalization transaction, or another superior transaction identified through the SISP, for the benefit of the Applicants' stakeholders, including creditors, employees, suppliers and the hundreds of millions of internet users potentially impacted if the Company were to cease operations.

5.0 Cash Flow Forecast

1. The Applicants have prepared a Cash Flow Forecast for the 13-week period November 3, 2024 to February 1, 2025, which the proposed Monitor has reviewed and discussed with the Applicants. The Cash Flow Forecast and the Applicants' statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached as **Appendix "B"**.
2. Based on the proposed Monitor's review of the Cash Flow Forecast, the cash flow assumptions appear reasonable. The proposed Monitor's statutory report on the Cash Flow Forecast is attached as **Appendix "C"**.
3. The Cash Flow Forecast reflects that the Applicants will be able to fund their business on a going concern basis from cash on hand until the Comeback Hearing. As such, although the Applicants are seeking approval of the DIP Facility and the DIP Charge, approval of the Sandvine Entities' ability to draw on the DIP Facility will not be sought until the Comeback Hearing.

6.0 DIP Facility and DIP Charge³

1. The terms of the DIP Facility, as summarized in the RSA, have been documented by way of an amendment to the DDTL Credit Agreement dated November 6, 2024 (the “**DIP Agreement**”).
2. The significant terms of the DIP Facility are summarized below. The DIP Facility is being provided by the Consenting Stakeholders. A copy of the DIP Agreement is attached to the Kupp Affidavit at Exhibit “V”.
 - a) Borrowers: Sandvine Canada and Procera US;
 - b) Guarantors: each of the other Applicants, Procera LP and Sandvine Sweden (and together with the Borrowers, the “**Loan Parties**”);
 - c) DIP Lenders: the Consenting Lenders (and in such capacity, the “**DIP Lenders**”), for which Seaport Loan Products LLC acts as co-administrative agent, and Acquiom Agency Services LLC acts as co-administrative agent and collateral agent (collectively, with the DIP Lenders, the “**DIP Secured Parties**”);
 - d) DIP Facility: up to a maximum of \$30 million, being the unfunded amount under the DDTL Facility;
 - e) Maturity Date: 366 days from the effective date, subject to earlier acceleration upon an Event of Default in accordance with the DIP Agreement;
 - f) Interest rate: SOFR + 9%, paid in cash semi-annually;
 - g) Commitment Fee: 1% per annum on the unused portion of the DIP Facility, which will be payable quarterly in arrears;
 - h) Expenses: the Borrowers shall pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrowers and the Administrative Agent;
 - i) DIP Security: the obligations under the DIP Facility are to be secured by the DIP Charge on all the Property (as that term is defined in the Initial Order), the Swedish governed law security delivered by Sandvine Sweden, the United Kingdom governed law security documents delivered by Sandvine UK and Sandvine OP, and the U.S. governed law security documents delivered by Procera US and the Applicants party thereto. As contemplated in the RSA and the Initial Order, the security for the DIP Loans will be *pari passu* in lien priority to the security for the DDTL Tranche A Loans and DDTL Tranche B Loans;
 - j) Cash Flow Projections and Reporting: the Loan Parties shall provide a cash flow projection that will be included as a schedule to the DIP Agreement. Subsequently, the Loan Parties shall deliver to the Administrative Agent for delivery to the DIP Secured Parties, by no later than the earlier of Thursday and the fourth business day of each week, updated “rolling” 13-week cash flow projections, including a comparison to the previously delivered cash flow projections; and

³ Terms not defined in this section have the meaning provided to them in the DIP Agreement.

- k) Other Conditions:
- i. the Loan Parties shall not make any disbursements that are not made in accordance with the Budget subject to Permitted Variances. In the Monitor's experience, this type of covenant is customary for financings in CCAA proceedings; and
 - ii. the DIP Agreement contains a number of listed events of default, each of which are customary for financing in CCAA proceedings, upon the occurrence of one or more of which will permit the DIP Lenders to terminate their DIP Facility commitments and accelerate repayment of the DIP Loans (and the other loans owing under the DDTL Credit Agreement).

6.1 Recommendation

1. KSV believes that the terms of the DIP Facility are reasonable in the circumstances. In evaluating the DIP Facility and the DIP Charge, KSV considered the factors set out in Section 11.2 of the CCAA and notes the following:
 - a) Without access to the DIP Facility, the Sandvine Entities will be unable to maintain their operations and complete these restructuring proceedings, including the SISF. The DIP Facility will allow Sandvine to fund payroll and other critical obligations, which payments are required in order for Sandvine to be able to continue to operate in the normal course during these CCAA Proceedings;
 - b) KSV believes that approval of the DIP Facility at this time serves the best interests of the Sandvine Entities' stakeholders and will advance the restructuring process as it will confirm to the market and all of the Sandvine Entities stakeholders that the Sandvine Entities will have sufficient liquidity to support operations, complete its restructuring process and emerge as a stronger going concern. KSV does not believe that creditors of the Sandvine Entities will be prejudiced; on the contrary, they will benefit as continued operations enhance value compared to potential liquidations;
 - c) the Applicants are seeking a DIP Charge to secure the DIP Obligations with the priority set out in the Initial Order, as a condition for advances under the DIP Facility. Although the Sandvine Entities will not be permitted to draw on the DIP Facility until further approval at the Comeback Hearing, approval of the DIP Charge in the Initial Order will ensure that timely recognition of the DIP Charge in the United States in the concurrent Chapter 15 proceedings can be obtained;
 - d) KSV compared the financial terms of the DIP Facility to other DIP facilities approved by Canadian courts in CCAA proceedings commenced between 2021 to 2024. The comparison is attached as **Appendix "D"**. Based on this review, the cost of the proposed DIP Facility is within the range of similar facilities approved by the Court and other Canadian courts in CCAA proceedings. KSV notes that the Sandvine Entities do not have significant tangible assets to support the amounts drawn under the DIP Facility, which it believes is also a relevant factor in considering the financial terms of the DIP Facility;
 - e) on the application for the Initial Order, the Sandvine Entities are not seeking approval to borrow, as the Applicants have sufficient cash on hand to sustain their operations until following the Comeback Hearing; and

- f) the DIP Facility is to be provided by the Consenting Stakeholders, who represent an overwhelming majority of the Sandvine Entities' secured creditors and support both the DIP Facility and the Sandvine Entities' restructuring process through their execution of the RSA.
2. Based on the foregoing, KSV believes that the terms of the DIP Facility are reasonable in the circumstances.

7.0 Other Court Ordered Charges and Priorities

7.1 Administration Charge

1. The Applicants are seeking an Administration Charge in an initial amount not to exceed \$2.5 million to secure the fees and expenses of the Monitor, counsel to the Monitor (Cassels Brock & Blackwell LLP), U.S. counsel to the Monitor, if retained, Canadian counsel to the Applicant (Osler), U.S. counsel to the Applicants (Paul, Weiss, Rifkind, Wharton & Garrison LLP and Gray Reed & McGraw P.C.), and the monthly work fee and expenses of the Company's financial advisor, GLC.
2. The Administration Charge is a customary provision in an initial order in a CCAA proceeding. It is required to provide security to the professionals engaged to assist a debtor company and to protect them if the debtor is unable to pay professional fees and costs during the CCAA process.
3. The Sandvine Entities have worked with the proposed Monitor to estimate the proposed amount of the Administration Charge.
4. KSV believes that the Administration Charge is reasonable and appropriate in the circumstances given the complexities of the Sandvine Entities' CCAA Proceedings, the Sandvine Entities' liquidity position, the unpaid professional fees as of the date of this Report and the professional fees that will continue to be incurred until the Comeback Hearing. Accordingly, the professionals require the benefit of the Administration Charge to protect them for their pre-filing fees related to preparing for these proceedings, as well as for their fees and costs that will be incurred until the Comeback Hearing. Without such protection, the professionals are unlikely to be prepared to continue to provide services in these proceedings. The Monitor has been advised by the Sandvine Entities that the Consenting Stakeholders (as beneficiaries of the DIP Charge, if approved, and holders of the overwhelming majority of the Applicants' pre-filing secured debt claims) are supportive of the Administration Charge being granted in the amount sought.

7.2 Directors' Charge

1. The proposed Directors' Charge provides protection for the Sandvine Entities' directors, managers and officers should the Sandvine Entities fail to pay certain obligations arising after the CCAA filing date which may give rise to liability for directors, managers and officers, including sales taxes, payroll, vacation pay and end of service gratuities ("**EOSG**").
2. The Cash Flow Forecast contemplates that payroll and sales taxes will continue to be paid in the ordinary course and the Sandvine Entities are projected to have sufficient liquidity to do so provided the DIP Facility is approved.

3. The directors, managers and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy or to the extent such coverage is insufficient to pay an indemnified amount.
4. The amount of the Directors' Charge was estimated by the Sandvine Entities, with the assistance of the proposed Monitor, taking into consideration current vacation pay liability, the current EOSG liability and the estimated peak payroll, bonus and sales tax obligations that can accrue during the ten-day period prior to the Comeback Hearing.

(unaudited)	Amount (\$000s)
Wages and bonuses (including source deductions)	1,420
Vacation pay	800
Sales taxes	90
EOSG	2,130
Total Directors' Charge	4,440

5. The Sandvine Entities pay employees and file sales taxes in multiple countries across the globe. The Sandvine Entities, in consultation with their advisors, have determined to assess the potential director and officer liability in the jurisdictions outside of North America with reference to the typical director and officer liabilities incurred in Canada and the United States. For EOSG, which primarily affects Procera US employees in the United Arab Emirates, the Sandvine Entities have advised the Monitor that these are legislated amounts analogous to vacation pay. The proposed Monitor believes that the Sandvine Entities' approach to assessing these potential director and officer liabilities is reasonable in the circumstances. Notably, the Monitor has been advised by the Sandvine Entities that the Consenting Stakeholders (as beneficiaries of the DIP Charge, if approved, and holders of the overwhelming majority of the Applicants' pre-filing secured debt claims) are fully supportive of this approach in calculating the Directors' Charge and the quantum of the charge sought.
6. The proposed Monitor has reviewed the Sandvine Entities' backup documentation in respect of the potential obligations to be covered by the Directors' Charge and is of the view that the Directors' Charge is reasonable in the circumstances as the continued involvement of the directors, managers and officers is beneficial to the Sandvine Entities and these proceedings.

7.3 Priority of Charges

1. Each of the Charges is proposed to rank in priority to all other encumbrances against the Property of the Sandvine Entities, other than in respect of: (a) any Person with a properly perfected purchase money security interest under the Ontario PPSA or other applicable legislation; and (b) any Person that has not been served with notice of the application for the Initial Order.
2. At the Comeback Hearing, the Applicants intend to seek that the Charges rank in priority to the encumbrances of any Person described in (a) and (b) above.

3. The Applicants propose the Charges have the following priority as between them (amounts presented below are those proposed to be granted in the Initial Order – any increases to the amounts covered by the Charges will be addressed at the Comeback Hearing):
 - a) First, the Administration Charge (to a maximum of \$2.5 million);
 - b) Second, the Directors' Charge (to a maximum of \$4.44 million); and
 - c) Third, the DIP Charge (to the maximum amount of the obligations outstanding under the DIP Facility at the relevant time) which shall rank on a *pari passu* basis with the Specified Term Loan Security (to the maximum amount of the outstanding Specified Term Loan Obligations) (each as defined in the DIP Agreement).

8.0 Financial Advisor⁴

8.1 GLC

1. The Applicants are seeking Court approval of their retention of GLC as financial advisor to assist with the proposed SISP. GLC will be responsible for marketing and selling the Sandvine Entities' business and assets pursuant to the proposed SISP, if approved. The Monitor will oversee and supervise the conduct of the SISP.
2. GLC is a leading independent investment bank and an experienced financial advisor headquartered in New York.
3. GLC was initially retained by the Applicants in late June 2024 to assist in evaluating alternatives in connection with their business and financial circumstances and restructuring and other strategic options. GLC was instrumental in negotiating the RSA and has extensive knowledge of the Applicants' business, gained over the past four months.
4. GLC has prepared marketing materials in connection with its proposed mandate and is ready to launch the SISP process, subject to Court approval.

8.2 GLC Engagement Letter

1. A copy of the GLC Engagement Letter is attached as Exhibit "X" to the Kupp Affidavit. The relevant financial terms of the GLC Engagement Letter are as follows:
 - a) **Monthly Advisory Fee:** \$150,000 payable monthly. A one-time credit of 50% of Monthly Advisory Fees paid in excess of \$300,000 will be applied against the Restructuring Fee, Financing Transaction Fee, or Sale Transaction Fee (collectively, the "**Transaction Fees**"), up to 100% of the applicable Transaction Fees.

⁴ Capitalized terms in this section have the meaning provided to them in the GLC Engagement Letter, unless otherwise defined herein.

- b) **Deferred Fee:** \$1,000,000, payable on the earlier of October 31, 2024 and the closing of any new money financing involving the Sandvine Entities. The proposed Monitor understands that this amount was paid at the closing of the DDTL Facility.
 - c) **Financing Transaction Fee:** a fee payable from the gross proceeds of any Financing Transactions (excluding such financing provided by lenders under the first lien credit agreement). The Financing Transaction Fee is equal to: (i) 1.5% of the gross amount of any senior secured debt raised, including any DIP or other exit financing raised; (ii) 3.0% of the gross amount of any junior secured debt or unsecured debt raised; and (iii) 5.0% of the gross amount of any equity or equity-linked securities raised.
 - d) **Sale Transaction Fee:** 1.5% of the Aggregate Consideration of a Sale Transaction, payable from the gross proceeds of the Sale Transaction. If both a Sale and Restructuring Transaction are consummated, GLC will be paid the greater of the Sale or Restructuring Fee, not both. The Sale Transaction Fee is not payable for any portion of the Aggregate Consideration paid through a credit bid by secured creditors if a Restructuring Fee is payable.
 - e) **Restructuring Fee:** \$2,250,000 payable out of the gross proceeds of any Restructuring Transaction. GLC is entitled to only one Restructuring Fee. If a transaction is pursuant to a Plan that is (i) prepackaged under any Bankruptcy Law, GLC shall be paid 50% on the date on which the approval is received for the Prepackaged Plan and 50% on the date that the Prepackaged Plan becomes effective; or (ii) pre-negotiated and the Sandvine Entities have sufficient support from its creditors and it has been determined to file for protection under any Bankruptcy Law to implement such plan, GLC shall be paid 50% before the filing of the Bankruptcy Case(s) and 50% upon the Plan becoming effective by the applicable court.
 - f) **Discretionary Fee:** a discretionary fee of \$750,000 which the Company may determine to pay before completing a Restructuring or Sale Transaction.
2. The Monitor recommends that the Court approve the GLC Engagement Letter for the following reasons:
- a) GLC is highly qualified with deep knowledge of the Sandvine Entities' business as a result of its existing mandate;
 - b) GLC's involvement as financial advisor in negotiating the RSA will enable a smooth transition to the SISF;
 - c) in the Monitor's view, the Monthly Advisory Fee of \$150,000 is reasonable and consistent with the market, and the Transaction Fees payable to GLC are commercially reasonable;
 - d) given its prior mandate, GLC is ready to launch the SISF immediately, reducing the costs associated with the SISF and the CCAA Proceedings;

- e) the Consenting Stakeholders are supportive of retaining GLC as Sandvine's financial advisor pursuant to the terms of the GLC Engagement Letter; and
- f) in the Monitor's view, it is appropriate for GLC to have the benefit of a Court-approved charge to secure its Monthly Advisory Fee.

9.0 Proposed Payment of Critical Vendor Obligations

1. On their application for the Initial Order, the Applicants are seeking a provision permitting the Sandvine Entities to make payments to certain critical vendors integral to the continuing operation of the Company's business in respect of obligations arising prior to the commencement of its CCAA Proceedings. Specifically, the proposed Initial Order permits the Sandvine Entities, with the consent of the Monitor, to pay amount owing for goods or services actually provided to the Sandvine Entities prior to the Initial Order by:
 - a) vendors providing hardware or software or similar products and services to the Sandvine Entities that are essential to the products and services sold and distributed by the Sandvine Entities to their customers;
 - b) distributors and resellers of the Sandvine Entities' products and services; and
 - c) other third parties up to a maximum amount of \$250,000, if, in the opinion of the Sandvine Entities, such third party is critical to the Business and ongoing operations of the Sandvine Entities.
2. The proposed Monitor is familiar with provisions of orders under the CCAA permitting the debtor company to pay specific pre-filing obligations, where appropriate, as these payments can preserve the value of the business for stakeholders. KSV is aware of the Company's reliance on certain critical suppliers to sustain operations, including critical technology infrastructure and independent contractors.
3. For the foregoing reasons, KSV is supportive of the Applicants' request for the inclusion of a provision authorizing it to pay certain pre-filing obligations owing to critical vendors. KSV will review each proposed payment, ensuring pre-filing obligations are limited to those reasonably necessary.

10.0 Cash Management System

1. The Sandvine Entities' cash management system (the "**Cash Management System**") is detailed in the Kupp Affidavit, and accordingly, is not repeated in this Report.
2. In connection with this CCAA proceeding, the Applicants are seeking the authority to continue to operate the Cash Management System to maintain the funding and banking arrangements already in place.
3. The proposed Monitor believes that it is necessary for the Sandvine Entities to continue using its existing Cash Management System as the Cash Management System includes the necessary accounting controls to enable the Sandvine Entities to trace funds and ensure that all transactions are adequately documented and readily ascertainable. A material change to the Sandvine Entities' Cash Management System is likely to disrupt operations, which is not in the interest of the Sandvine Entities or their stakeholders.

11.0 Stay of Proceedings re: Procera LP and the Non-Applicant Stay Parties

1. Procera LP is a Cayman Islands exempted limited partnership, owned by the Lenders as of the June 2024 reorganization. Although not an applicant in this proceeding, the Applicants are requesting a stay in favor of Procera LP and an extension of certain protections and authorizations of the Initial Order to Procera LP.
2. Procera LP is the ultimate parent company of the Sandvine operating entities and is a guarantor under the Existing Loans and DDTL Facility.
3. The Non-Applicant Stay Parties, each a wholly owned Sandvine subsidiary, are integral to the Applicants' business, providing critical research and development, sales, customer success and marketing services. Furthermore, more than half of the Company's workforce (approximately 294 persons) is employed by the Non-Applicant Stay Parties.
4. The proposed Monitor believes it is reasonable and necessary for the stay of proceedings to apply to Procera LP and the Non-Applicant Stay Parties to maintain stability and value throughout the CCAA process. Given that Procera LP is the Applicants' ultimate parent company, it would be detrimental to the Applicants' ability to complete a restructuring transaction if Procera LP did not benefit from protections and authorizations of the Initial Order, including the stay. Given that the business of the Non-Applicant Stay Parties is deeply intermingled with the Applicants' business, including as the Non-Applicant Stay Parties provide certain key functions within the Applicants' global business, it would be detrimental to the Company's business if proceedings were commenced, or other steps taken, against the Non-Applicant Stay Parties.

12.0 Chapter 15 Proceedings

1. The Applicants are seeking the authorization under the proposed Initial Order to apply for foreign recognition and approval of orders issued in these CCAA Proceedings, including recognition in the United States pursuant to chapter 15 of title 11 of the United States Bankruptcy Code to protect against any potential adverse actions taken in the United States by any of the Applicants' stakeholders (the "**Chapter 15 Proceedings**"). If granted, the Initial Order will authorize Sandvine Canada to act as the foreign representative for the purpose of the Chapter 15 Proceedings and such other foreign proceedings necessary.

13.0 Creditor Notification

1. The proposed Initial Order requires the Monitor to:
 - a) publish without delay a notice in the national edition of The Globe and Mail and The New York Times newspapers containing the information prescribed under the CCAA; and

- b) within five days of the granting of the Initial Order:
 - i. make the Initial Order publicly available in the manner prescribed under the CCAA;
 - ii. send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than CAD\$1,000 advising that the order is publicly available; and
 - iii. prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder, provided that such list shall not include the names, claim amounts and addresses of any individuals who are creditors.
2. If appointed Monitor, KSV will undertake these tasks, and will also post the Initial Order and all motion materials on the Case Website.

14.0 Comeback Hearing

1. If the Initial Order is granted, the Applicants intend to return to Court on November 15, 2024 to seek two orders at the Comeback Hearing:
 - a) an Order (the “**SISP Approval Order**”), among other things, approving the SISP and authorizing the Applicants to enter into the Stalking Horse Transaction Agreement to act as the stalking horse bid in the SISP; and
 - b) an Amended and Restated Initial Order, among other things, (i) increasing the amount of the Charges; (ii) approving a charge to secure the Transaction Fees and Discretionary Fees (as defined in the GLC Engagement Letter) and the Company’s indemnification obligations under the GLC Engagement Letter; (iii) approving the Sandvine Entities’ ability to draw on the DIP Facility; and (iv) an extension of the stay of proceedings until January 31, 2025.
2. As referenced above, if appointed as Monitor, KSV will file a report providing its views on the relief the Applicants are seeking at the Comeback Hearing in advance of same.

15.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that this Honourable Court make an Initial Order granting the Applicants’ CCAA application on the terms of the draft Initial Order set out in the Applicants’ application record.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.
**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS PROPOSED MONITOR OF
SANDVINE CORPORATION, SANDVINE HOLDINGS UK LIMITED,
PROCERA NETWORKS, INC., PROCERA HOLDING, INC.,
NEW PROCERA GP COMPANY AND SANDVINE OP (UK) LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

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 SANDVINE CORPORATION,
PROCERA NETWORKS, INC., PROCERA HOLDING, INC.,
NEW PROCERA GP COMPANY, SANDVINE HOLDINGS UK
LIMITED, AND SANDVINE OP (UK) LTD**

Applicants

CONSENT OF THE PROPOSED MONITOR

KSV Restructuring Inc. hereby consents to act as Court-appointed monitor of Sandvine Corporation, Procera Networks, Inc., Procera Holding, Inc., New Procera GP Company, Sandvine Holdings UK Limited, and Sandvine OP (UK) Ltd (collectively, the “**Applicants**”) in respect of these proceedings, subject to the granting of an initial order under the *Companies' Creditors Arrangement Act* (Canada) in the form included in the Applicants' application record.

Dated as of November 4, 2024

KSV Restructuring Inc.

Per:



Name: Noah Goldstein
Title: Managing Director

Appendix “B”

Sandvine Corporation, Procera Networks, Inc., Procera Holding, Inc., New Procera GP Company, Sandvine Holdings UK Limited and Sandvine OP (UK) Ltd (the "Applicants")

Projected Statement of Cash Flow

For the Period Ending February 1, 2025

(Unaudited; \$USD, Thousands)

		Week Ending														
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13		
Notes		9-Nov-24	16-Nov-24	23-Nov-24	30-Nov-24	7-Dec-24	14-Dec-24	21-Dec-24	28-Dec-24	4-Jan-25	11-Jan-25	18-Jan-25	25-Jan-25	1-Feb-25	Total	
1																
	<i>Receipts</i>															
	Collections	2	786	1,387	2,457	2,369	1,067	1,383	841	5,276	891	364	2,123	1,584	959	21,486
	<i>Total Receipts</i>		786	1,387	2,457	2,369	1,067	1,383	841	5,276	891	364	2,123	1,584	959	21,486
	<i>Disbursements</i>															
	<i>Operating Costs:</i>															
	Payroll and Benefits	3	(320)	(734)	(1,508)	(3,045)	(548)	(698)	(1,389)	(3,543)	(621)	(173)	(783)	(1,690)	(3,415)	(18,469)
	Administrative Costs	4	(3,022)	(540)	(176)	(677)	(342)	(145)	(268)	(180)	(429)	(195)	(172)	(135)	(204)	(6,485)
	Facility Costs	5	(50)	(71)	(43)	(5)	(149)	(71)	(22)	(26)	(300)	-	(71)	(43)	(12)	(864)
	Operating Expenses	6	(173)	(21)	(13)	(120)	(10)	(13)	(21)	(13)	(190)	(13)	(60)	(14)	(90)	(748)
	Taxes and Regulatory Fees	7	(10)	-	-	(20)	-	(160)	(105)	-	(10)	5	(5)	5	(5)	(305)
	<i>Total Operating Disbursements</i>		(3,575)	(1,367)	(1,740)	(3,867)	(1,049)	(1,087)	(1,805)	(3,762)	(1,550)	(376)	(1,091)	(1,877)	(3,726)	(26,871)
	Net Cash Flow Before the Undernoted		(2,789)	20	717	(1,498)	18	296	(964)	1,514	(659)	(12)	1,032	(293)	(2,767)	(5,384)
	Restructuring Costs	8	(1,949)	(2,000)	(59)	(1,006)	(1,150)	(883)	-	(1,803)	-	(1,553)	-	(1,431)	-	(11,832)
	DIP Fees	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Net Cash Flow</i>		(4,738)	(1,980)	658	(2,503)	(1,132)	(586)	(964)	(289)	(659)	(1,564)	1,032	(1,724)	(2,767)	(17,216)
	Opening Cash Balance		20,361	15,623	13,643	14,301	11,798	10,666	10,079	9,116	8,827	8,167	6,603	7,635	10,911	20,361
	Net cash flow		(4,738)	(1,980)	658	(2,503)	(1,132)	(586)	(964)	(289)	(659)	(1,564)	1,032	(1,724)	(2,767)	(17,216)
	DIP Financing	9	-	-	-	-	-	-	-	-	-	-	-	5,000	-	5,000
	Closing Total Cash Balance		15,623	13,643	14,301	11,798	10,666	10,079	9,116	8,827	8,167	6,603	7,635	10,911	8,144	8,144
	Minimum Liquidity		(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
	Available Cash		9,623	7,643	8,301	5,798	4,666	4,079	3,116	2,827	2,167	603	1,635	4,911	2,144	2,144
	DIP Loan Balance, excluding accrued interest		-	-	-	-	-	-	-	-	-	-	-	5,000	5,000	5,000

Sandvine Corporation, Procera Networks, Inc., Procera Holding, Inc., New Procera GP Company, Sandvine Holdings UK Limited and Sandvine OP (UK) Ltd (the "Applicants")

Notes to Projected Statement of Cash Flow

For the Period Ending February 1, 2025

(Unaudited; \$USD, Thousands)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of the Applicants, the partnership Procera II LP, and certain of the non-Applicant subsidiaries (together, the "Companies") for the period November 3, 2024 to February 1, 2025 (the "Period") in respect of their proceedings under the Companies' Creditors Arrangement Act ("CCAA"). The forecast assumes that the Applicants file for protection under the CCAA on November 7, 2024.

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical Assumptions

2. Reflects the Companies' estimated weekly customer collections.

Probable Assumptions

3. Represents gross payroll obligations for all of the Companies' employees, including retention payments to certain key employees. Payroll schedules vary by location. Includes estimated severance payments related to a Reduction in Force ("RIF") implemented in August 2024, with these outflows expected to conclude in March 2025.
4. Reflects estimated payments for ongoing administrative expenses, including software and IT, contractors, professional services and insurance.
5. Facility costs include rent and utilities for the Companies' leased premises, including in Canada, USA, Malaysia, India, Japan, UAE, UK and Sweden.
6. Reflects the estimated payments for general operating costs, including inventory purchases, freight, royalties and other miscellaneous expenses.
7. Represents estimated tax remittances to tax authorities in jurisdictions where the Companies operate.
8. Reflects estimated professional fees for the Monitor, the Monitor's counsel, and the Companies' counsel and financial advisors.
9. Reflected projected DIP funding to be provided by the DIP Lenders, as defined and pursuant to the terms of the Companies' super senior credit agreement.

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 SANDVINE CORPORATION, PROCERA
NETWORKS, INC., PROCERA HOLDING, INC., NEW
PROCERA GP COMPANY, SANDVINE HOLDINGS UK
LIMITED, AND SANDVINE OP (UK) LTD**

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)

The management of Sandvine Corporation, Procera Networks, Inc., Procera Holding, Inc., New Procera GP Company, Sandvine Holdings UK Limited, and Sandvine OP (UK) Ltd (collectively, the "Applicants") has developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 6th day of November, 2024, for the period November 3, 2024 to February 1, 2025 (the "Cash Flow Forecast"). All such assumptions are disclosed in the notes to the Cash Flow Forecast.


The hypothetical assumptions are suitably supported and consistent with the purpose of the Cash Flow Forecast as described in Note 1 to the Cash Flow Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow Forecast.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow Forecast has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Dated at Dallas, TX this 6th day of November, 2024.

**SANDVINE CORPORATION, PROCERA NETWORKS, INC., PROCERA HOLDING, INC., NEW
PROCERA GP COMPANY, SANDVINE HOLDINGS UK LIMITED, AND SANDVINE OP (UK)
LTD**



Per: Jeffrey A. Kupp

Appendix “C”

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 SANDVINE CORPORATION, PROCERA
NETWORKS, INC., PROCERA HOLDING, INC., NEW
PROCERA GP COMPANY, SANDVINE HOLDINGS UK
LIMITED, AND SANDVINE OP (UK) LTD**

**PROPOSED MONITOR'S REPORT ON CASH FLOW
STATEMENT (paragraph 23(1)(b) of the CCAA)**

The attached consolidated statement of projected cash-flow of Sandvine Corporation, Procera Networks, Inc., Procera Holding, Inc., New Procera GP Company, Sandvine Holdings UK Limited, and Sandvine OP (UK) Ltd (collectively, the "Applicants"), Procera II LP, and certain of the non-Applicant subsidiaries (together, the "Companies") as of the 6th day November, 2024, consisting of a weekly projected cash flow statement for the period November 3, 2024 to February 1, 2025 (the "Cash Flow Forecast") has been prepared by the management of the Applicants for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Applicants. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow Forecast.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions;
or
- c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Forecast will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow Forecast has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, ON this 6th day of November, 2024.

KSV Restructuring Inc.

KSV RESTRUCTURING INC.,
solely in its capacity as proposed monitor of
Sandvine Corporation, Procera Networks, Inc.,
Procera Holding, Inc., New Procera GP Company,
Sandvine Holdings UK Limited, and Sandvine OP (UK) Ltd

Appendix “D”

Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at November 4, 2024

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Chesswood Group Ltd. et al.	RBC and other pre-filing lenders	CCAA	FTI	29-Oct-24	Ontario	Financial Services	US65	Upfront fee of U.S.\$420,000; Annual administrative fee of Cdn.\$30,000; reasonable fees and expenses of the DIP lender	Prime plus an applicable margin of 400 bps per annum	
Mizrahi Development Group (1451 Wellington) Inc.	TCC Mortgage Holdings Inc.	CCAA	MNP	15-Oct-24	Ontario	Real Estate	25.00	Commitment Fee of 1.5% (\$375,000); reasonable fees and expenses of the DIP lender	10.0%	
Tokyo Smoke	TS Investments Corp.	CCAA	A&M	28-Aug-24	Ontario	Cannabis	8.00	1% commitment fee (\$80,000); fees and expenses of the DIP lender	13.0%	
BC Tree Fruits Cooperative, BC Tree Fruits Industries, Growers Supply Company Limited	CIBC	CCAA	A&M	13-Aug-24	British Columbia	Food Manufacturing	4.05	Fees and expenses of the DIP lender	10.0%	
Freedom Cannabis Inc.	JL Legacy Ltd.	CCAA	EY	08-Aug-24	Alberta	Cannabis	3.00	2% commitment fee (\$60,000); fees and expenses of the DIP lender	15.0%	
Galaxie Brands Corporation	The Vancor Group Inc.	CCAA	KPMG	06-Aug-24	Ontario	Cannabis	1.65	2% commitment fee; fees and expenses of the DIP lender	14.0%	
VBI Vaccines Inc. et al.	K2 HealthVentures LLC	CCAA	EY	30-Jul-24	British Columbia	Healthcare	2.50	Commitment fee of 2% (50,000)	17.5%	
Delta 9 Cannabis Inc. et al.	FIKA Herbal Goods	CCAA	A&M	15-Jul-24	Saskatchewan	Cannabis	16.00	Reasonable fees and expenses of the DIP lender	TD Bank's prime rate plus 3%	
Taiga Motors Corporation et al.	EDC	CCAA	Deloitte	10-Jul-24	Quebec	Manufacturing	4.40	First commitment fee of 2.4% of the Pre-Phase 1 Milestone Facility Amount (\$2,100,000) payable on the initial DIP Advance. Second commitment fee of 2.4% of the Post-Phase 1 Milestone Facility Amount (\$2,300,000) payable on the date of the first DIP Advance that takes place after August 16, 2024.	prime plus 7	
good natured Products Inc. et al.	Wells Fargo	CCAA	A&M	28-Jun-24	British Columbia	Manufacturing		amendment to the existing facility, providing increased loan availability for the duration of the stay period Fee of 100,000; reasonable fees and expenses of the DIP lender		
Atlas Global Brands Inc. et al.	Shalcor Management Inc.	CCAA	EY	20-Jun-24	Ontario	Cannabis	7.00	Commitment fee of 3% (210,000); fees and expenses of the DIP lender	13.0%	
Karwood Estates Inc. and Gregg Construction Limited	Pillar Capital Corp.	CCAA	Grant Thornton	05-Jun-24	Newfoundland	Real Estate / Construction	2.35	Facility fee of 3%, due diligence fee of 5,000, reasonable fees and expenses of the DIP lender	13.5%	
Altek Industrial Supply Ltd. et al.	CIBC	CCAA	PwC	24-May-24	Alberta	Distribution	2.00	Reasonable fees and expenses of the DIP lender	10.0%	
Eastern Meat Solutions Inc. et al.	BMO	CCAA	Deloitte	17-May-24	Ontario	Food Manufacturing	3.35	2% commitment fee (\$67,000); 2% standby fee on undrawn amounts	12.0%	
IntelGenX Technologies Corp. and IntelGenX Corp.	atai Life Sciences AG	CCAA	EY	17-May-24	Quebec	Healthcare	8.00	Reasonable fees and expenses of the DIP lender	Prime rate of NBC of 7.2%	
Cannmart Labs Inc.	Lifeist Wellness Inc.	CCAA	msi Spergel Inc. (GRIP)	02-May-24	Ontario	Cannabis	0.40	Commitment fee of 8,000	10.0%	
Teal Jones Group	Wells Fargo et al.	CCAA	PwC	25-Apr-24	British Columbia	Lumber		the lesser of 116.5 million and the amount provided by the borrowing base plus 56 million US\$300,000	9.5%	
Ted Baker Canada Inc. et al.	CIBC	CCAA	A&M	24-Apr-24	Ontario	Retail	7.00	US\$300,000	9.95% per annum for Advances denominated in Canadian Dollars and 11.75% per annum for Advances denominated in US Dollars	
Heritage Cannabis Holding Corp.	BJK Holdings Ltd.	CCAA	KPMG	02-Apr-24	Ontario	Cannabis	1.50		12.5%	
Pride Group Holdings Inc.	RBC as agent	CCAA	EY	27-Mar-24	Ontario	Transportation	30.00	Commitment fee of \$500,000	12.5%	
Saltwire Network Inc., The Halifax Herald Limited et al.	Fiera Private Debt Fund GP Inc.	CCAA	KSV	13-Mar-24	Nova Scotia	Media	1.50	\$5,000 commitment fee	8.0%	
Skylink Express Inc.	Momentum Decisive Solutions Canada Inc	CCAA	KSV	11-Mar-24	Ontario	Logistics	2.50		15.0%	
Anfis Enterprises Inc. and 9407-5173 Québec Inc.	Dicepizza S de RL de CV	CCAA	Raymond Chabot	12-Mar-24	Ontario	Real Estate	0.10		Prime plus 5%	

Canadian Overseas Petroleum Limited et al.	Summit Partners Credit Fund II, L.P., Summit Investors Credit III, LLC, and Summit Investors Credit III (UK), L.P.	CCAA	KSV	08-Mar-24	Alberta	Oil & Gas	US11	commitment fee equal to 0.75% of the commitments and an exit fee equal to 0.75% of the commitments	Secured Overnight Financing Rate plus 5% the the greater of: (A) the TD Prime Rate plus 8.05% per annum; and (B) 12% per annum	
BZAM Ltd.	Cortland Credit Lending Corporation as agent	CCAA	KSV	28-Feb-24	British Columbia	Cannabis	the lesser of (i) \$41.0 million; and (ii) the Revolving Facility Limit plus \$7.0 million	Commitment fee of 98,000		
Bifano Consolidated Inc.	BNS	CCAA	A&M	28-Feb-24	British Columbia	Agriculture	1.50	Commitment fee of 20,000	15.0%	
Collision Kings Group Inc. et al.	TD Bank	CCAA	FTI	07-Feb-24	Manitoba	Automotive	1.13	Commitment fee of 25,000	Prime plus 4.8% (currently 12%)	
Lynx Air Holdings Corporation and 1263343 Alberta Inc., DBA Lynx Air	Indigo Northern Ventures LP	CCAA	FTI	22-Feb-24	Alberta	Transportation	TBD	Up front fee of 3% of the maximum amount	20.0%	
Balboa Inc. et al.	Harbour Mortgage Corp.	CCAA	KSV	23-Jan-24	Ontario	Real Estate	12.00	a non-refundable commitment fee in the amount of \$240,000.00 which shall be paid from the initial Advance; if the loan is extended by the Lender at its sole discretion for a period not to exceed 6 months, an extension fee of \$120,000.00 will be payable in full on the Repayment Date	the greater of Royal Bank prime rate + 4.80% or 12.00% per annum	
SimEx Inc., Iwerks Entertainment, Inc., and SimEx-Iwerks Myrtle Beach, LLC	RBC	CCAA	Deloitte	19-Jan-24	Ontario	Entertainment	US0.6		RBUSBR + 2%	
Fresh City Farms Inc. and Mama Earth Organics Inc.	1000691958 Ontario Inc. and Bennett Church Hill Capital Inc.	CCAA	PwC	18-Jan-24	Ontario	Retail	2.50	Commitment fee of 3.5% due on maturity	12.0%	
2039882 Ontario Limited o/a Shelter Cove	CC 108 Lender Limited Partnership by its general partner REL-BC Holdings Ltd.	CCAA	PwC	23-Jan-24	Ontario	Other	2.50	25,000 initial funding fee to be deducted from the initial advance and 50,000 to be deducted from each advance at a rate equal to 2,000 on each 100,000 until the advance fee is paid in full, with any remaining balance payable on maturity	12.0%	
Black Press Ltd. et al.	Canso Investment Counsel Ltd.	CCAA	KSV	15-Jan-24	British Columbia	Media	5.50		10.0%	
Safari Flower Company	NE SPEC II LP	CCAA	EY	12-Jan-24	Ontario	Cannabis	1.00	Commitment fee of \$30,000	14.0%	
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	05-Jan-24	Ontario	Cannabis	US2.5		12.0%	
Donmar Properties Ltd. and 10058984 Manitoba Ltd.	y Morcourt Properties Ltd.	CCAA	EY	10-Apr-23	Manitoba	Real Estate	0.76		8.0%	
Myra Falls Mine Ltd.	Trafigura US Inc.	CCAA	FTI	18-Dec-23	British Columbia	Mining	21.00	Fee of \$210,000, representing 1.00%	11.0%	
Candesto Enterprises Corp. et al.	Durisol Ltd.	CCAA	A&M	20-Dec-23	Alberta	Professional Services	1.30		8.5%	
Duvaltex Inc.	Wells Fargo	CCAA	EY	14-Dec-23	Quebec	Manufacturing	14.00	Engagement fee of \$75,000	Basic rate plus 2.5%	
Mastermind GP Inc.	CIBC	CCAA		23-Nov-23	Ontario	Retail	36.25	Forbearance fee of 1.25% of the outstanding balance under the CIBC Revolving Loan Facility and the BCAP Loan	CIBC's prime interest rate plus 0.75%	CIBC was the company's existing lender and agreed to forbear and provide a DIP loan
Tergeo Mineraux Critiques Inc. et al.	Investissement Québec	CCAA	Raymond Chabot	10-Nov-23	Quebec	Mining	2.60	Commitment fee of 3%	18.0%	
MAV Beauty Brands Inc. et al.	RBC as administrative agent	CCAA	A&M	14-Nov-23	Ontario	Distribution	3.90	Reasonable fees and expenses of the DIP lender	SOFR plus 5.1%	
Simply Green Home Services Inc., Crown Crest Capital Management Corp., et al.	Peoples Trust Company	CCAA	KPMG	09-Nov-23	Ontario	Professional Services	15.00	Commitment fee of \$150,000	9.5%	
Harbour Grace Ocean Enterprises Ltd. and Laurenceton Holdings Ltd.	Gray Enterprise Ltd.	CCAA	PwC	02-Nov-23	Newfoundland	Construction	1.00	Commitment fee of 1.5%	13.0%	
South Shore Seafoods Ltd. et al.	TD Bank	CCAA	Deloitte	21-Sep-23	New Brunswick	Distribution	10.00	-	Prime rate or US base rate plus 1%	
Quebec Parmentier Inc. et al.	Caisse Desjardins de la RiveNord du Saguenay	CCAA	MNP	10-Oct-23	Quebec	Distribution	2.25	unclear	unclear	
Tacora Resources Inc.	Cargill, Incorporated	CCAA	FTI	10-Oct-23	Ontario	Mining	75.00	Exit fee of \$2,250,000 (3%)	10.0%	
Quality Sterling Group	Ironbridge Equity Partners	CCAA	RSM	17-Aug-23	Ontario	Other	7.00	Reasonable fees and expenses of the DIP lender	12.0%	
Aventura Phase VII Inc. et al.	TBD	CCAA	Raymond Chabot	28-Aug-23	Quebec	Real Estate / Construction	6.00	unclear	unclear	It appears the DIP loan was approved in advance, prior to locating a DIP lender
Ideal Protein Group	BMO & Caisse Desjardins as agents	CCAA	EY	15-Aug-23	Quebec	Manufacturing	4.00	-	same interest rate as existing term loan	

Lighthouse Immersive Inc. and Lighthouse Immersive USA Inc.	SCS Finance, Inc.	CCAA	B. Riley Farber	27-Jul-23	Ontario	Entertainment	US 3.5	Reasonable fees and expenses of the DIP lender	10.0%
NextPoint Financial Inc. et al.	BP Commercial Funding Trust and Drake Enterprises Ltd.	CCAA	FTI	25-Jul-23	British Columbia	Financial Services	25.00	Commitment fee of 1%	SOFR plus 6.5%
Aleafia Health Inc. et al.	Red White & Bloom Brands Inc.	CCAA	KSV	25-Jul-23	Ontario	Cannabis	6.60	Commitment fee of \$198,000 (3%)	12.5%
Bron Media Corp. et al.	Creative Wealth Media Lending LP 2016	CCAA	Grant Thornton	19-Jul-23	British Columbia	Media	6.20	Commitment fee of \$124,000 (2%)	15.0%
Gesco Industries Inc., Gesco GP ULC and Tierra Sol Ceramic Tile Ltd.	BNS	CCAA	PwC	19-May-23	Ontario	Manufacturing & Distribution	8.60	Commitment fee of \$50,000; reasonable fees and expenses of DIP lender	Prime plus 6%
Joseph Richard Hospitality Group Ltd. et al.	Canadian Western Bank	CCAA	EY	17-Jul-23	British Columbia	Food & Accommodation	0.50		Prime plus 5%; default interest rate of prime plus 10%
Swarmio Inc. et al.	Triaccess Ltd.	CCAA	Grant Thornton	21-Jun-23	Ontario	Technology	1.50	Commitment fee of \$28,000 (2%); reasonable fees and expenses of DIP lender	12.0%
Fire & Flower Holding Corp.	2707031 Ontario Inc.	CCAA	FTI	05-Jun-23	Ontario	Cannabis	9.80	Exit fee of \$400,000; reasonable fees and expenses of the DIP lender	12.0%
Ébénisterie St-Urbain Ltée et Woodlore International Inc.	9414-0050 Québec inc.	CCAA	Raymond Chabot	12-May-23	Quebec	Manufacturing	0.70		Basic rate increased by 1% annually, payable monthly
Plant-Based Investment Corp.	1000492681 Ontario Inc.	CCAA	Spergel	01-May-23	Ontario	Financial Services	0.50	Commitment fee of \$10,000; reasonable fees and expenses of DIP lender	12.0%
Phoena Holdings Inc. et al	Cortland Credit Lending Corporation	CCAA	EY	04-Apr-23	Ontario	Cannabis	3.10	Commitment fee of \$62,000; reasonable fees and expenses of DIP lender	Prime plus 20%
J.W. Carr Holdings Ltd. et al.	MGB Investments Ltd.	CCAA	EY	20-Apr-23	Alberta	Real Estate	2.70	Closing fee of \$25,000; undrawn amount fee of 2% per annum on undrawn amounts	12.0%
GreenSpace Brands Inc.	Pivot Financial I Limited Partnership Inc.	CCAA	PwC	06-Apr-23	Ontario	Food & Accommodation	2.60	Upfront fee of \$10,000, reasonable fees and expenses of the DIP lender	14.0%
Donmar Properties Ltd. and 10058984 Manitoba Ltd.	Morcourt Properties Ltd.	CCAA	EY	18-Apr-23	Manitoba	Real Estate	0.76		8.0%
Rambler Metals and Mining Canada Inc. and 1948565 Ontario Inc.	RMM Debt Limited Partnership	CCAA	Grant Thornton	27-Feb-23	Newfoundland	Mining	US 5	Standby fee of 2.5%	17.0%
LoyaltyOne Co. (dba AIR MILES®)	BMO	CCAA	KSV	10-Mar-23	Ontario	Other	US 70	Upfront fee of 2% and standby fee of 1.25%	Currently 14.25%, being the Base Rate (currently 8.25%) plus 6%
Dynamic Technologies Inc. et al.	Promising Experts Limited	CCAA	FTI	09-Mar-23	Alberta	Professional Services	2.60	Reasonable fees and expenses of the lender	12.0%
Polar Window of Canada Ltd. et al.	TD Bank	CCAA	Deloitte	10-Feb-23	Manitoba	Distribution	1.20	35,000 facility fee	
Tehama Inc.	14667913 Canada Inc.	CCAA	Deloitte	20-Jan-23	Ontario	Technology	0.50	Reasonable fees and expenses of the lender	5.0%
Groupe Vertendre	Immoфинn SEC	CCAA	Raymond Chabot	20-Jan-23	Quebec	Real Estate	0.25		
Forex Inc. et al.	Les Placements Al-Vi Inc.	CCAA	PwC	07-Feb-23	Quebec	Manufacturing	10.63	Reasonable fees and expenses of the lender	10.0%
Acerex Pharmaceuticals Corporation et al.	First Generation Capital Inc.	CCAA	EY	26-Jan-23	Ontario	Healthcare	7.00	Reasonable fees and expenses of the lender	8.0%
Laboratoires Bodycad Inc.	Sante BB Inc.	CCAA	Raymond Chabot	22-Dec-22	Quebec	Healthcare	2.16	Unclear - materials not available	Unclear - materials not available
DCL Corporation	Wells Fargo Bank, National Association, as administrative agent	CCAA	A&M	20-Dec-22	Ontario	Distribution	55.00		SOFR Loan obligations and Letters of Credit: Adjusted Term SOFR or Canadian BA Rate, plus 4.00% Base Rate obligations and Swingline Loans: US Base Rate or Canadian Base Rate, plus 3.00% Unused line fee of 0.50% Additional default interest of 2.0%
Galarneau									
Groupe Sélection Inc.	National Bank, CIBC, Desjardins, TD, BMO, HSBC, Briva Finance and Fiera	CCAA	PwC	21-Nov-22	Quebec	Food & Accommodation	20.00		
Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.	CIBC	CCAA	A&M	30-Nov-22	Manitoba	Healthcare	4.00	Reasonable fees and expenses of the lender	Prime plus 5%

Trichome Financial Corp.	Cortland Credit Lending Corporation	CCAA	KSV	07-Nov-22	Ontario	Cannabis	4.88	Commitment fee of \$97,000	14.0%	
Springer Aerospace Holdings Limited and 1138969 Ontario Inc.	Hillmount Capital Inc.	CCAA	MNP	23-Nov-22	Ontario	Professional Services	1.50	Commitment fee of \$60,000, Lender Legal Fees, Disbursements and HST – To be determined by Lender's solicitor	The greater of RBC Prime plus 7% or 12 % per annum	
Pure Gold Mining Inc.	Sprott Private Resource Lending II (Collector), LP	CCAA	KSV	31-Oct-22	British Columbia	Mining	10.00		15.0%	
Cannapie Group Inc. et al.	Cardinal Advisory Limited	CCAA	BDO	03-Nov-22	Ontario	Cannabis	0.50	Commitment fee of \$10,000	12%	
The Flowr Corporation et al.	1000343100 Ontario Inc.	CCAA	EY	20-Oct-22	Ontario	Cannabis	2.00	Commitment fee of \$40,000	Prime plus 12%	
Xebec Adsorption Inc. et al.	National Bank of Canada	CCAA	Deloitte	29-Sep-22	Quebec	Oil and Gas	3.60			
Superette Inc. et al.	SNDL Inc.	CCAA	EY	30-Aug-22	Ontario	Cannabis	1.37		15.0%	
Speakeasy Cannabis Club Ltd.	Travelers Capital Corp.	CCAA	Crowe MacKay	27-Jul-22	British Columbia	Cannabis	1.00	Commitment fee of 4.25%; standby fee of 2.5%; break fee of 5%	RBC prime rate (currently 4.7%) plus 725 basis points (currently 11.95%)	
MPX International Corporation	Certain Debentureholders	CCAA	KSV	24-Jul-22	Ontario	Cannabis	2.67	Commitment fee of 2%	12.0%	
Sproutly, Inc. and Toronto Herbal Remedies Inc.	0982244 B.C. Ltd. o/a Isle of Mann Property Group	CCAA	BDO	24-Jun-22	Ontario	Cannabis	0.75	Facility fee of 2%	1400.0%	
Canadian Dehua International Mines Group Inc.	Qubo Liu (a 50% shareholder)	CCAA	FTI	03-Jun-22	British Columbia	Mining	0.35	0	0.0%	
Mjardin Group Inc., Growforce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation	Bridging Finance	CCAA	KSV	02-Jun-22	Ontario	Cannabis	2.00	Upfront fee of \$50,000. Debtor responsible for DIP lender's expenses.	1000.0%	
Freshlocal Solutions Inc. et al.	Third Eye Asset Management Inc. / Ayal Capital Advisors EliteFund LP and Heidi S. Shippell Heiland 2008 Irrevocable Trust	CCAA	EY	16-May-22	British Columbia	Retail	1) TEC - 102) Ayal - 3	1) Closing fee of \$300,000; exit fee of \$300,000; extension fee of \$150,000 payable to extend the maturity date 2) Closing fee of \$90,000	1) Variable interest rate of the RBC Prime Rate + 8% (currently 12.7%) per annum 2) Variable interest rate of the RBC Prime Rate + 5% (currently 9.7%) per annum	The TEC loan was amended by order dated August 5, 2022. These are the amended terms. The Ayal loan was added on the same day.
Choom Holdings Inc.	1) Aurora Cannabis Inc. 2) Secured creditor other than Aurora	CCAA	EY	22-Apr-22	British Columbia	Cannabis	1) 0.82) 0.15	1) Borrower responsible for DIP lender's expenses.	1) 12 2) 12	
Hazelton Development Corporation	Triumph Eastern Investments Inc.	CCAA	Grant Thornton	20-Apr-22	Ontario	Real Estate	9.00	Commitment fee of \$180,000	1300.0%	
0989705 B.C. Ltd. et al.	Gatland, REV and South Street LP	CCAA	A&M	01-Apr-22	British Columbia	Real Estate	1.00	25000	1000.0%	
Eye & Co Incorporated, Natural Medco Ltd. and Eye & Co International Holdings Ltd.	Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership	CCAA	BDO	25-Mar-22	Ontario	Cannabis	2.20	Facility fee of 60,000. Borrower responsible for DIP lender's expenses.	1200.0%	
Rising Phoenix International Inc.	Interim Financing - Gestion Levy inc. Junior Interim Financing - 6815464 Canada Ltd.	CCAA	Richter	06-Jan-22	Quebec	Education	Interim Financing - 1.75 Junior Interim Financing - 2.5	Unclear - facilities granted under seal	Unclear - facilities granted under seal	
Trinity Ravine Community Inc.	Nahid Corporation or an affiliate	CCAA	Deloitte	23-Feb-22	Ontario	Real Estate	0.85	1. one-time fee of \$20,000 payable from proceeds of the first Advance; 2. Advance Fee of \$500 plus HST in respect of each Advance; 3. Utilization Fee in respect of any unutilized portion of the DIP Facility at a rate of 0.35% per annum calculated and compounded monthly in arrears; 4. \$40,000 to be applied against the lender's legal fees and disbursements	The greater of 12% or the TD Bank Prime Rate (currently 2.45%) plus 9.55%	
BlackRock Mining Inc. et al.	OMF Fund II H Ltd. and Investissement Québec	CCAA	Deloitte	23-Dec-21	Quebec	Mining	2.00		12% per annum	

Kaisen Energy Corp.	Durum Opportunities LP, an affiliate of Durum Capital Inc.	CCAA	EY	08-Dec-21	Alberta	Oil and Gas	1.00	\$50,000 commitment fee	ATB Financial Prime Rate + 5% per annum and is only payable on amounts advanced under the Interim Lender Facility;
Harte Gold Corp.	1000025833 Ontario Inc., a wholly owned subsidiary of Silver Lake Resources Limited.	CCAA	FTI	07-Dec-21	Ontario	Other	10.80	Borrower responsible for DIP lender's expenses	(a) in the case of the Balance in the Monitor's Account from time to time, 2% per annum; (b) in the case of any portion of the Loan Amount that has been advanced, 5% per annum from the date of the advance
Boreal Capital Partners	Halmont Properties Corporation	CCAA	EY	25-Nov-21	Ontario	Real Estate	10.00	Borrower responsible for DIP lender's expenses	750.0%
Coalspur Mines (Operations) Ltd.	Cline Trust Company LLC	CCAA	FTI	26-Apr-21	Alberta	Mining	26.00	Closing fee of US\$50,000. Undrawn amount fee of 2% on any undrawn amounts. The Borrower must also pay for the Lender and Monitor's reasonable expenses in connection with the loan.	1200.0%
BioEnergie AE Cote-Nord Canada Inc.	Biogaz SP senc	CCAA	Raymond Chabot	06-May-21	Quebec	Biotech	0.30		
CannTrust	Cortland Credit Lending Corporation	CCAA	EY	06-May-21	Ontario	Cannabis	22.50	Confidential	Confidential
Spartan Bioscience Inc.	Casa-Dea Financing Ltd.	NOI continued as CCAA	EY	04-May-21	Ontario	Biotech	0.60	Facility fee of \$6,000. The Borrower is responsible for the Lender's reasonable expenses incurred in connection with the interim financing.	10.0%
Ardenton Capital Corporation	RCM Capital Management Ltd.	CCAA	KSV	05-Mar-21	British Columbia	Financial Services	5.00	n/a	10.0%
Just Energy Group Inc. (TSX:JE)	LVS III SPE XV LP, TOCU XVII LLC, HVS XVI LLC and QC II LVS XIV LP	CCAA	FTI	09-Mar-21	Ontario	Oil and Gas	125.00	Commitment fee of \$1.25 million and origination fee of \$1.25 million. The Borrower will be responsible for all of the DIP Lenders' reasonable legal fees incurred in respect of the DIP Financing.	13.0%
Atis Group	BNS	CCAA	Raymond Chabot	24-Feb-21	Quebec	Manufacturing	6.25	Facility fee of \$112,500	Prime plus 3.75%
TGF Acquisition Parent Ltd., Sun Rich Fresh Foods Inc. and Tiffany Gate Foods Inc.	Cortland Capital Market Services Ltd.	CCAA	EY	17-Feb-21	British Columbia	Food & Accommodation	13.40	Commitment fee of \$516,000.	Either 15% or 12.5%, pursuant to the terms of the Term Sheet
Laurentian University	Firm Capital Corporation	CCAA	EY	01-Feb-21	Ontario	Education	25.00	Commitment fee of \$500,000. The Borrower will be responsible for all of the DIP Lender's reasonable legal fees incurred in respect of the DIP Financing.	Floating at the greater of 8.50% Per Annum or the TD Canada Trust Posted Bank Prime Rate of Interest from time to time plus 6.05% Per Annum
Yatsen Group of Companies	1699803 Ontario Inc.	CCAA	A&M	25-Jan-21	Ontario	Food & Accommodation	5.00	The Borrower and Guarantors must pay the Lender's fees and expenses incurred in connection with the DIP loan and the CCAA proceedings.	3.0%
FIGR Brands, Inc.	Alliance One Tobacco Canada, Inc.	CCAA	FTI	21-Jan-21	Ontario	Cannabis	16.00	The Borrower and Guarantors must pay the Lender's fees and expenses incurred in connection with the DIP loan and the CCAA proceedings.	8.0%
									Initial DIP loan was \$8 million. Order dated March 31, 2021 increased amount of DIP loan to \$13 million. Order dated June 10, 2021 increased amount of DIP loan to \$16 million.

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 SANDVINE CORPORATION, SANDVINE HOLDINGS UK LIMITED, PROCERA NETWORKS, INC., PROCERA HOLDING, INC., NEW PROCERA GP COMPANY AND SANDVINE OP (UK) LTD

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

PRE-FILING REPORT OF THE PROPOSED MONITOR

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