Court File No.: CV-23-00701377-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, C. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SWARMIO MEDIA HOLDINGS INC., SWARMIO INC., AND SWARMIO MEDIA INC.,
Applicants

AFFIDAVIT OF ROY HADDAD
(Sworn August 17, 2023)

I, ROY HADDAD, resident of Ashrafieh, Lebanon, **HEREBY MAKE OATH AND SAY AS FOLLOWS:**

PART I - INTRODUCTION

■ I am a Director and the majority shareholder of Triaxcess Limited (the "OpCo Purchaser"), which is the company proposing to purchase Swarmio Inc. and its subsidiaries including (without limitation) Swarmio Media Inc. (collectively the "Swarmio OpCos") by way of a share purchase agreement signed by the parties and submitted for approval by the Court in these proceedings (the "SPA").

■ I have personal knowledge of the matters to which I depose in this affidavit, except where I have obtained information from others. Where I have obtained information from others, I have stated the source of my information and, in all such cases, believe such information to be true. All references to currency in this Affidavit are references to Canadian dollars, unless otherwise indicated.

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■ This affidavit is specifically sworn in support of the Applicants' motion pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for the following orders:

(i) transferring and vesting all of the Applicants' right, title, and interest in and to the Excluded Assets, Excluded Contracts, and Excluded Liabilities (each as defined in the SPA) to and in a newly incorporated entity ("**ResidualCo**"); and

(ii) vesting in the OpCo Purchaser or its nominee all of the right, title and interest in and to the New Common Shares (as defined in the SPA) free and clear of all Encumbrances, other than Permitted Encumbrances (each capitalized term as defined in the SPA), upon the filing of a certificate by the Monitor substantially in the form attached Schedule "A" to the draft Approval and Vesting Order (the "**Monitor's Certificate**").

PART II - THE NATURE OF THE OPCO PURCHASER'S BID AND THE NEED FOR A REVERSE VESTING ORDER

■ I am the key financier behind the OpCo Purchaser and the business case for the purchase only makes sense in circumstances where the OpCo Purchaser is able to buy the Swarmio OpCos subject to the terms of the Orders referenced in paragraph 3 of my Affidavit (the "**Reverse Vesting Order**" procedure) for the reasons set out below:

(a) The foreign carriers which have signed contracts with either a Swarmio OpCo or Westbridge Telecom LLC (with a Swarmio OpCo acting as subcontractor to deliver back end services) (each a "Relevant Carrier") have committed to their respective boards the ability of the Swarmio OpCos to deliver high quality gaming services to the Relevant Carrier subscribers. Requiring the Relevant Carriers to assign their contracts to a new company would send those contracts back into consideration by the respective boards and legal departments of the Relevant Carriers, whilst discussions on the terms of any assignment/novation continued. This would delay even further the ability of the Swarmio OpCos to generate revenue from the Relevant Carriers, which would put the entire future of the Swarmio OpCos at risk together with the jobs the OpCo Purchaser is seeking to save;

(b) No requirement to assign the Relevant Carrier contracts is the most secure way to ensure that the Relevant Carriers do not begin looking for alternatives to deliver gaming services for their subscribers and to secure the substantial investment which the OpCo Purchaser is proposing to make into the Swarmio OpCos;

(c) The Swarmio OpCo business relies on supplier contracts with gaming content publishers (each a "Publisher"). Whilst the Publishers may be at liberty to terminate their contracts as a result of an insolvency or even a change of control event within the Swarmio OpCos, not requiring these contracts to be assigned is the likeliest way to ensure that the Publishers do not concern themselves with the CCAA proceedings and continue on the basis of business as usual. Without these publishing contracts, the ability of the Swarmio OpCos to deliver high quality services to the subscribers of the Relevant Carriers will be hampered and potentially severely hampered to the extent that the Swarmio OpCos may find themselves in a breach situation with the Relevant Carriers;

(d) The value of the Swarmio OpCos to the OpCo Purchaser was determined on the basis that a Reverse Vesting Order would be approved. If the Reverse Vesting Order is not approved, the risks are sufficiently great to put the entire deal in jeopardy and thereby make it potentially unfeasible for the OpCo Purchaser to continue with a bid to rescue the Swarmio business, with the concomitant loss of jobs within the Swarmio OpCos. This is the case even considering the financial commitment which the OpCo Purchaser has already made to date.

- I understand that the Monitor supports this relief.

PART III - CONCLUSION

- I swear this Affidavit in support of the orders referenced above and for no other purpose.

SWORN by ROY HADDAD, of the City of Beirut, Lebanon, in the District of Ashrafieh, remotely before me, ANTOINE HABIB, Attorney and Commissioner for Oaths.	
ANTOINE HABIB	**ROY HADDAD**

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Proceedings commenced at Toronto

AFFIDAVIT OF ROY HADDAD
Sworn August 17, 2023

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