

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

APPLICATION RECORD
(Returnable June 21, 2023)

June 20, 2023

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SERVICE LIST
(as of June 20, 2023)

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

ONTARIO
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Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN THE MATTER OF THE *COMPANIES' CRED*

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Applicants

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicants. The claim made by the applicants appears on the following page.

THIS APPLICATION will come on for a hearing on

☐

In person

☐

By telephone conference

☒

By video conference

at the following location

Zoom link to be uploaded on Caselines.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: June , 2023

Issued by _____
Local registrar

Address of court office 330 University Avenue 7th
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Toronto, Ontario
M5G 1R7

TO: SERVICE LIST

Court File No.:

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APPLICATION

1. Swarmio Media Holdings Inc. (“**Swarmio Parent**”), Swarmio Inc. (“**Swarmio OpCo**”) and Swarmio Media Inc. (“**Swarmio Media**”, together with Swarmio Parent and Swarmio OpCo, the “**Swarmio Group**”, the “**Company**” or the “**Applicants**”) bring this application pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c-C. 36, as amended (the “**CCAA**”) for an initial order substantially in the form of the order at **Tab “3”** of the Application Record, among other things:

- (a) declaring that the Applicants are companies to which the CCAA applies;
- (b) granting a stay of proceedings in favour of the Company up to and including July 1, 2023 (the “**Initial Stay Period**”);
- (c) appointing Grant Thornton Limited (“**GT**”) as the monitor of the Company (the “**Proposed Monitor**” or the “**Monitor**”, as applicable);
- (d) granting an administration charge to secure the professional fees and disbursements of the Applicants’ counsel, the Monitor and its counsel up to a maximum amount of \$100,000 (the “**Administration Charge**”);
- (e) granting a charge in favour of the current directors and officers of the Company in the amount of \$100,000 (the “**Directors’ Charge**”);
- (f) approving interim financing in the amount of \$135,000 (the “**DIP Financing**”) under the terms of the DIP Term Sheet (as defined below) between the Company and the DIP Lender (as defined below) to fund the Company’s operations during the Initial Stay Period; and

- (g) authorizing Swarmio Parent to incur no further expenses in relation to the Securities Filings (as defined in the Initial Order) and declaring that none of the directors, officers, employees, advisors and other representatives of the Applicants, or the Monitor (and its directors, officers, partners, advisors, employees and representatives) shall have any personal liability for any failure by the Company to make Securities Filings.

THE GROUNDS FOR THE APPLICATION ARE:

Background and Purpose of CCAA Proceeding

2. The Swarmio Group is an early stage, pre-revenue technology and media company focused on the gaming sector. The Company is insolvent and unable to raise the capital necessary to fund its development. It has exhausted its liquidity and has not made payroll.
3. Before bringing this application under the CCAA, the Company pursued numerous strategic alternatives over the last year and a half with no success.
4. The Company requires the breathing room afforded by the CCAA to obtain interim financing, and design and implement a sale process to identify a value-maximizing transaction for the going-concern sale of the business.

The Applicants and the Business

5. Swarmio Parent is the publicly-listed parent company of the Swarmio Group.
6. Swarmio OpCo is a wholly-owned subsidiary of Swarmio Parent. It is the operating entity of the Swarmio Group and is a federal corporation under the *Canada Business*

Corporations Act. Swarmio OpCo employs the majority of the Company's employees and owns the majority of the Company's assets, including intellectual property.

7. Swarmio Media is a federal corporation with a registered head office located in Sydney, Nova Scotia. Swarmio Media is the signatory to a majority of the Company's material contracts with its key suppliers and partners.

8. The Company has 22 full-time employees located in Canada. The Company also contracts with approximately 50 independent consultants to perform a wide-range of functions and services, including software development and project management. Most of the Company's consultants are located outside of Canada.

9. Telecommunication providers contract with Swarmio Group, directly or through its partners, to develop a platform that connects their users with game publishers and facilitates gaming and in-game purchases. The Company and telecommunication operators then earn a portion of the revenue generated from gamers' purchases through revenue sharing agreements.

10. Swarmio Group's technology and platform will allow users, without credit cards, to make in-game purchases through their existing account with their telecommunication provider.

11. The Company has spent years developing its technology focused on gaming. In November 2021, the Company listed on the CSE through a reverse takeover ("RTO") transaction. The Company raised \$9 million from public shareholders as part of the RTO.

Financial Circumstances and Cash Flow

12. The Company ran into a number of unanticipated challenges over the last two years of operations including, among other things: a lengthier than expected sales cycle, the unanticipated time period required to negotiate contractual terms with large telecommunications companies, and the unanticipated time required for the proper implementation and integration of the Company's technology.

13. The Company remains pre-revenue as it continues this sales, implementation and marketing process, and has exhausted the liquidity raised from its initial public offering subsequent rounds of secured and unsecured debt financing. In addition, rising costs and inflation following the covid-19 pandemic experienced across all industries has adversely impacted the Company's operations.

14. The total liabilities of the Company as at June 10, 2023 amount to approximately \$10,266,328.

15. The Applicants in consultation with the proposed Monitor, has prepared a 9-week cash flow forecast ("**Interim Cash Flow Forecast**") that is premised on, among other things, the assumption that the Applicants will be granted CCAA protection and the DIP Loan will be advanced.

16. The Interim Cash Flow Forecast demonstrates that, with the funding from the DIP Loan, the Applicants will have sufficient liquidity to operate through the proposed Initial Stay Period.

Proposed Monitor

17. The Applicants seek the appointment of GT as Monitor of the Applicants in these CCAA proceedings.

18. GT has consented to act as the Monitor, subject to Court approval. GT is not subject to any of the restrictions on who may be appointed as Monitor set out in section 11.7(2) of the CCAA.

Administration Charge

19. The Applicants seek a super-priority charge over the Applicants' Property (as defined in the Initial Order) in favour of the Monitor, counsel to the Monitor, and counsel to the Applicants (the "**Professionals Group**"), to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order (the "**Administration Charge**").

20. The proposed Administration Charge being sought is for a maximum amount of \$100,000 in order to secure the payment of fees and expenses incurred in connection with moving for the within relief sought and for the initial ten-day period leading up to the proposed Comeback Hearing. The Administration Charge is proposed to rank as a first-priority charge on the Property.

Directors' Charge

21. The Company's Directors' and Officers' insurance policy expired on November 30, 2022. The cost of a new policy will be in the range of \$55,000 and may contain unfavourable exclusions. In the circumstances, the Company seeks the Directors' Charge as security for the

Applicants' indemnification for possible liabilities that may be incurred by the current directors and officers, to a maximum of \$100,000.

22. The proposed quantum of the Directors' Charge was decided upon with the input of the Monitor's counsel. The Directors' Charge is intended to reflect reasonable legal fees that may be incurred in defending such claims.

23. The Directors' Charge is proposed to rank behind the Administration Charge and the DIP Lender's Charge. The Directors' Charge is required in order to provide a level of protection to the directors and officers with respect to possible liabilities imposed on individuals in their capacity as directors and officers of a corporation in CCAA protection.

DIP Loan and DIP Lender's Charge

24. On June 20, 2023, the Company entered into a debtor-in-possession term sheet (the "**DIP Term Sheet**") with Triaxcess Ltd. (the "**DIP Lender**") to provide a non-revolving loan in the maximum aggregate principal amount of \$1,500,000. The Company requests an initial advance for the Initial Stay Period of \$135,000 ("**Initial Advance**").

25. The purpose of the Initial Advance under the DIP financing is to fund the Company's working capital needs, professional fees and expenses during the Initial Stay Period.

26. The availability of the Initial Advance is conditional on the issuance of the proposed Initial Order, including approval of the DIP Term Sheet and the DIP Lender's Charge. It is contemplated that the funds advanced under the DIP Facility will be utilized in accordance with the Interim Cash Flow Forecast.

27. In addition to the approval of the DIP Term Sheet, the Company seeks a charge in favour of the DIP Lender to secure advances made under the DIP Term Sheet until the Comeback Hearing, which is anticipated to be approximately \$135,000. The DIP Lenders Charge will rank in priority to all other Encumbrances (as defined in the proposed Initial Order), *except that*, solely with respect to the Applicant, Swarmio Media Holdings Inc., the DIP Lender's Charge will rank subordinate to the 218 Security (as defined in the First Karthigesu Affidavit).

Authorization to Incur no Further Costs in Connection with Securities Filings

28. The Applicants seek authorization to dispense with certain securities filing requirements. In particular, the Applicants seek authorization for Swarmio Parent to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities Filings**") that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including without limitation, the *Securities Act (Ontario)*, RSO 1990 c S. 5 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of the CSE.

29. Incurring the time and costs associated with preparing the Security Filings will detract from the Applicants' successful restructuring.

30. There is no prejudice to stakeholders given that detailed financial information and other information regarding the Applicants will continue to be made publically available through the materials filed in these CCAA proceedings.

Stay of Proceedings

31. The Applicants are seeking a stay of proceedings up to and including July 1, 2023. The Initial Order contemplates a stay of all proceedings against the Applicants and its Property for an initial period of ten days, in accordance with the CCAA.

Comeback Hearing

32. If the Initial Order is granted, the Applicants intend to return to Court no later than June 30, 2023 (the “**Comeback Hearing**”) to seek the issuance of an order that would, among other things:

- (a) approve a sale and investment solicitation process (“**SISP**”);
- (b) increase the borrowing amount under the DIP Term Sheet and a corresponding increase to the DIP Lender’s Charge;
- (c) extend the Initial Stay Period for the duration of the SISP; and
- (d) increase the quantum of the Administration Charge.

GENERAL

33. The provisions of the CCAA including sections 2, 3, 11, 11.02, 11.2 and 11.7;

34. Rules 2.03, 3.02, 14.05, 16.04, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194, as amended; and

35. Such further and other grounds as counsel may advise and this Honourable Court may deem just.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE
HEARING OF THE APPLICATION:**

36. Affidavit of Vijai Karthigesu, sworn June 20, 2023;
37. The consent of GT to act as Monitor; and
38. Such further and other evidence as counsel may advise and this Honourable Court may admit.

June 20, 2023

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Proceeding commenced at TORONTO

NOTICE OF APPLICATION

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TAB 2

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

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

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**AFFIDAVIT OF VIJAI KARTHIGESU
(Sworn June 20, 2023)**

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AFFIDAVIT OF VIJAI KARTHIGESU
(Sworn June 20, 2023)

I, VIJAI KARTHIGESU, of the town of Ajax, in the Regional Municipality of Durham, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

PART I - INTRODUCTION

1. I am the Chief Executive Officer of the applicant, Swarmio Media Holdings Inc. (“**Swarmio Parent**”) as well as a member of Swarmio Parent’s board of directors (the “**Board**”). I am also the Chief Executive Officer and a member of the Board of Swarmio Parent’s wholly-owned subsidiary applicants, Swarmio Inc. (“**Swarmio OpCo**”), and Swarmio Media Inc. (“**Swarmio Media**”, and together with Swarmio OpCo and Swarmio Parent, the “**Swarmio Group**”, the “**Company**” or the “**Applicants**”).

2. 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.

PART II - OVERVIEW

3. This affidavit is sworn in support of Swarmio Group’s application for an order substantially in the form at Tab 3 of the Application Record (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for the following relief (among other things):

– 4 –

- (a) declaring that the Applicants are companies to which the CCAA applies;
 - (b) granting a stay of proceedings in favour of the Company up to and including July 1st, 2023 (the “**Initial Stay Period**”);
 - (c) appointing Grant Thornton Limited (“**GT**”) as the monitor of the Company (the “**Proposed Monitor**” or the “**Monitor**”, as applicable);
 - (d) granting an administration charge to secure the professional fees and disbursements of the Applicants’ counsel, the Monitor and its counsel up to a maximum amount of \$100,000 (the “**Administration Charge**”);
 - (e) granting a charge in favour of the current directors and officers of the Company in the amount of \$100,000 (the “**Directors’ Charge**”);
 - (f) approving interim financing in the amount of \$135,000 (the “**DIP Financing**”) under the terms of the DIP Term Sheet (as defined below) between the Company and the DIP Lender (as defined below) to fund the Company’s operations during the Initial Stay Period; and
 - (g) authorizing Swarmio Parent to incur no further expenses in relation to the Securities Filings (as defined in the Initial Order) and declaring that none of the directors, officers, employees, advisors and other representatives of the Applicants, or the Monitor (and its directors, officers, partners, advisors, employees and representatives) shall have any personal liability for any failure by the Company to make Securities Filings.
4. If the Initial Order is granted, the Applicants intend to return to Court no later than June

30, 2023 (the “**Comeback Hearing**”) to seek an order (the “**Amended and Restated Initial Order**”) that would, among other things:

- (a) approve a sale and investment solicitation process (“**SISP**”);
- (b) increase the borrowing amount under the DIP Term Sheet and a corresponding increase to the DIP Lender’s Charge;
- (c) extend the Initial Stay Period for the duration of the SISP; and
- (d) increase the Administration Charge;

5. For the reasons set out in this affidavit, I do verily believe that the Applicants are insolvent and are companies to which the CCAA applies.

PART III - URGENT NEED FOR RELIEF

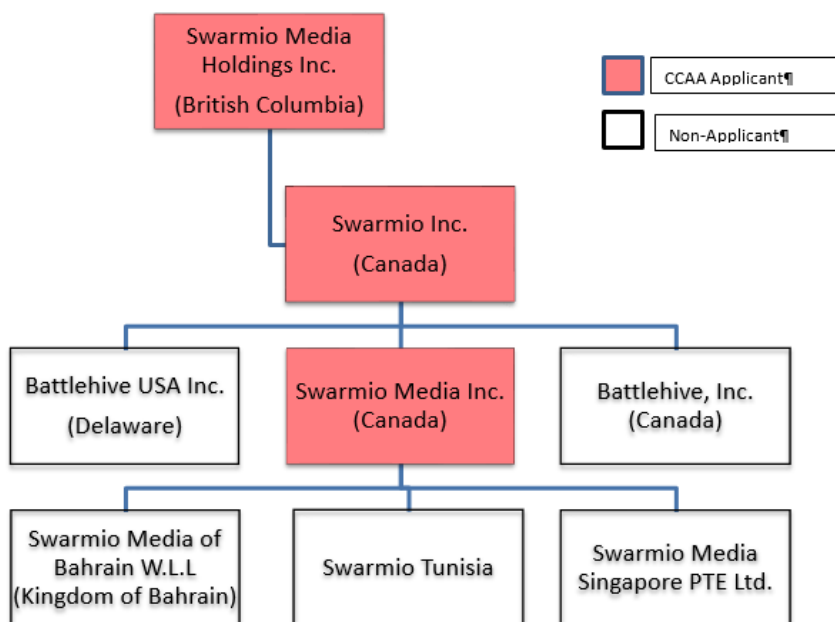
6. The Swarmio Group is an early stage, pre-revenue technology and media company focused on the video gaming sector. The Company is insolvent and unable to raise the capital necessary to fund its development. It has exhausted its liquidity and has not made payroll. It is in urgent need of relief under the CCAA.

7. Before bringing this application under the CCAA, the Company pursued numerous strategic alternatives over the last year and a half with no success. The Company requires the breathing room afforded by the CCAA to obtain interim financing, and design and implement a sale process to identify a value-maximizing transaction for the going-concern sale of the business. The Company expects that the DIP Lender will bid in the sale process.

PART IV - THE APPLICANTS

A. Corporate Structure

8. The Company's organizational chart is set out below.



a. *Swarmio Media Holdings Inc. (Swarmio Parent)*

9. Swarmio Parent is the publicly-listed parent company of the Swarmio Group. Its shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol “SWRM” and on the OTC QB under the symbol “SWMIF” and on the Frankfurt Stock Exchange under the symbol “U5U”. It holds 100% of the equity of Swarmio Inc. Swarmio Parent was previously known as 1283332 B.C. Ltd.

10. Swarmio Parent is a British Columbia corporation incorporated on January 11, 2021. Its registered head office is located at 1430-800 West Pender Street, Vancouver, British Columbia and its records office is located at 321 Water Street, Suite 501 Vancouver, British Columbia. Swarmio Group's management team, including myself, is located primarily in the Greater

Toronto Area in Ontario. Its other employees, such as developers and software engineers, operate out of leased premises in Nova Scotia.

11. Attached as **Exhibit “A”** is a copy of the corporate profile report for Swarmio Parent.

b. *Swarmio Inc. (Swarmio OpCo)*

12. Swarmio OpCo is a wholly owned subsidiary of Swarmio Parent. It is the operating entity of the Swarmio Group and is a federal corporation under the *Canada Business Corporations Act*.

13. Swarmio OpCo’s previous legal name was “UBIQUE Networks Inc.”. The name change to “Swarmio Inc.” occurred on September 25, 2014. Its head office is located at 1809 Barrington Street, Suite 505, Halifax, Nova Scotia.¹

14. Swarmio OpCo employs the majority of the Company’s employees and owns the majority of the Company’s assets, including intellectual property. Employees are located in Ontario and Nova Scotia.

15. Attached as **Exhibit “B”** is a copy of the corporate profile report for Swarmio OpCo.

c. *Swarmio Media Inc. (Swarmio Media)*

16. Swarmio Media is a federal corporation incorporated on May 5, 2020. Its registered head office is located at 102-295 George Street, Sydney, Nova Scotia.

17. Swarmio Media is the signatory to a majority of the Company’s material contracts with its key suppliers and partners.

18. Attached as **Exhibit “C”** is a copy of the corporate profile report for Swarmio Media.

d. *Non-CCAA applicants*

19. The following entities in the Company’s corporate structure are not applicants in this CCAA proceeding (collectively the “**Non-CCAA applicants**”). They do not have material operations, assets, or liabilities:

- (i) Battlehive USA, Inc.
- (ii) Battlehive, Inc.
- (iii) Swarmio Media of Bahrain W.L.L.²
- (iv) Swarmio Tunisia
- (v) Swarmio Media Singapore PTE Ltd.

B. The Business and Operations

20. I co-founded the Company in 2015 as part of a research project affiliated with the University of Ottawa. During the initial two years of operations, with funding from governmental and non-governmental institutions, the Company developed software and technology for “low latency edge computing”.

21. “Latency” refers to the amount of time it takes for data to travel from its source to its destination within a computer network or system. It is commonly used to measure the delay or lag experienced in various types of communication, such as network connections, internet browsing and online video gaming. Lower latency means faster transmission time. Low latency is particularly important for games, especially online gaming or “real time” games such as Call of Duty, League of Legends, and sports games such as FIFA. Games need faster data

¹ The Company’s corporate records including its registered head office are not up to date.

² This entity employs 3 individuals internationally and has employee obligations of approximately \$19,000.

transmission across a network to properly function and maximize the gaming experience. “Edge computing” is a sector of network technology that facilitates low latency data transmission across a network. The Company’s technology platform is therefore an attractive solution for gaming.

22. In 2020, at the onset of the Covid-19 pandemic, telecommunications companies experienced a steep increase in network usage because of, among other things, increased demand from gaming. This sparked telecommunications companies’ interest in gaming as an offering for their users. At this time, Swarmio Group focused its efforts on developing technological solutions for telecommunication companies to offer a gaming platform to its users and share in a \$200-billion global industry.

23. Typically, in North America, gamers create an account with a game publisher (*e.g.*, Battle.Net, Steam, EA Sports, PlayStation Network) or have their credit card information stored on their Apple or Android device. They can then make “in-game purchases” using their credit card. These “in-game purchases” generally improve gamers’ experience by allowing a user to purchase items, improvements or other enhancements.

24. Outside of North America – especially in parts of the Middle East, Africa, Asia and Latin American regions – gamers do not have the same access to credit cards as North American gamers. But they overwhelmingly have cell phones with large telecommunication companies. Swarmio Group’s technology is the solution for gamers in these underserved regions who wish to make in-game purchases. It is also the solution for telecommunication companies to insert themselves into the gaming value chain.

25. Swarmio Group’s technology and platform will allow users, without credit cards, to make

in-game purchases through their existing account with their telecommunication provider. The telecommunication provider contracts with Swarmio Group, directly or through its partners, to develop a platform that connects their users with game publishers and facilitates gaming and in game purchases. The Company and telecommunication operators will then earn a portion of the revenue generated from gamers' purchases through revenue sharing agreements.

26. The following is a summary of Swarmio Group's primary product offerings:

- (a) Swarmio Hive for Telecommunications Operators: Swarmio Hive is a software-as-a-service (SaaS) solution for telecommunications operators. It provides a turn-key platform that permits telecommunications operators to penetrate the gaming market and monetize the use of gaming platforms by their own customers. Under this service, the Company delivers the platform to the telecommunications operator, and has a revenue sharing agreement with the telecommunications operator.
- (b) Swarmio Matrix for Game Developers and Publishers: Swarmio Matrix is an edge computing platform that is meant to provide an enhanced gaming experience to gamers through technology that minimizes network lag or latency. The Company partners with telecommunications operators, global data centers and co-location providers to deploy Swarmio Matrix. These partners provide access to their servers and network, which operates to enhance the quality of experience for gamers using the network. The partner is compensated either based on the utilization of their physical infrastructure, or shares in the revenue it generates from the physical infrastructure.

- (c) Swarmio Pay for Game Publishers and Game Content Distributors: Swarmio Pay is an alternate payment aggregation service that combines regional telecommunications DCB (Direct Carrier Billing) and electronic wallet payments solutions. Swarmio Pay provides a seamless and convenient payment experience by integrating various payment methods into a single platform. Swarmio Pay enables game publishers and content distributors to reach and monetize the gamers in regions where the credit card penetration is very low such as South Asia, North Africa and Latin America. Swarmio Pay charges a transaction fee for every transaction.

27. The business subscribes to software and technology infrastructure from large technology companies such as Amazon AWS and Google. This technology infrastructure is critical to our operations. These providers require a credit card on file to pay monthly subscription fees. In the ordinary course, since the Company did not have a corporate credit card, my credit card is saved on file with Amazon and Google. Amazon and Google bill my credit card and the Company reimburses me regularly (the “**Disbursement Procedures**”). The Company intends to continue to operate in the ordinary course including the Disbursement Procedures, with the oversight of the Proposed Monitor.

28. As further described below, the Company has significant contracts with telecommunication companies in Malaysia, Sri Lanka, Philippines, the United Arab Emirates, and Tunisia.

C. Employees

29. Prior to this filing, the Company had 22 full-time employees located in Canada. The Company also contracts with approximately 50 independent consultants to perform a wide-range of functions and services, including software development and project management. Most of the

Company's consultants are located outside of Canada.

30. Employees are paid bi-weekly in arrears. The Company is currently behind on its payroll obligations and owes approximately \$1,099,097 to its Canadian employees as of June 10, 2023. One of the Company's Non-CCAA Applicants, Swarmio Media of Bahrain W.L.L, has 4 employees and employee obligations of approximately \$19,000.

31. The Company does not have any unionized employees. Nor does it sponsor or administer any registered or unregistered pension plans. The Company provides a standard group benefit plan to its employees that covers extended health care, dental care, life insurance, and accidental death and dismemberment insurance.

D. Key Customer Relationships

32. The Company's primary target market is telecommunication companies in the Middle East, North Africa Southeast Asia, and South Asia. The Company and its partners have established contractual relationships with several large telecommunication companies to develop, license and distribute Swarmio Group's technology as the gaming platform for their subscribers.

33. These relationships are critical to the Company's intended business model. They provide a large global user-base and distribution channel for the Company's technology. The Company has spent significant time and resources to develop customized solutions in order to foster these partnerships.

34. At present, the Company's key partnerships include some of the largest telecommunication providers in the world, including Etisalat by E& (UAE), Telekom Malaysia Berhad (Malaysia), Globe Telecom Inc. (Philippines) and Ooredoo (Tunisia).

PART V - FINANCIAL CIRCUMSTANCES AND CASH FLOW

35. The Company has a fiscal year-end of March 31. Attached as **Exhibit “D”** are the Company’s audited consolidated financial statements for 2022 and 2021 and unaudited interim statements as at December 31, 2022 (the “**Financial Statements**”).

A. Assets

36. As at December 31, 2022, the Company, on a consolidated basis, had assets totalling approximately \$1.2 million, including \$763,961 of current assets (cash and cash equivalents, accounts receivable, investment tax credit receivables, sales tax receivables, and prepaid expenses). The remaining assets, with a book value of approximately \$448,240, are primarily intangible assets including intellectual property. The Company’s primary intellectual property is a Patent registered in the United States and held by Swarmio OpCo.

37. The following shows the breakdown of Swarmio Group’s assets as at December 31, 2022.

Expressed in Canadian dollars)	As at December 31, 2022	As at March 31, 2022
Assets		
Current assets		
Cash	\$ 40,359	\$ 1,628,242
Accounts receivable (Note 6)	313,297	7,244
Investment tax credit receivable	185,748	859,394
Sales tax receivable	214,465	270,811
Prepaid expenses	10,092	64,592
Total current assets	763,961	2,830,283
Non-current assets		
Right-of-use assets (Note 5)	1,304	13,041
Equipment (Note 7)	15,646	17,184
Intangible assets	431,290	207,934
Total non-current assets	448,240	238,159
Total assets	\$ 1,212,201	\$ 3,068,442

B. Liabilities

38. As at December 31, 2022, the Company, on a consolidated basis, had liabilities totalling \$5,575,000, which is set out below in the excerpt from the Financial Statements. Since December 31, 2022, the Company has incurred at least \$1.5 million in additional liabilities through secured and unsecured debt (described below) and trade payables. The total liabilities of the Company as at June 10, 2023 amount to approximately \$10,266,328.

Liabilities**Current liabilities**

Accounts payable and accrued liabilities (Note 8)	\$	1,666,344	\$	1,097,780
Lease financial liabilities (Note 5)		1,904		17,115
Derivative financial liabilities (Note 9)		182,519		-
Loans and borrowings (Note 9)		1,860,872		678,700
Total current liabilities		<u>3,711,639</u>		<u>1,793,595</u>

Non-current liabilities

Loans and borrowings (Note 9)		<u>1,863,361</u>		<u>1,283,599</u>
Total non-current liabilities		<u>1,863,361</u>		<u>1,283,599</u>
Total liabilities		<u>5,575,000</u>		<u>3,077,194</u>

PART VI - CREDITORS OF SWARMIO GROUP**A. Government Claims**

39. I believe the Company currently has a contingent source deduction obligation based on payroll arrears in the amount of approximately \$288,289.00.

40. The Company has no outstanding HST obligations.

B. Secured Creditors

41. Below is a summary of the outstanding registrations against the Applicants under the personal property security legislation in Ontario, British Columbia and Nova Scotia (“**PPSA Registrations**”). Attached as **Exhibit “E”** is a copy of a summary of the PPSA Registrations,

together with certified copies of same.

Secured Party	Debtor(s)	Jurisdiction
2184907 Ontario Inc.	Swarmio Parent	British Columbia Nova Scotia Ontario
2873626 Ontario Ltd.	Swarmio Parent	British Columbia Nova Scotia Ontario
2797254 Ontario Inc.	Swarmio Parent	British Columbia Nova Scotia Ontario
Khan, MD Aseef Hannan	Swarmio Parent	British Columbia Nova Scotia Ontario
Joseph, Colin	Swarmio Parent	British Columbia Nova Scotia Ontario
Kolachalam, Arjun	Swarmio Parent	British Columbia Nova Scotia Ontario
Business Development of Canada	UBIQUE Networks Inc., Swarmio Inc.	Nova Scotia
Royal Bank of Canada ³	UBIQUE Networks Inc., Swarmio Inc.	Ontario

42. Below is an overview of each of the Applicants’ secured debt obligations.

a. 2184907 Ontario Inc.

43. Swarmio Parent is indebted to 2184907 Ontario Inc. (“**218**”) in the principal amount of \$1,000,000 pursuant to a Note Purchase Agreement (the “**218 Note Purchase Agreement**”) and an ancillary Secured Promissory Note (the “**218 Promissory Note**”), both dated as of March 10, 2023 (collectively, the “**218 Note**”). Attached at **Exhibit “F”** is a copy of the 218 Note.

³ The registration in favour of Royal Bank of Canada is expired, and no monies are currently owing by the Company to Royal Bank of Canada.

44. As security for the obligations under the 218 Note, Swarmio Parent granted a security interest in all of its present and after-acquired personal property in favour of 218 pursuant to a security agreement dated as of March 10, 2023 (the “**218 Security**”). A copy of the 218 security agreement is attached as **Exhibit “G”**.

45. Neither of the other Applicants, Swarmio OpCo nor Swarmio Media, are borrowers or guarantors of the 218 Note. Neither Swarmio OpCo nor Swarmio Media granted security in favour of 218.

46. Pursuant to the 218 Note Purchase Agreement, the Company agreed to issue 5,000,000 warrants in favour of 218 for the principal amount of \$1,000,000.

b. Business Development Bank of Canada (BDC)

47. Swarmio OpCo (under its former name, UBIQUE Networks Inc.) is party to two loan agreements with the Business Development of Canada (BDC) (together, the “**BDC Loan Agreements**”):

- (a) a letter of offer dated April 5, 2017 in respect of a loan in the principal amount of \$150,000, as amended by an amending letter dated October 13, 2017; and
- (b) a letter of offer dated November 9, 2017 in respect of a loan in the principal amount of \$100,000, as amended by an amending agreement dated November 14, 2017.

48. As security for the obligations under the BDC Loan Agreements, pursuant to a General Security Agreement dated April 5, 2017, Swarmio OpCo granted a security interest in all of its present and after-acquired personal property except consumer goods. Pursuant to guarantee

agreements dated as of April 5, 2017 and November 10, 2017, respectively (together the “**Guarantees**”), I personally guaranteed the obligations of Swarmio OpCo under the BDC Loan Agreements. Copies of the BDC Loan Agreements and the Guarantees are attached as **Exhibit “H”**.

49. The Company has been making monthly payments on account of principal and interest to BDC. The outstanding balance under the BDC Loan Agreements as of May 20, 2023 was \$38,100.

C. Subordinated Secured Creditors

50. Swarmio Parent owes the following parties (collectively, the “**Subordinated Secured Creditors**”) an aggregate amount of \$624,800, comprised of the following:

a. Joseph Colin Krishandan

51. Colin Joseph Krishandan (“**Colin Joseph**”) made a loan available to Swarmio Parent in the principal amount of \$90,000 pursuant to a secured promissory note issued by Swarmio Parent in favour of Colin Joseph, as extended by an extension agreement dated December 30, 2022 (the “**Colin Joseph Note**”). A copy of the Colin Joseph Note and the extension agreement are attached as **Exhibit “I”**. There is currently \$111,706 outstanding under the Colin Joseph Note.

b. 2873626 Ontario Limited

52. 2873626 Ontario Ltd. (“**287**”) made a loan available to Swarmio Parent in the principal amount of \$50,000 pursuant to a secured promissory note issued by Swarmio Parent in favour of 287, as extended by an extension agreement dated as of December 30, 2022 (the “**287 Note**”). A copy of the 287 Note and the extension agreement are attached as **Exhibit “J”**. There is currently \$62,296 outstanding under the 287 Note.

c. *Mo Aseef Hannan Khan*

53. Mohammed Aseef Hannan Khan (“**Khan**”) made a loan available to Swarmio Parent in the principal amount of USD \$200,000 pursuant to a secured promissory note issued by Swarmio Parent in favour of Khan, as extended by an extension agreement dated as of December 30, 2022 (the “**Khan Note**”). A copy of the Khan Note and the extension agreement are attached as **Exhibit “K”**. There is currently \$312,034 outstanding under the Khan Note.

d. *Arjun Kolachalam*

54. Arjun Kolachalam (“**Kolachalam**”) made a loan available to Swarmio Parent in the principal amount of USD \$50,000 pursuant to a secured promissory note issued by Swarmio Parent in favour of Kolachalam, as extended by an extension agreement dated as of December 30, 2022 (the “**Kolachalam Note**”). A copy of the Kolachalam Note and the extension agreement are attached as **Exhibit “L”**. There is currently \$77,016 outstanding under the Kolachalam Note.

e. *2797254 Ontario Inc.*

55. 2797254 Ontario Inc. (“**279**”) made a loan available to Swarmio Parent in the principal amount of \$50,000 pursuant to a secured promissory note issued by Swarmio Parent in favour of 279, as extended by an extension agreement dated as of December 30, 2022 (the “**279 Note**”). A copy of the 279 Note and the extension agreement are attached as **Exhibit “M”**. There is currently \$61,657 outstanding under the 279 Note.

D. *Inter-Creditor Arrangements*

56. Swarmio Parent, 218 and the Subordinated Secured Creditors are party to a postponement and subordination agreement dated as of March 10, 2023 (the “**Subordination Agreement**”).

The Subordinated Secured Creditors agreed to subordinate and postpone their security and all payments in favour of 218. A copy of the Subordination Agreement is attached as **Exhibit “N”**.

57. Under the 218 Note, 218 agreed with the Company that its security would be subordinate to the security held by BDC and Community Business Development Corporation in the amount of \$325,000, but, to my knowledge, 218 and BDC did not enter into an inter-creditor agreement among them.

E. Unsecured Creditors

a. Funded Debt

(1) Community Business Development Corporation

58. Swarmio OpCo is party to two loan agreements with the Community Business Development Corporation, through Coastal Business Opportunities Incorporated (“**CBDC**”) (together, the “**CBDC Loan Agreements**”):

- (a) a letter of offer dated March 31, 2020 in respect of a loan in the principal amount of \$166,625.00;
- (b) a letter of offer dated July 28, 2021 in respect of a loan in the principal amount of \$142,332.

59. Pursuant to an agreement between myself, CBDC and Swarmio OpCo, I agreed to personally guarantee the CBDC loans. The CBDC Loan Agreements and the executed guarantee in respect of same are attached as **Exhibit “O”**.

60. The Company has made monthly payments on account of principal and interest to CBDC but has missed several monthly payments. The outstanding balance under the CBDC Loan as of

May 20, 2023 was \$280,900.

(2) Government Loans

61. Swarmio OpCo (under its former name UBIQUE Networks, Inc.) received loans from Atlantic Canada Opportunities Agency (“**AOCA**”) in the total amount of \$2,227,993. The AOCA is based in the Province of Nova Scotia and provides funding pursuant to a government program established to increase opportunities for economic development by supporting start-up projects.

62. Swarmio OpCo is party to a number of contribution agreements with the AOCA (collectively, the “**AOCA Agreements**”), under which AOCA advanced the loans. Attached as **Exhibit “P”** are copies of the AOCA Agreements.

63. Each AOCA Agreement relates to a particular project and/or activity undertaken in the Company’s research and development and commercialization of its products:

Date of Contribution Agreement	Amount of Funding	Project
September 30, 2015	\$500,000	Develop a “lagless” gaming experience
December 13, 2016	\$468,750	Commercialize recently developed “lagless” gaming technology
March 21, 2017	\$50,000	Hire a chief revenue officer
April 4, 2018	\$500,000	Execute go to market strategy
October 19, 2018	\$50,000	Hire financial controller to streamline financial planning
September 30, 2019	\$250,000	Commercialize Swarmio eSports Platform in South Asia
May 29, 2020	\$100,000	Provide operating capital to alleviate cash flow challenges as a result of Covid-19
August 18, 2021	\$50,000	Hire a Vice President, Product Strategy
August 11, 2022	\$500,000	Commercialize Swarmio eSports platform in the Philippines

64. Swarmio OpCo also received a Canada Emergency Business Account (“**CEBA**”) loan in the amount of \$60,000. Of this amount, \$40,000 is due and payable on December 31, 2023, and \$20,000 should be forgiven pursuant to the terms of the CEBA loan.

(3) Elie Jeitani

65. Elie Jeitani (“**Jeitani**”) made a number of loans to Swarmio Parent pursuant to a series of unsecured promissory notes (collectively, the “**Jeitani Promissory Notes**”):

- (a) a promissory note dated September 12, 2022 in the principal amount of USD \$100,000;
- (b) a promissory note dated December 6, 2022 in the principal amount of USD \$100,000;
- (c) a promissory note dated January 3, 2023 in the principal amount of USD \$100,000; and
- (d) a promissory note dated February 28, 2023 in the principal amount of USD \$200,000.

66. A copy of the Jeitani Promissory Notes are attached as **Exhibit “Q”**. The Jeitani Promissory Notes were extended on a number of occasions, including most recently on April 28, 2023 (the “**Jeitani Extension Agreement**”). The Jeitani Promissory Notes became due and payable on May 31, 2023. A copy of the Jeitani Extension Agreement (unsigned) is attached as **Exhibit “R”**. There is currently \$731,599 outstanding under the Jeitani Promissory Notes.

67. Jeitani is the founder and CEO of Westbridge Telecom (“**Westbridge**”), a U.S. based wholesale provider of telecommunications products and services in various regions including Asia, Africa and the Middle East. The Company is party to a distribution agreement with Westbridge pursuant to which Westbridge distributes Swarmio Group’s gaming platform to its

clients, including certain of Swarmio Group’s telecommunications partners.

68. As indicated below, Jeitani is the principal of the proposed DIP lender, and is expected to bid in the sale process.

(4) Georges Gabi Azar

69. Georges Gabi Azar (“**Azar**”) made a loan to Swarmio Parent in the amount of USD \$100,000 pursuant to an unsecured promissory note dated February 28, 2023 (“**Azar Promissory Note**”). A copy of the Azar Promissory Note is attached as **Exhibit “S”**.

70. The Azar Promissory Note bears interest at an annual rate of 25% per annum and became due and payable on March 31, 2023. There is currently \$146,781 outstanding under the Azar Promissory Note, including principal and interest.

(5) Wittigsberg as (Appelby), Czech Republic

71. Wittigsberg as (Appelby), Czech Republic (“**Wittigsberg**”) and Swarmio Parent are party to a convertible promissory note agreement (“**Convertible Note**”) in the principal amount of USD \$500,000. There is currently \$658,200 outstanding under the Convertible Note. Attached as **Exhibit “T”** is a copy of Convertible Note.

b. Other Unsecured Creditors

(1) Trade Creditors

72. The Company is currently indebted to trade creditors in the aggregate amount of \$2.1 million attributable to various trade creditors.

(2) Employee Claims

73. The Company has approximately \$1,099,097 in unpaid wages up to June 10, 2023.

F. Equity Interests and Share Capital Contributions

74. The Company has approximately 110,453,430.90 issued and outstanding shares. As at the close of business on May 30, 2023, the share price was \$0.05 with a market capitalization of \$5,522,672.

75. As at December 31, 2022, the Company had issued 10,492,506 warrants carrying value of \$366,551.00.

76. According to the Financial Statements, the total shareholders' deficiency as at December 31, 2022 was approximately \$4,362,799.

PART VII - CHALLENGES AND LIQUIDITY ISSUES FACED BY APPLICANTS AND STRATEGIC INITIATIVES

77. The Company has spent years developing its technology focused on gaming. In November 2021, the Company listed on the Canadian Securities Exchange through a reverse takeover (“**RTO**”) transaction on the strength for gaming and for technology companies in the public markets during the covid-19 pandemic. The Company raised \$9 million from public shareholders as part of the RTO. The Company utilized this funding to execute on its strategy.

78. The Company ran into a number of unanticipated challenges. First, because of the size and scale of its telecommunications partners, the Company experienced a lengthier-than-expected sales cycle.

79. Second, after obtaining initial buy-in from a telecommunication partner following a lengthy sales cycle, the parties negotiated contractual terms. In certain circumstances, the commercial relationship required tri-partite or mirroring contracts among Swarmio Group, the

telecommunications provider and one of Swarmio Group's regional marketing partners. This process took longer than anticipated.

80. Third, after finalizing contractual terms, implementation and integration of Swarmio Group's technology into the telecommunication provider's existing platform followed. This implementation and integration process was longer than anticipated. In some cases, integration required Swarmio Group to build bespoke software.

81. Finally, upon completion of implementation and integration, the roll-out and uptake of the gaming platform by the end-user (i.e., the telecommunication provider's customers) has taken longer than expected. The contractual arrangements with telecommunications providers obligate Swarmio Group to participate in and contribute resources towards the telecommunication provider's marketing efforts of its gaming platform (powered by Swarmio technology). The Company experienced a gap between its marketing efforts and ultimate uptake by users of the new gaming platform.

82. The Company remains pre-revenue as it continues this sales, implementation and marketing process, and has exhausted the liquidity raised from its initial public offering. In addition, rising costs and inflation following the Covid-19 pandemic experienced across all industries similarly adversely impacts the Company's operations.

83. In 2022, the frothy public markets precipitously softened for early stage pre-revenue technology companies. The Company's share price suffered. The public markets were no longer a source for additional capital.

84. Throughout 2022, the Company survived on debt financing raised from the Subordinated Secured Creditors, who are primarily employees and other related parties. But with an average

monthly burn rate of approximately \$500,000, funding from the Subordinated Secured Creditors was insufficient to satisfy the Company's ongoing operations for an extended period. The Company's management also provided an additional equity injection of approximately \$1 million.

85. The Company also pursued other strategic alternatives:

- (a) In and around Q2 of 2022, the Company initiated discussions regarding potential equity financing of approximately USD\$10 million from one of its telecommunications partners. The parties entered into a letter of intent, but the transaction never ultimately materialized.
- (b) The Company pursued a potential sale of its business to a third party. The parties signed a non-disclosure agreement and conducted due diligence, but a transaction did not materialize.
- (c) The Company explored a sale transaction with another third party. The parties exchanged a draft letter of intent and non-disclosure agreement. The third party conducted due diligence. But, again, a transaction did not materialize.
- (d) One of the Company's other telecommunications partners expressed an interest in acquiring the Company. Those discussions did not progress fast enough because of the Company's dire liquidity. The Company is optimistic that this party may participate in the sale process for which the Company will seek court approval at the Comeback Hearing.

86. In parallel with these strategic discussions, the Company explored other opportunities to generate revenue. In Q3 of 2022, the Company started a new business line (separate from its

gaming business) that leveraged its telecom relationships to facilitate international long-distance calling, known as “**Interconnect Services**”. Although the Company generated approximately \$4.3 million in gross revenue during Q3 of 2022, profit was negligible. The direct cost of providing Interconnect Services exceeded \$4 million during the same period, *plus* overhead costs. The Company decided to discontinue this strategy in 2023.

87. In March, 2023, after the Company exhausted its financing from the Subordinated Secured Creditors, the Company raised \$1 million of secured debt from 218 under the 218 Note. This provided additional runway until the end of Q1 2023. But the Company has now exhausted all of its available liquidity. It has missed a number of employee payroll cycles. The Company continues to work diligently to maintain positive relationships with employees despite the missed payroll. I am grateful for our employees’ support during these difficult times.

88. In the last several weeks, the Company received letters from trade creditors demanding payment of overdue amounts. These demands are in respect of fees owed from marketing agencies, public relations advisors, and other cloud service providers. Copies of those demands and emails are attached as **Exhibit “U”**.

PART VIII - NEED FOR CCAA PROCEEDING

89. Given its liquidity challenges, the Company, in consultation with its advisors, has determined that it is in the Company’s best interests to seek creditor protection pursuant to the CCAA, and to proceed to design and implement a sale process for the sale of the Company’s business.

90. Swarmio Group is a specialized business that requires the technology and expertise of its founders to succeed. The Company believes the likely purchaser will be a strategic partner that

has an existing relationship with the Company (*i.e.*, a telecommunications provider) or one of the parties that has previously entertained a sale or investment transaction, as described above.

91. The Company intends to utilize this initial 10-day period to maintain operations, communicate with its employees, strategic partners and other stakeholders, develop a sale process, which may include a stalking horse purchase agreement with the DIP Lender, and finalize court materials for the Comeback Hearing.

PART IX - RELIEF SOUGHT

92. The Company is seeking an Initial Order substantially in the form attached as **Tab “3”** to the Application Record.

A. Stay of Proceedings

93. The Company requires a stay of proceedings to maintain the *status quo* and to give the Applicants the breathing space they require to develop a sales process.

94. The proposed Initial Order contemplates a stay period of 10 days, which I understand is the maximum that can be authorized by a court at the initial application under the CCAA.

B. Appointment of Monitor

95. The Applicants seek the appointment of Grant Thornton Limited (“**GT**”) as Monitor of the Applicants in these CCAA proceedings.

96. GT has consented to act as the Monitor, subject to Court approval. GT has not been the auditor of the Applicants within the last two years and is not otherwise restricted from acting as the Monitor. Attached as **Exhibit “V”** hereto is a copy of the Proposed Monitor’s consent.

C. Directors' Charge

97. The Company's Directors' and Officers' insurance policy expired on November 30, 2022. The cost of a new policy will be in the range of \$55,000 and may contain unfavourable exclusions. In the circumstances, the Company seeks the Directors' Charge as security for the Applicants' indemnification for possible liabilities that may be incurred by the current directors and officers, to a maximum of \$100,000.

98. The proposed quantum of the Directors' Charge was decided upon with the input of the Monitor's counsel. I am concerned that the Company's directors and officers may become subject to ultimately meritless post-filing litigation claims. The Directors' Charge is intended to reflect reasonable legal fees that may be incurred in defending such claims.

99. The Directors' Charge is proposed to rank behind the Administration Charge and the DIP Lender's Charge. The Directors' Charge is required in order to provide a level of protection to the directors and officers with respect to possible liabilities imposed on individuals in their capacity as directors and officers of a corporation in CCAA protection. I believe the quantum of the Directors' Charge is reasonably required at this time. Based on current information available, the Company does not intend to seek an increase to the Directors' Charge.

D. Approval of DIP Financing and DIP Lender's Charge

100. On June 19, 2023, the Company entered into a debtor-in-possession term sheet (the "**DIP Term Sheet**") with Triaxcess Ltd. (the "**DIP Lender**") to provide a non-revolving loan in the maximum aggregate principal amount of \$135,000. Jeitani is the principal of the DIP Lender. As noted above, Jeitani is the CEO and founder of Westbridge, a major telecommunications company and key supplier of the Company. The Company expects the DIP Lender to potentially act as a stalking horse bid or otherwise bid in the sale process.

101. A copy of the DIP Term Sheet is attached as **Exhibit “W”**. The purpose of the DIP financing is to fund the Company’s working capital needs and professional fees and expenses during the Initial Stay Period. The key terms of the DIP Term Sheet are as follows (all terms capitalized but not defined below are as defined in the DIP Term Sheet:

- (a) **Principal Amount:** \$135,000
- (b) **Interest:** 12% per annum
- (c) **Commitment Fee:** \$28,000, representing 2% of the total amount ultimately to be made available under the DIP facility and only payable if further advances beyond the First Advance are made to the Company following approval of an increased DIP Lender’s Charge at the Comeback Hearing.

102. The availability of the First Advance under the DIP Facility is subject to and conditional upon the issuance of the proposed Initial Order, including approval of the DIP Term Sheet and the DIP Lender’s Charge. It is contemplated that the funds advanced under the DIP Facility will be utilized in accordance with the Cash Flow Forecast attached as **Exhibit “X”**.

103. In addition to the approval of the DIP Term Sheet, the Company seeks a charge in favour of the DIP Lender to secure advances made under the DIP Term Sheet until the Comeback Hearing, which is anticipated to be approximately \$135,000. As between the Court-ordered charges, the DIP Lender’s Charge is proposed to rank as a second-in-priority charge on the Company’s property and assets, subject only to the proposed Administration Charge.

E. Administration Charge

104. The Company seeks a super-priority charge over the Swarmio Group’s Property (as defined in the Initial Order) in favour of the Monitor, counsel to the Monitor and counsel to the

Applicants (the “**Professionals Group**”), to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order.

105. The proposed Administration Charge being sought is for a maximum amount of \$100,000.

106. It is contemplated that the Professionals Group will have extensive involvement during the CCAA proceedings. The Professionals Group have contributed and will continue to contribute to the Applicants’ restructuring efforts.

107. In preparation of the Cash Flow Forecast, the Applicants, in consultation with the Proposed Monitor, considered the professional fees forecasted to be incurred on a weekly basis during the cash flow period.

108. Accordingly, I believe the quantum of the Administration Charge sought is reasonably necessary at this time to secure the professional fees of the Professionals Group.

F. Authorization to Incur no Further Costs in Connection with Securities Filings

109. The Applicants seek authorization to dispense with certain securities filing requirements. In particular, the Applicants seek authorization for Swarmio Parent to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the “**Securities Filings**”) that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including without limitation, the *Securities Act (Ontario)*, RSO 1990 c S. 5 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of the CSE.

110. In my view, incurring the time and costs associated with preparing the Securities Filings will detract from the Applicants limited resources. It is expected that the Company will continue as a private company following completion of a sale transaction. Further, there is no prejudice to stakeholders given that detailed financial information and other information regarding the Applicants will continue to be made publicly available through the materials filed in these CCAA proceedings.

G. Relief to be Sought at Comeback Hearing

111. If the Initial Order is granted, then the Applicants propose to return to this Court for a Comeback Hearing on June 30, 2023.

112. At the Comeback Hearing, the Applicants intend to seek the Court's approval of an Amended and Restated Initial Order. For the benefit of this Court and the Applicants' stakeholders, this section highlights critical relief that the Applicants intend to seek at the Comeback Hearing. The Applicants may seek additional relief if determined to be necessary or advisable.

i) Extension of Stay of Proceedings

113. The Applicants intend to seek an extension of the Initial Stay Period for a sufficient length of time to allow the Applicants to conduct and complete a sale and investment solicitation process.

ii) Approval of a Sale and Investment Solicitation Process

114. The Applicants intend to seek approval of a SISP. The goal of the SISP will be to comprehensively canvass the market, with the assistance of the Monitor, to identify a purchaser for the Company's business.

iii) Increase to Quantum of Charges

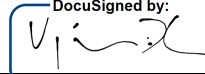
115. The Company intends to seek an increase to the quantum of the Administration Charge to \$300,000 and to the DIP Lender's Charge to \$1.5 million, if appropriate.

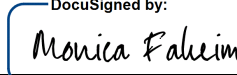
116. The Company does not expect to seek an increase in the quantum of the Directors' Charge.

PART X - FORM OF ORDER AND CONCLUSION

117. The Applicants, with the assistance of their legal and financial advisors, have determined that the proposed CCAA proceedings represent the best available strategy to maximize value for the Company's stakeholders. This affidavit is sworn in support of the Applicants' application for protection pursuant to the CCAA and an order in the form of the draft order at **Tab "3"** to the Application Record and for no other purpose.

SWORN BEFORE ME via video-conference with
 the deponent in the Town of Ajax, in the Province
 of Ontario, and the Commissioner in the City of
 Mississauga in the Province of Ontario this 20th
 day of June, 2023

DocuSigned by:

 VIJAI KARTHIGESU

DocuSigned by:

 MONICA FAHIM
 A Commissioner for taking Affidavits (or as may
 be)

Note: This affidavit was commissioned via simultaneous video-conference in accordance with the *Commissioners for taking Affidavits Act*, R.S.O. 1990, CHAPTER C.17, and the Law Society of Ontario: COVID-19 Response Statement interpretation of that Act, under which (i) the identity of the deponent was confirmed from government issued identification, (ii) the commissioner administered the oath or affirmation, (iii) the deponent affixed their electronic signature to the affidavit and transmitted the full electronic affidavit, as sworn or affirmed, including exhibits to the commissioner, (iv) the deponent confirmed their electronic signature to the commissioner, (v) the commissioner affixed their electronic signature to the affidavit including exhibits.

**This is Exhibit “A” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakhim

A COMMISSIONER FOR TAKING AFFIDAVITS

**BC Registry
Services**

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
SWARMIO MEDIA HOLDINGS INC.

Date and Time of Search: May 24, 2023 12:46 PM Pacific Time

Currency Date: September 20, 2022

ACTIVE

Incorporation Number: BC1283332

Name of Company: SWARMIO MEDIA HOLDINGS INC.

Business Number: 788941466 BC0001

Recognition Date and Time: Incorporated on January 11, 2021 03:04 PM Pacific Time **In Liquidation:** No

Last Annual Report Filed: January 11, 2023 **Receiver:** No

COMPANY NAME INFORMATION

Previous Company Name

1283332 B.C. LTD.

Date of Company Name Change

April 16, 2021

REGISTERED OFFICE INFORMATION

Mailing Address:

321 WATER STREET, SUITE 501
VANCOUVER BC V6B 1B8
CANADA

Delivery Address:

321 WATER STREET, SUITE 501
VANCOUVER BC V6B 1B8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

321 WATER STREET, SUITE 501
VANCOUVER BC V6B 1B8
CANADA

Delivery Address:

321 WATER STREET, SUITE 501
VANCOUVER BC V6B 1B8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Jeitani, Elie

Mailing Address:

BAABDA STREET 1001
EDGE BUILDING, APARTMENT 3 B
BEIRUT 1002
LEBANON

Delivery Address:

BAABDA STREET 1001
EDGE BUILDING, APARTMENT 3 B
BEIRUT 1002
LEBANON

Last Name, First Name, Middle Name:

Karthigesu, Vijai

Mailing Address:

18 DUCKFIELD CRESCENT
AJAX ON L1Z 2C8
CANADA

Delivery Address:

18 DUCKFIELD CRESCENT
AJAX ON L1Z 2C8
CANADA

Last Name, First Name, Middle Name:

Ray, Andrew

Mailing Address:

61 SPRUCE COURT
THREE FATHOM HARBOUR NS B0J 2L0
CANADA

Delivery Address:

61 SPRUCE COURT
THREE FATHOM HARBOUR NS B0J 2L0
CANADA

Last Name, First Name, Middle Name:

Stoian, Sorin

Mailing Address:

727 AUDLEY ROAD SOUTH
AJAX ON L1Z 0T7
CANADA

Delivery Address:

727 AUDLEY ROAD SOUTH
AJAX ON L1Z 0T7
CANADA

NO OFFICER INFORMATION FILED AS AT January 11, 2023.

**This is Exhibit “B” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakhim

A927926d40B742A

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of Canada

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du Canada

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→ [Corporations Canada](#) → [Search for a Federal Corporation](#)

Federal Corporation Information - 903087-5

 Beware of scams and other suspicious activities. See [Corporations Canada's alerts](#).

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

[Order copies of corporate documents](#)

Corporation Number

903087-5

Business Number (BN)

831831383RC0001

Corporate Name

Swarmio Inc.

Status

Inactive - Amalgamated into [Swarmio Inc.](#)
on 2021-11-05

Governing Legislation

Canada Business Corporations Act - 2014-09-25

[Order a Corporate Profile](#) [[View PDF Sample](#)] [[View HTML Sample](#)].

[Find existing extra-provincial registrations of this corporation on Canada's Business registries](#) 

Registered Office Address

295 George Street, Suite 102
Sydney NS B1P 1J7
Canada

Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1

Maximum 11

Andrew Ray
61 Spruce Court
Three Fathom Harbour NS B0J 1N0
Canada

Sorin Stoian
47 Moynahan Crescent
Ajax ON L1Z 1P1
Canada

Vijai Karthigesu
18 Duckfield Cres
Ajax ON L1Z 2C8
Canada

Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation

key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)

09-25

Date of Last Annual Meeting

2020-12-16

Annual Filing Period (MM-DD)

09-25 to 11-24

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2020 - Filed

2019 - Filed

2018 - Filed

Corporate History

Corporate Name History

2014-09-25 to 2019-07-05	UBIQUE Networks Inc.
2019-07-05 to Present	Swarmio Inc.

Certificates and Filings

Certificate of Incorporation

2014-09-25

Certificate of Amendment *

2016-02-09

Amendment details: Other

Certificate of Amendment *

2018-08-09

Amendment details: Other

Certificate of Amendment *

2019-07-05

Amendment details: Corporate name

* Amendment details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. For more information, [contact Corporations Canada](#).

Order copies of corporate documents

Start New Search

Date Modified:

2023-05-23

**This is Exhibit "C" referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakhim

A COMMISSIONER FOR TAKING AFFIDAVITS



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du Canada

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→ [Corporations Canada](#) → [Search for a Federal Corporation](#)

Federal Corporation Information - 1207375-7

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Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

[Order copies of corporate documents](#)

Corporation Number

1207375-7

Business Number (BN)

733648273RC0001

Corporate Name

Swarmio Media Inc.

Status

Active

Governing Legislation

Canada Business Corporations Act - 2020-05-21

[Order a Corporate Profile](#) [\[View PDF Sample\]](#) [\[View HTML Sample\]](#).

[Find existing extra-provincial registrations of this corporation on Canada's Business registries](#) 

Registered Office Address

102 - 295 George Street
Sydney NS B1P 1J7
Canada

Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1

Maximum 12

Vijai Karthigesu
18 Duckfield Crescent
Ajax ON L1Z 2C8
Canada

Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)
05-21

Date of Last Annual Meeting

2023-01-09

Annual Filing Period (MM-DD)

05-21 to 07-20

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2023 - Due to be filed

2022 - Filed

2021 - Filed

Corporate History

Corporate Name History

2020-05-21 to Present

Swarmio Media Inc.

Certificates and Filings**Certificate of Incorporation**

2020-05-21

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Date Modified:

2023-05-23

**This is Exhibit “D” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakeim

A COMMISSIONER FOR TAKING AFFIDAVITS

Consolidated financial statements
March 31, 2022 and 2021

Swarmio Media Holdings Inc.

(Expressed in Canadian Dollars)

Contents

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Consolidated statements of changes in shareholders’ deficiency	5
Consolidated statements of cash flows	6
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Swarmio Media Holdings Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Swarmio Media Holdings Inc. (the Company), which comprise the consolidated statements of financial position as at March 31, 2022 and 2021, and the consolidated statements of comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of \$6,582,931 during the year ended March 31, 2022. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
July 29, 2022

Swarmio Media Holdings Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)	As at March 31, 2022	As at March 31, 2021
Assets		
Current assets		
Cash	\$ 1,628,242	\$ 2,433,970
Accounts receivable (Note 6)	7,244	24,756
Investment tax credit receivable	859,394	558,001
Sales tax receivable	270,811	130,758
Prepaid expenses	64,592	-
Total current assets	<u>2,830,283</u>	<u>3,147,485</u>
Non-current assets		
Right-of-use assets (Note 5)	13,041	28,691
Equipment (Note 7)	17,184	17,147
Intangible assets	207,934	-
Total non-current assets	<u>238,159</u>	<u>45,838</u>
Total assets	\$ <u>3,068,442</u>	\$ <u>3,193,323</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 1,097,780	\$ 1,338,973
Derivative financial liabilities (Note 11)	-	553,771
Lease financial liabilities (Note 5)	17,115	15,858
Preferred share liability (Note 12)	-	7,514,446
Loans and borrowings (Note 11)	678,700	5,981,318
Total current liabilities	<u>1,793,595</u>	<u>15,404,366</u>
Non-current liabilities		
Lease liability (Note 5)	-	17,404
Loans and borrowings (Note 11)	1,283,599	976,686
Total non-current liabilities	<u>1,283,599</u>	<u>994,090</u>
Total liabilities	<u>3,077,194</u>	<u>16,398,456</u>
Shareholders' deficiency		
Share capital (Note 13)	19,237,563	1,239,078
Shares to be issued	1,400,000	-
Contributed surplus	2,079,026	1,391,111
Warrants (Note 13)	366,551	157,761
Equity component of convertible loans (Note 13)	-	515,878
Deficit	(23,091,892)	(16,508,961)
Total shareholders' deficiency	<u>(8,752)</u>	<u>(13,205,133)</u>
Total liabilities and shareholders' deficiency	\$ <u>3,068,442</u>	\$ <u>3,193,323</u>

Going concern (Note 2)
Subsequent events (Note 20)

On behalf of the Board

Director

Director

The accompanying notes are an integral part of these consolidated financial statements.

Swarmio Media Holdings Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)	Year ended	
	March 31, 2022	March 31, 2021
Revenue	\$ <u>596,225</u>	\$ <u>4,085</u>
Operating expenses (Note 14)	<u>(8,171,036)</u>	<u>(2,131,668)</u>
Loss before undernoted items	(7,574,811)	(2,127,583)
Amortization of equipment (Note 7)	(1,761)	(13,367)
Impairment of equipment (Note 7)	-	(68,576)
Amortization of right-of-use asset (Note 5)	(15,650)	(33,592)
Amortization of deferred gain (Note 11)	249,102	119,700
Amortization of deferred loss (Note 11)	(114,660)	(232,086)
Change in fair value of preferred share liability (Note 12)	7,260,163	(1,743,566)
Gain on extinguishment (Note 11)	385,208	-
Other income (Note 11)	-	203,543
Change in fair value of derivative financial liabilities (Note 12)	323,500	272,853
Change in fair value of warrants (Note 12)	(25,128)	29,403
Interest and accretion expense	(1,352,549)	(1,091,222)
Transactional costs (note 9)	<u>(5,716,345)</u>	<u>-</u>
Loss before income taxes	(6,582,931)	(4,684,493)
Income taxes (Note 10)	<u>-</u>	<u>-</u>
Net loss and comprehensive loss	\$ <u>(6,582,931)</u>	\$ <u>(4,684,493)</u>
Loss per share (Note 15)		
-Basic	\$ (0.14)	\$ (0.34)
-Diluted	(0.14)	(0.34)
Weighted average number of common shares outstanding (Note 15)		
-Basic	48,414,113	13,732,404
-Diluted	48,414,113	13,732,404

The accompanying notes are an integral part of these consolidated financial statements.

Swarmio Media Holdings Inc. Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian dollars)	Share Capital	Contributed Surplus	Shares to be issued	Warrants	Equity component of convertible loans	Deficit	Total
Balance at March 31, 2020	\$ 1,135,972	\$ 1,015,355	\$ -	\$ 81,360	\$ 157,481	\$ (11,824,468)	\$ (9,434,300)
Net loss for the period	-	-	-	-	-	(4,684,493)	(4,684,493)
Share based payments (Note 19)	-	420,311	-	-	-	-	420,311
Warrants issued (Note 13)	-	-	-	76,401	-	-	76,401
Shares issued for services (Note 19)	58,516	-	-	-	-	-	58,516
Stock options exercised (Note 19)	44,590	(44,555)	-	-	-	-	35
Conversion features on convertible loans issued (Note 11)	-	-	-	-	358,397	-	358,397
Balance at March 31, 2021	\$ 1,239,078	\$ 1,391,111	\$ -	\$ 157,761	\$ 515,878	\$ (16,508,961)	\$ (13,205,133)
Net loss for the period	-	-	-	-	-	(6,582,931)	(6,582,931)
Share based payments (Note 19)	-	751,565	1,400,000	-	-	-	2,151,565
Conversion of preferred shares (Note 9 and 11)	362,179	-	-	-	(5,011)	-	357,168
Stock warrants exercised (Note 13)	360,178	-	-	(276,914)	-	-	83,264
Stock options exercised (Note 19)	63,700	(63,650)	-	-	-	-	50
Common shares issued for conversion of loans, warrants and derivative financial liabilities	2,486,307	-	-	-	(510,867)	-	1,975,440
Common shares issued for conversion of Bridge loan (Note 11)	2,970,656	-	-	-	-	-	2,970,656
Elimination of Swarmio Inc.'s common shares	(7,121,919)	-	-	(157,761)	-	-	(7,279,680)
Replacement shares issued to Swarmio Inc.'s shareholders	7,121,919	-	-	157,761	-	-	7,279,680
Common shares deemed issued in connection with RTO (Note 9)	5,124,000	-	-	210,537	-	-	5,334,537
Common shares issued in concurrent financing in connection with RTO (Note 9)	6,266,500	-	-	-	-	-	6,266,500
Finders' fee paid in common shares	1,429,328	-	-	-	-	-	1,429,328
Common shares issued for advisory fees	700,000	-	-	-	-	-	700,000
Cash share issuance costs	(45,600)	-	-	-	-	-	(45,600)
Share issuance costs (Note 13)	(1,718,763)	-	-	275,167	-	-	(1,443,596)
Balance, March 31, 2022	\$ 19,237,563	\$ 2,079,026	\$ 1,400,000	\$ 366,551	\$ -	\$ (23,091,892)	\$ (8,752)

The accompanying notes are an integral part of these consolidated financial statements.

Swarmio Media Holdings Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)	Year ended	
	March 31, 2022	March 31, 2021
Operating		
Net loss	\$ (6,582,931)	\$ (4,684,493)
Items not affecting cash		
Amortization and impairment of equipment	1,761	81,943
Amortization of right-of-use asset	15,650	33,592
Amortization of deferred gain	(249,102)	(119,700)
Amortization of deferred loss	114,660	232,086
Other income	-	(180,252)
Non-cash interest expense	930,376	1,014,519
Change in fair value of preferred share liability	(7,260,163)	1,743,566
Gain on extinguishment	(385,208)	-
Change in fair value of derivative financial liabilities	(323,500)	(272,853)
Change in fair value of warrant financial liabilities	25,128	(29,403)
Share based payments	2,151,565	420,311
Non-cash transitional costs	5,518,486	-
Change in non-cash working capital items		
Accounts receivable	17,512	(24,755)
Investment tax credit receivable	(301,393)	763,623
Sales tax receivable	(140,053)	14,727
Prepaid expenses	(64,592)	7,758
Accounts payable and accrued liabilities	(234,611)	(501,863)
Net cash used in operating activities	(6,766,415)	(1,501,194)
Financing		
Proceeds from loans and borrowings issued	833,125	5,022,496
Lease payments	(22,795)	(47,066)
Repayment of loans and borrowings	(1,554,547)	(1,426,840)
Cash acquired in reverse takeover	6,376,906	-
Cash received from legal parent pre-reverse takeover	500,000	-
Proceeds from common shares issued	-	35
Proceeds from warrants issued	83,329	-
Proceeds from government grant	-	339,124
Share issuance costs	(45,600)	(27,600)
Net cash from financing activities	6,170,418	3,860,149
Investing		
Purchase of equipment	(1,797)	(8,607)
Additions to intangible assets	(207,934)	-
Net cash from investing activities	(209,731)	(8,607)
(Decrease) increase in cash	(805,728)	2,350,346
Cash, beginning of year	2,433,970	83,624
Cash, end of year	\$ 1,628,242	\$ 2,433,970
Supplemental cash flow information		
Cash paid during the year for interest	\$ 257,738	\$ 83,201

The accompanying notes are an integral part of these Consolidated Financial Statements.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

March 31, 2022 and 2021

1. Nature of operations

Swarmio Media Holdings Inc. (formerly 1283332 B.C. LTD) (the “Company” or “SMHI”) was incorporated under the Business Corporations Act of British Columbia on January 11, 2021. The head office of the Company is located at 1430 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6 and records office of the Company is located at 321 Water Street Suite 501 Vancouver, BC V6B 1B8. The Company was formed for the primary purpose of completing a qualifying transaction (Note 9) through a business combination and listing its common shares on the Canadian Securities Exchange (“CSE”). On November 22, 2021, the Company’s common shares became listed on the CSE under the trading symbol “SWRM”.

Swarmio Inc. ("Swarmio") was originally incorporated under the name UBIQUE Networks Inc. under the Canada Business Corporations Act on September 25, 2014. Swarmio operates as an internet gaming software developer. Swarmio maintains offices at 37 Nepean Street, Suite 105, Sydney, NS B1P 6A7, and in Halifax, Canada.

On November 5, 2021, the Company acquired Swarmio (the “Transaction”) pursuant to an Amended and Restated Amalgamation Agreement dated June 24, 2021 (the “Amalgamation Agreement”) (Note 9). As a result, Swarmio and 12747341 Canada Inc, a wholly owned subsidiary of the Company, (“Subco”) amalgamated and continued as an amalgamated corporation (“Amalco”) under the name “Swarmio Inc.”, which is a wholly owned subsidiary of the Company. The Company will carry on through Amalco the business presently carried on by Swarmio. In connection with the Transaction, the shareholders of Swarmio received common shares in the Company in exchange for their Swarmio common shares and preferred shares, on the basis of the exchange rate such that 59,218,800 common shares were issued in exchange for 100% of Swarmio common shares and Swarmio preferred shares, including shares issuable on conversion of Swarmio convertible securities which were automatically converted on a liquidity event (other than Swarmio options and warrants). In addition, 2,000,000 common shares were issued as an advisory fee and 3,000,000 common shares were issued as a finder’s fee. The Company also issued 1,264,975 replacement warrants and replacement compensation options, in exchange for warrants and compensation stock options previously issued by Swarmio and 3,675,000 stock options issued as replacement stock options for Swarmio stock options that were issued and outstanding prior to the Transaction.

The Transaction was accounted for as a reverse takeover ("RTO") whereby Swarmio was identified as the acquirer for accounting purposes and the resulting consolidated financial statements are presented as a continuance of Swarmio. After the RTO, the combined entity of Swarmio Media Holdings Inc and Swarmio Inc is referred to also as "the Company" in these consolidated financial statements.

2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The Board of Directors approved these consolidated financial statements on July 29, 2022.

Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of its loans and borrowings as disclosed in Note 11, as well as its other liabilities and commitments as they fall due.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)
March 31, 2022 and 2021

2. Basis of presentation (continued)

A number of unfavorable conditions have cast significant doubt on the appropriateness of this assumption. At March 31, 2022, the Company had a net loss of \$6,582,931 (March 31, 2021 - \$4,684,493) and a deficit of \$23,091,892 (March 31, 2021 - \$16,508,961).

The Company anticipates having sufficient funds to meet its corporate and administrative expenses for at least the next twelve months. However, given limited financial resources, the Company will require, and management is actively seeking, additional financing through various means including public offering, in order to secure sufficient funding for its existing commitments and meet all of its general and administrative costs. There is no assurance that management's initiatives will be successful, and material uncertainties remains as to the ability of the Company to continue operating as a going concern.

The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management feels that the measures described above will mitigate the effect of the conditions and facts that raise doubt about the appropriateness of this assumption. However, such adjustments could be material.

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The COVID-19 pandemic has been one of the most significant challenges that faced by the Company during fiscal 2021 and 2022. Although the Company proceeded with a Qualifying Transaction in November 2021, it experienced significant delays and push backs on major customer acquisitions, renewals, and market launch as a result of COVID 19.

Management has taken several measures to monitor and mitigate the effects of COVID-19, including:

- Terminated the Ontario office lease early and allowed employees to work from home;
- Implemented health and safety measures for employees (such as social distancing, tele- conferences and virtual meetings, on-line data rooms and enhanced tools for remote access); and
- Streamlining operating costs and reduced redundancies.

The implementation of government assistance measures has also helped the Company mitigate some of the impact of the COVID-19 pandemic on its results and liquidity. To the extent appropriate the Company has applied for such government assistance such as the Canadian Emergency Wage Subsidy ("CEWS") program and rent subsidies. Swarmio received a Canada Emergency Business Account ("CEBA") loan of \$60,000 of which only \$40,000 is repayable if Swarmio makes the repayment on or before December 31, 2023. Management intends to make the repayment by this date.

Management is continuing to assess the implications for the business when these assistances are no longer available. In general, the eSports and gaming industry has experienced a favorable market growth due to COVID 19 related travel restrictions.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

March 31, 2022 and 2021

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar. Functional currency is also determined for each of the Company's subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities not denominated in the functional currency are translated at the period end rates of exchange. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses are recognized in the consolidated statements of income.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that has such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of comprehensive income (loss) from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, revenues and expenses are eliminated upon consolidation.

These consolidated financial statements include the accounts of the Company and its subsidiaries as follows:

Name	Place of incorporation	Ownership	
		March 31, 2022	March 31, 2021
Swarmio Media Holdings Inc	British Columbia, Canada	100%	100%
Swarmio Inc.	Ontario, Canada	100%	100%
Battlehive USA Inc.	Delaware, USA	100%	100%
Swarmio Media Inc	Ontario, Canada	100%	100%
Battlehive, Inc	Ontario, Canada	100%	100%
Swarmio Media of Bahrain W.L.L	Bahrain	100%	100%
Swarmio Tunisia	Tunisia	100%	-
Swarmio Media Singapore PTE.	Singapore	100%	-
Swarmio IO Media ME Computer systems.	UAE	100%	-

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)
March 31, 2022 and 2021

3. Significant accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are set out below:

Foreign currency

Foreign currency transactions are recorded at the exchange rate as at the date of the transaction.

Functional and presentation currency

At each statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the period-end foreign exchange rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All gains and losses on translation of these foreign currency transactions and balances are included in profit or loss and presented within operating expenses (see Note 14).

Cash

Cash consists of bank balances. Cash balances are on account at a Canadian chartered bank.

Equipment

Equipment is initially recorded at its cost, and subsequently at cost less accumulated amortization and any accumulated impairment losses. It is amortized over its estimated useful life. Cost includes expenditures which are directly attributable to bringing the asset into working condition for its intended use. In the year the equipment is purchased, the asset is amortized for half of the year. Amortization is calculated on a declining balance basis, as follows:

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

March 31, 2022 and 2021

3. Significant accounting policies (continued)

Data centre equipment	30%
Computer and media equipment	20%
Furniture and equipment	20%

The amortization method and estimated useful lives are reviewed annually and adjusted, on a prospective basis, if appropriate.

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the asset is estimated.

For impairment testing, assets are grouped together into the lowest level of assets that generate cash inflows that are largely independent of the cash inflows of other assets.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Intangible Assets

The Company is developing Swarmio online storefront platform ("the platform") which is expected to provide future benefits to the company. The cost of platform is capitalized as intangible assets and the company determined that the platform has an indefinite useful life thus has not amortized the platform asset. The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis.

An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

For purposes of assessing impairment under IFRS, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating unit). Intangible assets that have indefinite useful lives are also tested for impairment at each reporting period. The Company assesses if there are any indicators of impairment of the carrying amount of indefinite-life intangible assets at each reporting period. All other long-lived intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell or value-in-use. Fair value less cost to sell is estimated as the arm's length sale price between knowledgeable willing parties less costs of disposal. To determine the value-in-use, management estimates expected future cash flows from the CGU and determines a suitable pre-tax discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors have been determined for the CGU and reflect its risk profile as assessed by management. Impairment losses for the CGU reduce first the carrying amount of any goodwill allocated to that CGU, with any remaining impairment loss charged pro rata to the other assets in the CGU.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

March 31, 2022 and 2021

3. Significant accounting policies (continued)

In allocating an impairment loss, the Company does not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal or its value-in-use and zero. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the assets' recoverable amount exceeds its carrying amount only to the extent that the new carrying amount does not exceed the carrying value of the asset had it not originally been impaired.

Research and development

The Company is engaged in research and development activities.

Expenditures on research activities are recognized in profit or loss as incurred.

Expenditures on development activities are recognized in profit or loss as incurred, unless they meet the criteria for capitalization. The criteria for capitalization include that development costs can be measured reliably, the project or process is technically, and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to complete development and to use or sell the asset.

Investment tax credits

The Company is eligible for certain investment tax credits relating to qualifying scientific research and experimental development ("SRED") expenditures. Based on the technical merit of its claim and management's assessment of the certainty of realization, tax benefits associated with investment tax credits are recorded as a reduction in research and development expenses or as a reduction in product development costs capitalized, depending on the nature of the expenditure.

Financial instruments

The Company classifies its financial assets and financial liabilities as follows:

<u>Financial instruments</u>	<u>Classification</u>
<i>Financial assets</i>	
Cash	Amortized cost
Accounts receivable	Amortized cost
<i>Financial liabilities</i>	
Accounts payable and accrued liabilities	Amortized cost
Loans and borrowings	Amortized cost
Derivative financial liabilities	Fair value through profit or loss
Preferred share liability	Fair value through profit or loss
Warrant liability	Fair value through profit or loss

Recognition and initial measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Under IFRS 9 *Financial Instruments* ("IFRS 9"), the Company's financial assets (except for accounts receivable) and financial liabilities are initially recognized at fair value. The Company's accounts receivable does not contain significant financing components and are initially measured at the transaction price.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)
March 31, 2022 and 2021

3. Significant accounting policies (continued)

Classification and subsequent measurement of financial assets

On initial recognition, the Company is required to classify all financial assets as either fair value through profit or loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”), or amortized cost based on the Company's business model for managing the financial asset and the nature of the associated cash flows. As of March 31, 2022, and 2021, the Company only has financial assets at amortized cost.

Financial assets are measured at amortized cost when the assets are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows, and the cash flows consist of solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are adjusted for transaction costs and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities are required to be classified as either FVTPL or amortized cost.

A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative financial liability or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Company takes its own credit risk into account and that of the relevant counterparties when determining the fair value of financial liabilities.

From time to time, the Company issues convertible loans for which the embedded conversion feature is settled by a variable number of the Company's own shares. Such conversion features are precluded from being classified as equity and are separated from their host convertible loans and classified as derivative financial liabilities at FVTPL on initial recognition.

The Company designated its preferred share liabilities, which are hybrid instruments containing embedded derivative liability conversion features, as financial liabilities at FVTPL on initial recognition.

Other financial liabilities are adjusted for transaction costs and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Certain of the financial liabilities with embedded conversion features had losses on initial recognition as the fair value of both components of the convertible instruments exceeded the transaction price. Since the valuation models used to determine the fair value of the convertible instruments don't incorporate inputs solely from observable markets, the loss on initial recognition is deferred and recognized in profit or loss over the expected term of the instrument.

Convertible notes with warrants for preferred shares

The Company enters into loans with detachable warrants for the Company's preferred shares. The warrants are separated from their host loans and classified as a derivative financial liability as the preferred shares subject to the warrants are classified as a financial liability. The warrants are initially measured at fair value using a binomial model. The warrants are subsequently measured at fair value through profit or loss.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)
March 31, 2022 and 2021

3. Significant accounting policies (continued)

Convertible notes with conversion features for common shares

The Company enters into loans with embedded conversion features to be settled by a fixed number of the Company's common shares. The conversion features are separated from their host convertible loans and are classified as equity. The conversion features are initially measured at the difference between the fair value of the compound financial instrument as a whole and the fair value of the host loan. Subsequent to initial recognition, the equity component is not remeasured.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Accounts receivable are derecognized when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Company on alternative payment arrangements are considered indicators of no reasonable expectation of recovery.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

Impairment financial assets

The Company recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost. The Company's financial assets subject to impairment are its accounts receivable. The Company uses a simplified approach to always measure loss allowances for its accounts receivable at an amount equal to lifetime ECLs.

Shareholders' deficiency

Share capital represents the value of the shares that have been issued. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from share capital.

Contributed surplus includes the fair value of share-based payments.

Deficit includes all current and prior period losses.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved by the Company's Board of Directors prior to the reporting date.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)
March 31, 2022 and 2021

3. Significant accounting policies (continued)

Warrants

The Company has loans with detachable warrants. The warrants are classified as equity as there is no contractual obligation relating to the warrants, there is a predetermined fixed amount of cash (the strike price) and a fixed amount of equity instruments (common shares) exchanged for cash. The warrants are initially measured as the residual of the principal amount and the fair value of the host loan.

Impairment

Financial assets

The Company recognizes loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortized cost. The Company’s financial assets subject to impairment are its accounts receivable. The Company uses a simplified approach to always measure loss allowances for its accounts receivable at an amount equal to lifetime ECLs.

Fair value measurement

Financial instruments recorded at fair value in the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Significant unobservable inputs for the asset or liability.

Income taxes

Income tax expense for the period comprises current and deferred tax. Tax is recognized in the statements of loss and comprehensive loss, except to the extent it relates to items recognized in other comprehensive loss or directly in shareholders’ deficiency.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustments to tax payable in respect to previous periods.

Deferred taxes are calculated using the asset and liability method on temporary differences between the carrying amount of assets and liabilities and their related tax bases. Deferred income taxes are measured using substantively enacted tax rates that will be in effect when the amounts are expected to be settled. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences and are only recognizable to the extent it is probable that they will be utilized against future taxable income. The assessment of probability of future taxable income in which deferred tax assets can be utilized is done at each reporting date and is based on the Company’s latest approved forecast, which is adjusted for significant non-taxable income and expenses and reduced to the extent that it is no longer probable that the related tax benefit will be realized. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, the deferred tax asset is generally recognized to the extent it is recoverable.

Deferred tax assets and liabilities are only offset when the Company has the right and intention to offset current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets and liabilities are recognized as a component of income or expense in net earnings or loss, except where they relate to items that are recognized in other comprehensive loss or shareholders’ deficiency.

Swarmio Media Holdings Inc.

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3. Significant accounting policies (continued)

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control of its services to a customer.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and related revenue recognition policies:

i) Platform customization

Platform customization fee is derived from the development and right-of-use of Swarmio Platform. Revenue from the customization is recognized by reference to the stage of completion. Stage of completion is measured by reference to actual work completed to date as a percentage of total estimated work required for customization for each contract.

ii) Direct to Consumer

Sponsorship, tournament, and event supporting fees is income directly associated with planning and supporting e-sports, sporting events, tournaments, Sponsorships, and other activities, and the income is recognized upon completion of the underlying event s, for the month.

iii) Software-as-a-service

The Company enters into right-of-use license agreements with customers for its online eSports platform. These license agreements, generally non-cancellable, without paying a termination penalty, and multiyear, provide the customer with the right to use the Company's application solely on a Company-hosted platform. Revenue based on a revenue-share model is recognized as the customers invoice and collects monies from the subscribers for each monthly cycle. The Company charges its customers for the optional use of its infrastructure network to connect the platform from the Swarmio Server to the Subscribers. The revenue is recognized as earned based on the actual usage because it has stand-alone value and delivery is in control of the customer.

Restricted share units

The Company issues restricted share unit ("RSU") awards from time to time to directors, employees and consultants. RSU entitles the recipients to receive one common share of the Company on vesting. The fair value of RSU were determined by the Company's share price on the date of the award and recorded as part of share-based compensation in the statements of loss and comprehensive loss for the period.

Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants have been or will be received. Amounts received are included in other income on the statements of loss and comprehensive loss.

Amounts received for SRED are considered to be government grants (as opposed to income taxes receivable) as amounts are recoverable in cash as opposed to credits that are applied to reduce taxable income or other income tax liabilities.

Loans at below-market interest rates

The Company has government grants which gives the Company a benefit through government loans at below-market rates of interest. The loans are initially recognized and measured at fair value. The repayment of these loans are linked to future revenue. The loans are subsequently measured at amortized cost.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

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3. Significant accounting policies (continued)

The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The benefit is recognized in deferred income in the statements of financial position. The government grant benefit is recognized in profit or loss on a systematic basis over the period in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Cash grants

The Company receives government grants in the form of cash for payroll expenses. These grants are recorded as an offset to salaries and benefits (a component of operating expenses) when they become receivable.

Employee benefits

Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The fair value of options granted are determined using a variation of the Black Scholes model that considers factors specific to the share incentive plan, such as the vesting period (Note 18). The performance condition has been incorporated into the measurement by means of actuarial modelling.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. For share-based payments with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Leases and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

Swarmio Media Holdings Inc.
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3. Significant accounting policies (continued)

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs.

The Company elected to not recognize right of use assets and lease liabilities that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Consolidated financial statements, and the reported amounts of revenue and expenses during the year.

Significant management judgments

The following are the judgments made by management in applying the accounting policies of the Company that have the most significant impact on the consolidated financial statements.

Accounting for financing

The determination of the accounting treatment for financing transactions completed by the Company from time to time is an area of significant management judgment. In particular, this involves the determination of whether attached warrants and embedded conversion features associated with convertible notes should be classified as equity or as derivative financial liabilities. The difference between the transaction amount and the fair value of the instruments issued in connection with the financing gives rise to losses, which have been deferred as the fair values were not determined using only observable market inputs. The manner in which the deferred loss will be recognized within income involves management judgment.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in note 2.

Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provide below. Actual results may be substantially different.

Swarmio Media Holdings Inc.

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3. Significant accounting policies (continued)

Valuation of stock options, warrants and RSU's

Stock options, warrants and RSU fair values utilize option pricing models that require the input of assumptions, including the expected life, volatility of the Company's stock price, forfeitures and the risk-free rate. Changes in the assumptions can materially affect the fair value estimate and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the stock option or warrants issued.

Trade receivables – recoverability of receivables through the provision of doubtful accounts.

Estimated useful lives of assets

The estimated useful lives of equipment are based on management's intentions, historical experience, internal plans and other factors as determined by management. The useful lives are reviewed on an annual basis and any revisions to the useful lives are accounted for prospectively. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

The company determined that the platform has an indefinite useful life thus has not amortized the platform asset. The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis.

Determination of fair values for financial instruments

The Company's government loans, host liability of the convertible loans, and loans with detachable warrants are initially measured at fair value using a discounted cash flow model that considers the present value of the contractual cash flows using a market rate. The discounted cash flow model requires management to estimate the timing of debt repayments and the effective interest rate related to the instruments, consistent with how market participants would price the instrument. Estimated fair values may vary from the actual results that would be achieved in an arm's length transaction at the reporting date. Also, the timing of debt repayments could be different from management's estimates.

The conversion features that accompany the Company's convertible loans are valued by determining the difference between the fair value of the hybrid convertible loan contract, determined using an income approach with binomial lattice model; and the fair value of the host liability contract, determined using a discounted cash flow model. The conversion features are measured at fair value through profit or loss at each period end. For more fair value information, see Note 8 on the convertible loans and Note 10 on the conversion features of the convertible loans recognized as derivative financial liabilities. The calculations of the fair value of these instruments involves the use of a number of estimates and a complex valuation model. The carrying amounts of these liabilities may change significantly as a result of changes to these estimates.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Actual cash flows could be significantly different than management's estimates.

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Recently adopted standards

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”). The following amended standards and interpretations have been adopted in the Company’s consolidated financial statements:

- IFRS 17 Insurance Contracts - effective for annual reporting periods beginning on or after 1 January 2023

4. Accounting standards issued but not yet effective

Recent accounting procurements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning on or after January 1, 2022 or later periods.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) Amendments

5. Right-of-use asset and lease liabilities

Right of-use assets

Movement in the right-of-use asset balance was as follows:

	March 31, 2022	March 31, 2021
Opening balance	\$ 28,691	\$ 77,400
IFRS 16 transition adjustment	-	(15,117)
Amortization expense	(15,650)	(33,592)
	<u>\$ 13,041</u>	<u>\$ 28,691</u>

The right-of-use assets relate to the Company’s premises leases which have varying terms to January 2023. The assets are depreciated over their lease term.

Lease liabilities

	March 31, 2022	March 31, 2021
Opening balance	\$ 33,262	\$ 81,252
Additions - Lease liabilities recognized	-	(25,342)
Interest expense	6,686	9,016
Lease payments	(22,833)	(31,664)
	<u>\$ 17,115</u>	<u>\$ 33,262</u>
Allocated as:		
Current	17,115	15,858
Long term	-	17,404
	<u>\$ 17,115</u>	<u>\$ 33,262</u>

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

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March 31, 2022 and 2021

6. Accounts receivable

	March 31, 2022	March 31, 2021
Accounts receivable	\$ 7,244	\$ 24,756
	\$ 7,244	\$ 24,756

7. Equipment

Cost	Data centre equipment	Computer and media equipment	Furniture and equipment	Total
Balance, April 1, 2020	\$ 353,873	\$ 12,116	\$ 6,802	\$ 372,791
Additions	-	8,607	-	8,607
Balance, March 31, 2021	353,873	20,723	6,802	381,398
Additions	-	1,797	-	1,797
Balance, March 31, 2022	\$ 353,873	\$ 22,520	\$ 6,802	\$ 383,195
Accumulated amortization				
Balance, April 1, 2020	\$ 273,194	\$ 5,963	\$ 3,152	\$ 282,309
Amortization	24,204	936	327	25,467
Impairment	56,475	-	-	56,475
Balance, March 31, 2021	353,873	6,899	3,479	364,251
Amortization	-	1,441	319	1,760
Impairment	-	-	-	-
Balance, March 31, 2022	\$ 353,873	\$ 8,340	\$ 3,798	\$ 366,011
Net book value				
	Data center equipment	Computer and media equipment	Furniture and equipment	Total
As at March 31, 2021	\$ -	\$ 13,824	\$ 3,323	\$ 17,147
As at March 31, 2022	\$ -	\$ 14,180	\$ 3,004	\$ 17,184

At the end of each reporting period, the Company reviews the carrying value of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. During the year ended March 31, 2022, the Company determined there was no impairment to the carrying value of the equipment during the year and impairment charge of \$nil (2021 - \$56,475) was charged to operations.

8. Accounts payable and accrued liabilities

	March 31, 2022	March 31, 2021
Trade payables due to related parties	\$ 9,056	\$ 9,056
Other trade payables	849,618	786,717
Salaries and benefits accrual	125,840	213,094
Accrued expenses	113,266	330,106
	\$ 1,097,780	\$ 1,338,973

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

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9. Reverse Takeover Transaction (“RTO”)

- On November 5, 2021, the Company completed the Transaction under which the Company acquired all of the issued and outstanding common and preferred shares of Swarmio. The Transaction was completed by way of a share exchange on the basis of 1.304032 Company common shares for each outstanding common and preferred share of Swarmio.
- Although the Transaction resulted in Swarmio legally becoming a wholly-owned subsidiary of the Company, the transaction constituted a Reverse takeover of the Company and has been accounted for as a reverse takeover transaction in accordance with guidance provided in IFRS 2 Share Based Payments. As the Company did not qualify as a business according to the definition in IFRS 3, this Reverse takeover transaction did not constitute a business combination. The transaction is recorded as a purchase of net assets of the Company by Swarmio for an issuance of shares.
- The transaction therefore has been accounted for as a capital transaction, with Swarmio being identified as the accounting acquirer and the equity consideration measured at fair value. The resulting consolidated statement of financial position has been presented as a continuance of Swarmio operations and comparative figures presented in the consolidated financial statements prior to the reverse acquisition are those of Swarmio. The results of operations, cash flows and the assets and liabilities of the Company have been included in these consolidated financial statements since November 5, 2021, the acquisition date. The percentage of ownership Swarmio shareholders had in the combined entity was 60.52% after the issue of 59,218,800 SMHI shares to the former Swarmio Inc shareholders.
- The deemed consideration paid by Swarmio for the net assets of the Company was measured on the basis of the fair value of the equity instruments issued, considering the price per share ascribed from financing closing concurrent with the RTO. The fair value of the warrants was estimated to be \$207,622 using the Black-Scholes valuation model on the following assumptions: dividend yield of 0%; volatility of 200%; risk -free interest rate of 0.89%; stock price of \$0.35 and expected life of 1.4 years. The deemed consideration paid over the fair value of the net assets is recorded to the transactional costs in the consolidated financial statements, as follows:

Net assets acquired and the consideration paid:

Cash	\$	110,406
Subscription held in trust		6,266,500
Other receivables		4,083
Accounts payable		(101,353)
Subscription payable		(6,266,500)
Total net assets acquired	\$	13,136
14,640,001 shares at \$0.35 per share	\$	5,124,000
640,000 warrants		207,622
Listing expenses		897,859
Effective settlement of inter-company loan		(500,000)
Total consideration paid	\$	5,729,481
Transactional costs	\$	5,716,345

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

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March 31, 2022 and 2021

9. Reverse Takeover Transaction ("RTO") (continued)

- In connection with the RTO, the shareholders of Swarmio received common shares in the Company in exchange for their Swarmio common and preferred shares, on the basis of the exchange rate such that 59,218,800 common shares were issued in exchange for 100% of the Swarmio common shares and Swarmio preferred shares, including shares issuable on conversion of Swarmio convertible securities which were automatically converted on a liquidity event (other than options and warrants).
- The fair value of the 640,000 warrants was estimated to be \$207,622 using the Black-Scholes valuation model on the following assumptions: dividend yield of 0%; volatility of 200%; risk -free interest rate of 0.89%; stock price of \$0.35 and expected life of 1.4 years.
- As part of the RTO, the Company issued an additional 17,904,284 common shares on conversion of subscription receipts which were previously issued at \$0.35 per share, 4,083,793 shares at \$0.35 per share as finders' fees and 2,000,000 common shares as an advisory fee.
- In addition, the Company also issued 1,214,077 warrants as finders' fees, replaced 3,675,000 employee compensation options. And replaced 970,049 warrants in the Company in exchange for their Swarmio warrants, on the basis of the exchange rate such that 1,264,975 warrants were issued in exchange for 100% of the Swarmio warrants.

10. Income taxes

The provision for income taxes recorded in the consolidated financial statements differs from the amount which would be obtained by applying the Canadian statutory income tax rate of 28.01% (2021: 28.01%) to the loss as follows:

	2022	2021
Loss before income taxes	\$ (6,582,931)	\$ (4,684,493)
Anticipated income tax at 28.01%	(1,843,879)	(1,312,126)
Tax effect of the following:		
Permanent differences	(178,122)	716,731
Unrecognized deferred tax benefits	2,441,809	600,891
SRED timing differences	-	(28,804)
Share issuance costs recorded to equity	(419,808)	-
Other	-	23,308
Income tax expense	\$ -	\$ -

The Company recorded no deferred tax assets in the statements of financial position as it is not yet probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The unrecognized deferred tax assets and liabilities are as follows:

	2022	2021
Losses available for carry forward	\$ 4,415,111	\$ 2,653,127
SRED tax credits and expenditure pool carry forward	499,702	368,713
Financing fees	-	62,134
Capital assets	16,837	10,486
Unrealized fair value adjustments	-	(222,406)
Share issue costs	382,213	-
	5,313,863	2,872,054
Valuation allowance	(5,313,863)	(2,872,054)
	\$ -	\$ -

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

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March 31, 2022 and 2021

10. Income taxes (continued)

As at March 31, 2022, the Company has unclaimed non-capital losses that expire as follows:

2036	\$	13,761
2037		1,338,842
2038		703,759
2039		2,560,556
2040		2,369,012
2041		1,681,204
2042		6,514,638

As at March 31, 2022, the Company has provincial SRED tax credits available for carryforward, which expire beginning in 2037. The SRED credits will expire as follows:

2037	\$	11,792
2038		18,289
2039		36,550
2040		20,003
2041		16,202

The potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these financial statements as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

11. Loans and borrowings

The Company has financed operations to date with various unsecured borrowings including government loans, convertible loans, promissory notes, and loans with detachable warrants.

The conversion features are classified as derivative financial liabilities (see Note 11), and the warrants are classified as equity (see Note 13).

The Company's loans and borrowings are measured at amortized cost as follows:

	March 31, 2022		March 31, 2021	
Current:				
Convertible loans – debt host	\$	-	\$	4,733,943
Promissory notes		678,700		1,247,375
Total current	\$	678,700	\$	5,981,318
Non-Current:				
Government loans	\$	1,030,828	\$	663,236
Promissory notes		252,771		313,450
Total long term	\$	1,283,599	\$	976,686
	\$	1,962,299	\$	6,958,004

There are no debt covenants on any of the Company's loans and borrowings.

Swarmio Media Holdings Inc.

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March 31, 2022 and 2021

11. Loans and borrowings (continued)

Convertible loans

Details of the convertible loans received and their carrying values as of March 31, 2022 and 2021 are as follows:

Date received	Principal	Maturity date(*)	Effective interest rate	Carrying value March 31, 2022	Carrying value March 31, 2021
Conversion option (derivative) attached (a)					
December 27, 2017 –					
February 6, 2018	\$ 300,000	November 5, 2021	68-70%	\$ -	\$ 483,333
June 9, 2019	169,382	January 15, 2021	25%	-	-
June 9, 2019	111,233	November 5, 2021	38%	-	95,715
June 12, 2019	100,000	November 5, 2021	44%	-	118,333
October 23, 2020	320,000	November 5, 2021	167%	-	300,463
Common share warrants attached (b)					
	40,000				
April 12, 2019	(USD)	November 5, 2021	71%	-	15,597
Conversion option (equity) attached (c)					
June 27, 2019	100,000	November 5, 2021	30%	-	117,500
July 16, 2019	50,000	November 5, 2021	29%	-	58,750
July 30, 2019	100,000	November 5, 2021	28%	-	116,667
September 27, 2019	123,000	November 5, 2021	24%	-	133,664
October 8, 2019	84,675	November 5, 2021	38%	-	97,376
November 29, 2019	41,250	November 5, 2021	34%	-	46,750
November 29, 2019	40,000	November 5, 2021	34%	-	45,333
December 31, 2020	30,000	November 5, 2021	30%	-	33,750
January 3, 2021	11,700	November 5, 2021	30%	-	62,813
January 31, 2021	56,250	November 5, 2021	32%	-	13,163
February 26, 2021	1,471,809	November 5, 2021	13%	-	1,321,478
March 2, 2021	519,255	November 5, 2021	13%	-	419,299
March 25, 2021	1,255,950	November 5, 2021	19%	-	1,026,174

- On November 5, 2021, as part of the RTO transaction, the above noted loans were exchanged for the common shares of the Company (see Note 9).

Conversion option and preferred share warrants attached (d)

May 14, 2019	100,000	November 5, 2021	79%	-	125,220
June 4, 2019	20,000	November 5, 2021	78%	-	24,654
June 11, 2019	60,000	November 5, 2021	68%	-	77,911
Total				\$ -	\$ 4,733,943
Due within one year				\$ -	\$ 4,733,943
Due after one year				-	-
Total				\$ -	\$ 4,733,943

Swarmio Media Holdings Inc.

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11. Loans and borrowings (continued)

On November 5, 2021, as part of the RTO transaction, the convertible loans, with the exception of the common share warrants attached (b) were converted to common shares of Swarmio Inc. which were then exchanged to the common shares of the Company (see Note 9).

Promissory notes

Details of the promissory notes as of March 31, 2022, and March 31, 2021, are as follows:

Date received	Principal	Maturity date	Stated interest rate	Carrying value March 31, 2022	Carrying value March 31, 2021
Related party					
October 2, 2017	\$ 287,212	December 31, 2021	10%	\$ -	\$ 245,409
February 1, 2019	7,345	December 31, 2021	10%	-	3,652
February 12, 2019	122,493	December 31, 2021	10%	-	91,518
January 19, 2021	187,982	January 19, 2024	10%	105,041	191,661
Total related party				\$ 105,041	\$ 532,240
Arm's length party					
April 15, 2017	\$ 150,000	February 15, 2023	Floating base rate +3.3%	\$ 42,500	\$ 72,500
November 12, 2017	100,000	September 12, 2024	Floating base rate + 2.2%	49,968	66,624
February 22, 2019	227,250	May 31, 2021	6.95%	-	40,484
November 30, 2020	166,625	September 13, 2021	5.42%	144,117	170,258
August 19, 2021 ^(a)	142,332	August 31, 2023	5.45%	126,280	-
August 14, 2019	66,000	April 14, 2021	92.18%	-	90,628
August 14, 2019	66,000	April 14, 2021	92.18%	-	90,628
August 14, 2019	66,000	April 14, 2021	89.2%	-	91,738
September 12, 2019	50,000	April 14, 2021	119%	-	70,186
October 28, 2020	130,500	September 14, 2021	30%	-	134,734
February 5, 2021	158,000	September 14, 2021	30%	-	160,805
April 15, 2020	30,000	December 31, 2023	30%	30,000	30,000
December 31, 2020	10,000	December 31, 2023	30%	10,000	10,000
September 7, 2021	177,000	September 30, 2022	30%	189,281	-
October 08, 2021	208,000	September 30, 2022	30%	217,984	-
	40,000				
April 12, 2019	(USD)	April 19, 2024	30%	16,300	-
Total arm's length party				\$ 826,430	\$ 1,028,585
Total promissory notes				\$ 931,471	\$ 1,560,825
Due within one year				\$ 678,700	\$ 1,247,375
Due after one year				\$ 252,771	\$ 313,450
Total				\$ 931,471	\$ 1,560,825

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11. Loans and borrowings (continued)

Government loans

The Company obtained government loans that are non-interest bearing and have no fixed maturity date. The loans are to be repaid in yearly instalments based on a calculation as a percentage (range of 3% to 5%) of “gross annual sales of the recipient”. The government loans received have below-market interest rates and have been initially recorded at fair value using the assumptions noted below for each loan. Details of the government loans received and their carrying values as of March 31, 2022 and March 31, 2021 are as follows:

Date received	Principal	Effective interest rate	Initial fair value	Carrying value March 31, 2022	Carrying value March 31, 2021
April 14, 2016	\$ 500,000	57%	\$ 19,404	\$ 395,898	\$ 239,937
May 24, 2017	400,546	57%	18,941	251,384	142,454
November 2, 2017	68,204	67%	1,901	21,323	12,218
June 11, 2018	140,800	57%	19,120	87,040	52,354
October 17, 2018	359,200	57%	27,950	115,309	66,009
January 13, 2020	84,522	31%	47,088	36,146	37,415
March 31, 2020	152,978	31%	130,424	65,206	67,717
December 20, 2020	1,044	31%	432	428	450
February 23, 2021	11,455	31%	5,089	4,684	4,920
June 9, 2020	50,000	31%	15,518	26,705	19,881
November 16, 2020	50,000	31%	17,579	26,705	19,881
Total government loans				\$ 1,030,828	\$ 663,236

The difference between the principal and the initial fair value is the government grant benefit derived from each interest-free loan and is recognized as grant revenue.

During the year ended March 31, 2022, the Company recorded \$419,085 of interest expense (March 31, 2021: \$245,500) on the government loans in the consolidated statements of loss and comprehensive loss.

Other income

The benefit of the below-market rate of interest on the government loans is measured as the difference between the initial fair value of the loans determined in accordance with IFRS 9 *Financial Instruments* (“IFRS 9”) and the proceeds received and is recognized in deferred income.

During the year ended March 31, 2022, the Company recorded \$Nil of other income (March 31, 2021: \$159,641) on the recognized portion of the deferred income in the consolidated statements of loss and comprehensive loss.

The Company and Swarmio entered a Promissory Note Agreement dated October 8, 2021. Under the terms of the Promissory Note Agreement, the Company advanced unsecured loans of \$500,000 to Swarmio, which are non-interest bearing and repayable on demand. The loans were used by Swarmio for working capital purposes.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

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12. Preferred share liability

Prior to the Transaction, Swarmio was authorized to issue:

Authorized

Unlimited number of Class A preferred shares

Unlimited number of Class B preferred shares

Issued and outstanding

The Company had the following issuances of Class A and Class B preferred shares:

Date of issuance	Number of shares	Price per share	Proceeds	Fair value	
				March 31, 2022	March 31, 2021
Class A preferred shares					
February 17, 2016					
(a)					
Fair value	3,242,857	\$ 0.31	\$ 1,000,000	\$ -	\$ 2,084,410
Less: Deferred loss	-			-	(234,320)
	<u>3,242,857</u>			<u>-</u>	<u>1,850,090</u>
August 9, 2018	906,578	0.47	430,411	-	677,532
August 9, 2018	<u>610,839</u>	0.51	<u>312,236</u>	<u>-</u>	<u>491,505</u>
Total Class A preferred shares	<u>4,760,274</u>			<u>-</u>	<u>3,019,127</u>
Class B preferred shares					
August 9, 2018					
(b):					
Fair value	3,477,945	0.58	2,000,000	-	5,232,648
Less: Deferred loss	-			-	(737,329)
	<u>-</u>			<u>-</u>	<u>(737,329)</u>
Total Class B preferred shares	<u>3,477,945</u>			<u>-</u>	<u>4,495,319</u>
Total preferred shares	8,238,219			\$ -	\$ 7,514,446

On November 5, 2021, as part of the RTO transaction, the preferred shares were exchanged for the common shares of the Company (see Note 9).

Swarmio Media Holdings Inc.

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March 31, 2022 and 2021

13. Share capital

Authorized	March 31, 2022	March 31, 2021
Unlimited number of common shares		
Unlimited number of Class A preferred shares		
Unlimited number of Class B preferred shares		
Issued and outstanding		
Common shares	\$ 19,237,563	\$ 1,239,078
Warrants for common shares ¹	\$ 366,551	\$ 157,761
Equity component of convertible loans ¹	\$ -	\$ 515,878

Note: (1) Following the closing of the Transaction, the authorized share capital of the Company is comprised of an unlimited number of common shares.

The movement in the common shares, warrants for common shares and equity components of convertible loans were as follows:

	March 31, 2022		March 31, 2021	
	Outstanding shares	Amount	Outstanding shares	Amount
Beginning balance	14,238,834	\$ 1,239,078	13,664,468	\$ 1,135,972
Stock options exercised (a)	650,000	63,700	574,366	103,106
Conversion of preferred shares (b)	8,238,219	362,179	-	-
Conversion of Convertible loans (c)	9,835,116	2,486,307	-	-
Pre-RTO Bridge loan converted to common shares	16,235,069	2,970,656	-	-
Elimination of Swarmio Inc.'s common shares on RTO (e)	(49,197,239)	(7,121,919)	-	-
Replacement shares issued to Swarmio Inc's shareholders (f)	59,218,800	7,121,919	-	-
Common shares deemed issued in connection with RTO (g)	14,640,001	5,124,000	-	-
Shares issued in connection with RTO (h)	17,904,284	6,266,500	-	-
Finders' fee issued in shares (i)	4,083,794	1,429,328	-	-
Advisory fees paid in shares (j)	2,000,000	700,000	-	-
Stock warrants exercised (l)	945,145	360,178	-	-
Share issuance costs (k)	-	(1,764,363)	-	-
	98,792,023	\$ 19,237,563	14,238,834	\$ 1,239,078

- (a) Prior to the RTO transaction, the founders exercised stock options at various points in fiscal 2021
- (b) Swarmio preferred shares were exchanged into common shares of the Company (on a 1 for 1.304032 basis) in connection with the RTO. See (e) below.
- (c) Swarmio converted convertible debt into 9,273,453 common shares and 561,663 preferred shares at an average price of \$0.19 per share for a total value of \$1,913,143.

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13. Share capital (continued)

- (d) Pre-RTO bridge loans and the finders' fees were converted at \$0.20 per Company common share.
- (e) Former shareholders of Swarmio exchanged their former 42,983,724 Swarmio Inc. common and preferred shares (on a 1 for 1.304032 basis) plus the 16,235,069 common shares issued on conversion of bridge loans for 59,218,800 resulting issuer shares.
- (f) See comment (d)
- (g) Consideration paid in shares and warrants for the purchase of the Company's net assets
- (h) In connection with the RTO, the Company issued 17,904,284 shares at \$0.35 per share on conversion of subscription receipts previously issued.
- (i) In connection with the subscription receipts financing, the Company issued 4,083,793 common shares at \$0.35 per share as finder fees.
- (j) An RTO advisory fee was paid through issuance of 2,000,000 common shares valued at \$700,000, at \$0.35 per share.
- (k) The share costs issuance costs, including a finders' fee and the transfer of conversion costs are recorded to the share capital account.
- (l) Subsequent to RTO, a number of existing warrant holders exercised their warrants.

Warrants for Common Shares

	March 31, 2022		March 31, 2021	
	Outstanding warrants	Amount	Outstanding warrants	Amount
Beginning balance	1,026,686	\$ 157,761	683,768	\$ 81,360
Warrants issued	-	-	342,918	76,401
Warrants expired (a)	(90,978)	-		
Elimination of Swarmio Inc.'s warrants to SMHI's warrants (b)	(1,026,686)	(157,761)		
Replacement warrants issued to Swarmio Inc's warrant holders	1,264,976	157,761		
Warrants issued in connection with subscription receipts financing (c)	1,661,255	275,167		
Warrants exercised	(945,145)	(276,914)		
Warrants issued as consideration for SMHI's net assets	640,000	210,547		
Warrants expired	(60,352)	-		
Closing Balance	2,469,755	\$ 366,561	1,026,686	\$ 157,761

- (a) Pre-RTO compensation options expiry
- (b) Former warrant holders of Swarmio Inc. exchanged their former 970,049 Swarmio Inc. warrants (on a 1 for 1.304032 basis) for 1,264,975 resulting issuer warrants
- (c) As part of the RTO subscription, brokers were compensated through the issuance of 2,301,253 warrants valued at \$546,362 at an average price of \$0.23 per warrant ascribed from the most recent private placement of Swarmio Media Holdings Inc. just prior to the completion of the RTO

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13. Share capital (continued)

From time to time, the Company issues loans with detachable warrants for the Company's common shares.

The details of the warrants outstanding are as follows:

Loan issued	Principal	Loan maturity date	Warrant maturity date	Carrying value March 31, 2022	Carrying value March 31, 2021
January 28, 2019	\$ 50,000	February 11, 2019	June 24, 2023	\$ 1,091	\$ 1,091
April 12, 2019	40,000	September 30, 2019	June 24, 2023	8,105	8,105
	40,000				
April 12, 2019	(USD)	April 25, 2019	June 24, 2023	5,788	5,788
January 30, 2020	-	-	March 02, 2023	16,084	32,500
February 19, 2020	-	-	March 25, 2023	34,101	33,876
March 24, 2021	-	-	-	-	49,988
March 2, 2021	-	-	-	-	23,578
March 24, 2021	-	-	March 2, 2023	1,934	2,835
November 5, 2021	-	-	November 5, 2023	40,287	-
November 5, 2021	-	-	November 5, 2023	114,433	-
November 5, 2021	-	-	November 5, 2023	8,398	-
November 5, 2021	-	-	November 5, 2023	6,746	-
November 5, 2021	-	-	November 5, 2023	19,107	-
November 5, 2021	-	-	November 5, 2023	23,936	-
November 5, 2021	-	-	November 5, 2023	10,141	-
November 5, 2021	-	-	November 5, 2023	76,400	-
Total				\$ 366,551	\$ 157,761

Equity component of convertible loans

	Number of common shares on conversion	Year ended March 31, 2022	Number of common shares on conversion	Year ended March 31, 2021
Beginning balance	9,942,090	\$ 515,878	8,491,667	\$ 157,481
Conversion options issued/(extinguished)	-	(5,011)	1,450,423	358,397
Private placement and Convertible notes exchanged to SMHI's common shares	(9,942,090)	(510,867)		
Ending balance	-	\$ -	9,942,090	\$ 515,878

Common shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

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March 31, 2022 and 2021

13. Share capital (continued)

Equity components of convertible loans

From time to time, the Company issues loans with conversion options for a fixed number of the Company's common shares.

The details of the conversion options for common shares outstanding are as follows:

Loan issued	Principal	Loan maturity date	Carrying value March 31, 2022	Carrying value March 31, 2021
June 27, 2019	100,000	June 27, 2020	\$ -	\$ 25,520
July 16, 2019	50,000	September 30, 2019	-	12,302
July 30, 2019	100,000	September 30, 2019	-	22,002
September 27, 2019	123,000	September 30, 2019	-	23,627
October 8, 2019	84,675	October 7, 2020	-	25,765
November 29, 2019	41,250	November 28, 2020	-	11,629
November 29, 2019	40,000	November 28, 2020	-	11,277
December 31, 2019	11,700	December 30, 2020	-	8,023
January 3, 2020	56,250	January 2, 2021	-	3,113
January 31, 2020	30,000	January 30, 2021	-	14,224
February 26, 2021	1,471,809	February 25, 2022	-	177,881
March 2, 2021	519,255	March 1, 2022	-	54,966
March 25, 2021	1,255,950	March 24, 2022	-	125,549
Total			\$ -	\$ 515,878

On November 5, 2021, as part of the RTO transaction, the equity portions of the convertible loans, with the exception of the common share warrants attached were converted to common shares of Swarmio Inc. which were then exchanged to the common shares of the Company.

14. Operating expenses

	March 31, 2022	March 31, 2021
Advertising and promotion	\$ 1,330,056	\$ 245,359
Bank charges	14,621	(2,817)
Computer expense	478,680	120,930
Consulting fees	1,293,520	620,876
Donations	-	(92,851)
Foreign exchange loss (gain)	(3,549)	4,926
Insurance	8,906	12,371
Meals and entertainment	82,565	18,178
Office	219,733	17,265
Professional fees	410,586	195,163
Salaries and benefits (a)	3,871,971	897,405
Travel and accommodation	165,578	1,445
Utilities	-	402
Bad debt expense	268,852	-
Other	29,517	3,589
Total	\$ 8,171,036	\$ 2,131,668

Swarmio Media Holdings Inc.

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(a) Included in salaries and benefits are the following:

	March 31, 2022	March 31, 2021
Salaries and benefits	\$ 3,222,725	\$ 1,701,455
Share based payments (see Note 18)	2,151,565	420,311
Government grants	(648,205)	(748,722)
SRED refunds	(854,114)	(475,639)
Total salaries and benefits	\$ 3,871,971	\$ 897,405

The implementation of government assistance measures has also helped the Company mitigate some of the impact of the COVID-19 pandemic on its results and liquidity. To the extent appropriate the Company has applied for such government assistance such as the Canadian Emergency Wage Subsidy ("CEWS") program and rent subsidies. The Company received a Canada Emergency Business Account ("CEBA") loan of \$nil (2021 - \$60,000) of which only \$40,000 is repayable if the Company makes the repayment on or before December 31, 2023. Management intends to make the repayment by this date.

15. Earnings (loss) per share

Weighted average number of ordinary shares (basic)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of common shares (basic)	48,414,113	13,732,404

Weighted average number of ordinary shares (diluted)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of common shares (basic) – beginning	48,414,113	13,732,404
Weighted average number of common shares (diluted) – ending	48,414,113	13,732,404

The calculation of basic and diluted loss per share for the year ended March 31, 2022 was based on the loss attributable to common shareholders of \$6,582,931 (year ended March 31, 2021 - net loss of \$4,684,493) and the weighted average number of common shares outstanding of 48,414,113 (year ended March 31, 2021 - 13,732,404).

As the Company is currently operating at a loss, no dilutive potential ordinary shares have been identified as the conversion would lead to a decrease in loss per share.

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

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March 31, 2022 and 2021

16. Financial instruments: Fair value and risk management

Accounting classification and fair values

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as outlined in Note 3.

The fair value determination is the estimated amount that the Company would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

There were no transfers between Level 1 and Level 2 during the years ended March 31, 2022 and 2021. The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value.

March 31, 2022

	Fair values				Total
	Level 1	Level 2	Level 3		
<i>Financial liabilities measured at fair value</i>					
Derivative financial liabilities	\$ -	\$ -	\$ -	\$ -	-
Preferred share liability	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	-
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	\$ -	\$ -	1,962,299	\$ 1,962,299	

March 31, 2021

	Fair values				Total
	Level 1	Level 2	Level 3		
<i>Financial liabilities measured at fair value</i>					
Derivative financial liabilities	\$ -	\$ -	553,771	\$ 553,771	
Preferred share liability	-	-	8,486,095	8,486,095	
	\$ -	\$ -	9,039,866	\$ 9,039,866	
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	\$ -	\$ -	7,100,637	\$ 7,100,637	

Due to their short-term nature, the carrying value of the following financial instruments approximates their fair value at the reporting dates:

- Cash
- Accounts receivable
- Accounts payable and accrued liabilities

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

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March 31, 2022 and 2021

16. Financial instruments: Fair value and risk management (continued)

Level 3 recurring fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	Derivative financial liabilities	Preferred share liability
Balance March 31, 2020	\$ 660,707	\$ 5,590,227
Conversion features on convertible bonds issued	162,341	-
Warrants issued	-	-
Change in fair value of warrant features	(29,403)	-
Change in fair value of conversion features	(272,853)	-
Change in fair value of preferred shares	-	1,743,564
Amortization of deferred loss	32,979	180,655
Balance March 31, 2021	553,771	7,514,446
Conversion features on convertible bonds issued	-	-
Warrants issued	-	-
Change in fair value of warrant features	(70,967)	-
Change in fair value of conversion features	(317,179)	-
Change in fair value of preferred shares	-	(5,464,152)
Conversion features on convertible bonds exercised	(169,062)	-
Conversion features on preferred shares exercised	-	(2,158,192)
Amortization of deferred loss	3,437	107,898
Balance March 31, 2022	\$ -	\$ -

Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Risk factors

The Company is exposed to various risks through its financial instruments. The following analysis provides a measure of the Company's risk exposures, concentrations, and its mitigation strategies.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

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16. Financial instruments: Fair value and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they're due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company is exposed to this risk mainly in respect of accounts payable and accrued liabilities, loans and borrowings, derivative financial liabilities and warrants.

The Company's ability to satisfy its debt obligations will depend principally upon its future operating performance. The Company's inability to generate sufficient cash flow to satisfy its debt obligations or to refinance its obligations on commercially reasonable terms could materially adversely impact the Company's business, financial condition or operating results.

The Company anticipates that its anticipated cash flows to be generated from operations will be sufficient to execute its current business plan for 2021 and to meet its current debt obligations.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

March 31, 2022	Carrying amount	Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<i>Non-derivative financial liabilities</i>						
Accounts payable and accrued liabilities	\$ 1,097,779	\$ 1,097,779	\$ 1,097,779	\$ -	\$ -	\$ -
Loans and borrowings:						
Government loans	1,030,828	1,791,954	569,039	986,226	192,010	44,679
Convertible loans	-	-	-	-	-	-
Promissory notes	931,471	931,471	678,700	236,115	16,656	-
Total non- derivative financial liabilities	\$ 3,060,078	\$ 3,821,204	\$ 2,345,518	\$ 1,222,341	\$ 208,666	\$ 44,679

Swarmio Media Holdings Inc.

Notes to the Consolidated Financial Statements

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16. Financial instruments: Fair value and risk management (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Cash held in foreign currencies is minimal, therefore there is immaterial currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's policy is to minimize interest rate cash flow risk exposures on its long-term financing. The Company's loans and borrowings are at fixed interest rates.

Sensitivity analysis

The Company doesn't account for any fixed-rate financial liabilities at FVTPL and the Company doesn't designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

17. Related party transactions

The Company's key management personnel include members of the Board of Directors and executive officers.

The remuneration of key management personnel of the Company during years ended March 31, 2022 and 2021 was as follows:

		<u>2022</u>		<u>2021</u>
Salaries, incentives and short-term benefit	\$	819,922	\$	670,081
Share and RSU based payments		1,637,838		309,527

The outstanding balances related to key management personnel other than remuneration are as follows:

		<u>March 31, 2022</u>		<u>March 31, 2021</u>
Accounts payable and accrued liabilities	\$	55,600	\$	171,924
Promissory notes		105,041		675,578

The amounts incurred by the Company for the provision of key management personnel services that are provided by a separate management entity during years ended March 31, 2022 and 2021 are as follows:

		<u>2022</u>		<u>2021</u>
Key management personnel services provided by separate management entity	\$	-	\$	144,000

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18. Segmented information

The Company has not established discrete operating or geographic segments. Management makes decisions at a total company level.

19. Share based payments

(a) Employee Stock Options and Compensation Stock Options

The stock options are measured at fair value on the grant date, which is the date of issuance. The vesting conditions are factored into the fair value of these options at issuance, not when they are subsequently recognized over the vesting period.

The following table summarizes stock option activity for the respective periods as follows:

	Number of options	Weighted average exercise price	Average remaining contractual life (in years)
Options outstanding, April 1, 2020	4,221,281	\$0.2570	4.93
Granted	-	-	-
Exercised	(350,000)	0.0001	-
Forfeited	(225,000)	0.2582	-
Options outstanding, March 31, 2021	3,646,281	0.2815	4.21
Exercised	(650,000)	0.0001	-
Forfeited	(50,000)	0.3496	-
Options granted by Swarmio Inc.	775,000	0.3496	-
Elimination of Swarmio Inc. as part of RTO transaction	(3,721,281)	(0.2758)	(4.21)
Replacement Options SMHI as part of RTO transaction	3,675,000	0.2649	5.31
New Options – SMHI	5,875,000	0.3500	4.63
Compensation option replaced by SMHI as part of the RTO	60,351	0.3977	-
Compensation Options Expired	(60,351)	(0.3977)	-
Options outstanding, March 31, 2022	9,550,000	\$0.3223	4.89

The following table lists the options outstanding at March 31, 2022 by exercise price:

Exercise price	Options outstanding	Weighted average remaining term (in years)	Options exercisable	Weighted average remaining term (in years)
	-	-	-	-
\$0.2649	3,675,000	5.31	2,591,666	6.01
\$0.3500	5,875,000	4.63	-	-
	9,550,000		2,591,666	

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19. Share based payments (Continued)

There were 650,000 options exercised for the year ended March 31, 2022 (350,000 for year ended March 31, 2021).

Swarmio Inc employee stock option holders exchanged 3,675,000 options at an exercise price of \$0.3454 for 3,675,000 at a price of \$0.2649 as part of the RTO transaction.

Swarmio Inc compensation option holders exchanged 46,281 options at an exercise price of \$0.5186 for 60,351 at a price of \$0.3977 as part of the RTO cost, all of which have since expired.

On November 15, 2021, the company issued 5,875,000 new options at an exercise price of \$0.35 per option, to existing employees as part of the employee stock option plan. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. They will vest in accordance with the following: Twenty-five percent (25%) of Shares will vest and be exercisable on the first anniversary of the Grant Date and the remaining seventy-five percent (75%) will vest in twelve (12) equal installments at the end of every three-month period after the first anniversary of the Grant Date such that the entire Options will be vested on the fourth (4th) anniversary of the Grant Date.

The fair values of options granted were determined using a variation of the Black Scholes model that takes into account factors specific to the share incentive plan, such as the vesting period. The performance condition has been incorporated into the measurement by means of actuarial modelling. The following assumptions were used in the valuations during the respective annual periods:

	March 31, 2022	March 31, 2021
Weighted average fair value	\$0. 4292	\$0.3883
Weighted average exercise price	\$0.3440	\$0.2815
Weighted average share price at grant date	\$0.3500	\$0.3952
Dividend yield	Nil	Nil
Volatility	184%	184%
Risk-free interest rate	1.5%	1.49%
Expected life (in years)	4.83	7.00
Forfeiture rate	0%	0%

In total, \$694,665 (2021: \$420,311) of share-based payments were recognized in salaries and benefits and credited to contributed surplus.

(b) RSU – Restricted Share Units

On April 6, 2021, the Company passed a director's resolution to establish a restricted share unit plan (the "RSU Plan") that allows the Company to issue restricted share units ("RSUs") to certain directors, officers, employees and consultants of the Company. The Board of Directors of the Company (the "Board") shall specify the number of common shares of the Company (the "Shares") that will be placed under the RSU plan, the RSUs price and the period during which RSUs may be exercised. The maximum number of Shares reserved for issuance under the RSU Plan shall not exceed 5,000,000 Shares as at the date of the grant of RSUs.

Swarmio Media Holdings Inc.**Notes to the Consolidated Financial Statements**

(Expressed in Canadian dollars)

March 31, 2022 and 2021

19. Share based payments (Continued)

On November 15, 2021, the Company granted 4,000,000 RSUs to the management, and the each RSU granted represents the right of the participant to receive one common share in the share capital of the Company or, at the Company's election, an amount in cash, in each case net of applicable taxes and contributions to government sponsored plans, equal to the market price of one RSU Share for each RSU then being settled. These RSUs have vested immediately upon grant and have an expiry date of November 15, 2024. The RSUs were measured on the basis of the fair value of the equity instruments issued at \$0.35 per share, considering the price per share ascribed from the most recent private placement of Swarmio just prior to completion of the RTO financing closing concurrent with the RTO.

In total, \$1,400,000 (2021: \$nil) of share-based payments were recognized in salaries and benefits and credited to shares to be issued.

20. Subsequent events

Subsequent to the March 31, 2022, the company raised \$1,166,140 through a private placement from friends, family and business associates, and issued 11,661,407 common shares at an issuance price of \$0.10 per share.

Condensed interim consolidated financial statements
For the three and nine-month periods ended December
31, 2022 and 2021

Swarmio Media Holdings Inc.

(Expressed in Canadian Dollars)

The accompanying unaudited Condensed Interim Consolidated Financial Statements for the three and Nine months ended December 31, 2022 and 2021 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited Condensed Interim Consolidated Financial Statements have not been reviewed by an auditor.

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Swarmio Media Holdings Inc.

Condensed interim consolidated statements of financial position

(Unaudited)

Expressed in Canadian dollars)	As at December 31, 2022	As at March 31, 2022
Assets		
Current assets		
Cash	\$ 40,359	\$ 1,628,242
Accounts receivable (Note 6)	313,297	7,244
Investment tax credit receivable	185,748	859,394
Sales tax receivable	214,465	270,811
Prepaid expenses	10,092	64,592
Total current assets	763,961	2,830,283
Non-current assets		
Right-of-use assets (Note 5)	1,304	13,041
Equipment (Note 7)	15,646	17,184
Intangible assets	431,290	207,934
Total non-current assets	448,240	238,159
Total assets	\$ 1,212,201	\$ 3,068,442
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 1,666,344	\$ 1,097,780
Lease financial liabilities (Note 5)	1,904	17,115
Derivative financial liabilities (Note 9)	182,519	-
Loans and borrowings (Note 9)	1,860,872	678,700
Total current liabilities	3,711,639	1,793,595
Non-current liabilities		
Loans and borrowings (Note 9)	1,863,361	1,283,599
Total non-current liabilities	1,863,361	1,283,599
Total liabilities	5,575,000	3,077,194
Shareholders' deficiency		
Share capital (Note 10)	20,401,983	19,237,563
Shares to be issued	1,400,000	1,400,000
Contributed surplus	3,214,509	2,079,026
Warrants (Note 10)	366,551	366,551
Deficit	(29,745,842)	(23,091,892)
Total shareholders' deficiency	(4,362,799)	(8,752)
Total liabilities and shareholders' deficiency	\$ 1,212,201	\$ 3,068,442

Going concern (Note 2)
Subsequent events (Note 17)

On behalf of the Board

Director _____ Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Swarmio Media Holdings Inc.
Condensed interim consolidated statements of income (loss) and
comprehensive income (loss)
(Unaudited)

(Expressed in Canadian dollars)	Three months ended		Nine months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenue	\$ <u>4,397,040</u>	\$ <u>513,065</u>	\$ <u>4,845,902</u>	\$ <u>514,002</u>
Operating expenses (Note 11)	<u>(6,378,924)</u>	<u>(3,912,630)</u>	<u>(11,125,134)</u>	<u>(5,931,074)</u>
Loss before undernoted items	(1,981,884)	(3,399,565)	(6,279,232)	(5,417,072)
Amortization of equipment (Note 7)	(690)	(451)	(1,538)	(1,320)
Amortization of right-of-use asset (Note 5)	(3,912)	(3,912)	(11,737)	(11,737)
Amortization of deferred gain (Note 9)	51,545	58,895	243,917	178,474
Amortization of deferred loss (Note 9)	-	(17,323)	-	(114,660)
Change in fair value of preferred share liability	-	1,942,088	-	7,260,163
Gain on loan extinguishment	-	383,398	-	432,837
Other income (Note 9)	302,411	31,842	302,411	31,842
Change in fair value of derivative financial liabilities	20,461	23,190	11,073	323,500
Change in fair value of warrants	-	(92,712)	-	(25,128)
Interest expense	(283,233)	(271,313)	-	(1,140,731)
Transactional costs	<u>-</u>	<u>(5,613,017)</u>	<u>(918,844)</u>	<u>(5,613,017)</u>
Loss before income taxes	(1,895,302)	(6,958,880)	(6,653,950)	(4,096,849)
Income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss and comprehensive loss	\$ <u>(1,895,302)</u>	\$ <u>(6,958,880)</u>	\$ <u>(6,653,950)</u>	\$ <u>(4,096,849)</u>
Loss per share (Note 12)				
-Basic	\$ (0.02)	\$ (0.10)	\$ (0.06)	\$ 0.13
-Diluted	(0.02)	(0.10)	(0.06)	0.13
Weighted average number of common shares outstanding				
-Basic	110,453,430	66,286,749	109,181,277	31,989,228
-Diluted	116,181,690	66,286,749	113,759,459	31,989,228

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Swarmio Media Holdings Inc.**Condensed interim consolidated statements of changes in shareholders' deficiency****(Unaudited)**

(Expressed in Canadian dollars)	Share capital	Contributed surplus	Shares to be issued	Warrants	Equity component of convertible loans	Deficit	Total
Balance at April 1, 2021	\$ 1,239,078	\$ 1,391,111	\$ -	157,761	\$ 515,878	\$ (16,508,961)	\$ (13,205,133)
Net loss for the period	-	-	-	-	-	(4,096,849)	(4,096,849)
Share based payments (Note 16)	-	322,486	1,400,000	-	-	-	1,722,486
Conversion of preferred shares	362,179	-	-	-	(5,011)	-	357,168
Stock options exercised	63,700	(63,650)	-	-	-	-	50
Common shares issued for conversion of loans, warrants and derivative financial liabilities	2,424,010	-	-	-	(510,867)	-	1,913,143
Common shares issued for conversion of bridge loan	2,970,656	-	-	-	-	-	2,970,656
Elimination of Swarmio Inc.'s common shares	(7,059,622)	-	-	(157,761)	-	-	(7,217,383)
Replacement shares issued to Swarmio Inc's shareholders	7,059,622	-	-	157,761	-	-	7,217,383
Common shares deemed issued in connection with RTO	5,124,000	-	-	224,000	-	-	5,348,000
Common Shares issued in concurrent financing in connection with RTO	6,266,500	-	-	-	-	-	6,266,500
Finders' fee paid in Common shares	1,429,328	-	-	-	-	-	1,429,328
Common shares issued for advisory fees	700,000	-	-	-	-	-	700,000
Share issuance costs	(1,736,632)	-	-	261,703	-	-	(1,474,929)
Balance, December 31, 2021	\$ 18,842,819	\$ 1,649,947	\$ 1,400,000	\$ 643,464	\$ -	\$ (20,605,810)	\$ 1,930,420
Balance at April 1, 2022	\$ 19,237,563	\$ 2,079,026	\$ 1,400,000	366,551	\$ -	\$ (23,091,892)	\$ (8,752)
Net loss for the period	-	-	-	-	-	(6,653,950)	(6,653,950)
Share based payments (Note 16)	-	1,135,483	-	-	-	-	1,135,483
Common shares issued	1,166,141	-	-	-	-	-	1,166,141
Share issue costs	(1,721)	-	-	-	-	-	(1,721)
Balance, December 31, 2022	\$ 20,401,983	\$ 3,214,509	\$ 1,400,000	\$ 366,551	\$ -	\$ (29,745,842)	\$ (4,362,799)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Swarmio Media Holdings Inc.

Condensed interim consolidated statements of cash flows

(Unaudited)

(Expressed in Canadian dollars)	Nine months ended	
	December 31, 2022	December 31, 2021
Operating		
Net loss	\$ (6,653,951)	\$ (4,096,849)
Items not affecting cash		
Amortization and impairment of equipment	1,538	1,320
Amortization of right-of-use asset	11,737	11,737
Amortization of deferred gain	(243,917)	(178,474)
Amortization of deferred loss	-	114,660
Other income	-	(31,842)
Non-cash interest expense	853,527	882,411
Change in fair value of preferred share liability	-	(7,260,163)
Gain on loan extinguishment	-	(432,837)
Change in fair value of derivative financial liabilities	(11,073)	(323,500)
Change in fair value of warrants	-	25,128
Share based payments	1,135,483	1,722,486
Non-cash transactional costs	-	5,534,873
Change in non-cash working capital items		
Accounts receivable	(306,054)	(382,069)
Investment tax credit receivable	673,646	(146,646)
Sales tax receivable	56,346	(50,455)
Prepaid expenses	54,500	(19,856)
Accounts payable and accrued liabilities	238,700	(255,363)
Net cash used in operating activities	(4,189,518)	(4,885,439)
Financing		
Proceeds from loans and borrowings issued	2,159,747	831,045
Repayment of loans and borrowings	(481,785)	(1,689,007)
Proceeds from exercise of stock options	-	50
Lease payments	(17,392)	(17,037)
Proceeds from common shares issued	1,166,141	-
Cash received from legal parent pre-reverse takeover	-	500,000
Cash acquired in reverse takeover	-	6,376,906
Share issuance costs	(1,721)	(45,600)
Net cash from financing activities	2,824,990	5,956,357
Investing		
Purchase of equipment	-	(1,797)
Additions to Intangible assets	(223,355)	-
Net cash from investing activities	(223,355)	(1,797)
Increase in cash	(1,587,883)	1,069,121
Cash, beginning of period	1,628,242	2,433,970
Cash, end of period	\$ 40,359	\$ 3,503,091
Supplemental cash flow information		
Cash paid during the period for interest	\$ 100,928	\$ 258,320

The accompanying notes are an integral part of these Condensed interim consolidated financial statements.

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

1. Nature of operations

Swarmio Media Holdings Inc. (formerly 1283332 B.C. LTD) (the “Company” or “SMHI”) was incorporated under the Business Corporations Act of British Columbia on January 11, 2022. The head office of the Company is located at 1430 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6 and records office of the Company is located at 321 Water Street Suite 501 Vancouver, BC V6B 1B8. The Company listed its common shares on the Canadian Securities Exchange under the trading symbol “SWRM”.

2. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2022, which have been prepared in accordance with IFRS as issued by the IASB.

The Board of Directors approved these condensed interim consolidated financial statements on November 4, 2022.

Going concern basis of accounting

The condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of its loans and borrowings as disclosed in Note 11, as well as its other liabilities and commitments as they fall due.

A number of unfavorable conditions have cast significant doubt on the appropriateness of this assumption. At December 31, 2022, the Company had a net loss of \$6,653,950 (December 31, 2021 – net loss of \$4,096,849) and a deficit of \$4,362,799 (December 31, 2021 – an equity of \$1,930,420).

The Company anticipates having sufficient funds to meet its corporate and administrative expenses for at least the next twelve months. However, given limited financial resources, the Company will require, and management is actively seeking, additional financing through various means including public offering, in order to secure sufficient funding for its existing commitments and meet all of its general and administrative costs. There is no assurance that management’s initiatives will be successful, and material uncertainties remains as to the ability of the Company to continue operating as a going concern.

The condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management feels that the measures described above will mitigate the effect of the conditions and facts that raise doubt about the appropriateness of this assumption. However, such adjustments could be material.

The outbreak of a novel strain of coronavirus (“COVID-19”) was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements (Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

2. Basis of presentation (continued)

Management has taken several measures to monitor and mitigate the effects of COVID-19, including:

- Terminated the Ontario office lease early and allowed employees to work from home;
- Implemented health and safety measures for employees (such as social distancing, tele- conferences and virtual meetings, on-line data rooms and enhanced tools for remote access); and
- Streamlining operating costs and reduced redundancies.

The implementation of government assistance measures has also helped the Company mitigate some of the impact of the COVID-19 pandemic on its results and liquidity. To the extent appropriate the Company has applied for such government assistance such as the Canadian Emergency Wage Subsidy (“CEWS”) program and rent subsidies. Swarmio received a Canada Emergency Business Account (“CEBA”) loan of \$60,000 of which only \$40,000 is repayable if Swarmio makes the repayment on or before December 31, 2023. Management intends to make the repayment by this date.

Management is continuing to assess the implications for the business when these assistances are no longer available. In general, the eSports and gaming industry has experienced a favorable market growth due to COVID 19 related travel restrictions.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Company.

Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that has such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the nine-month period ended December 31, 2022 are included in the consolidated statements of comprehensive income (loss) from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, revenues and expenses are eliminated upon consolidation.

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below:

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

3. Significant accounting policies

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual financial statements for the year ended March 31, 2022, except for the following update under revenue recognition:

Interconnect revenue:

Interconnect revenue is recognized based on the gross value of invoices raised on other operators for termination charges based on the airtime usage for the billing period as per the agreed rate.

Interconnection costs:

Interconnection costs represent connection charges to international telecommunication networks. Interconnection costs are recorded in the period when relevant calls are made and are included under the operating costs, in the interconnect services caption in profit or loss.

4. Accounting standards issued but not yet effective

Recent accounting procurements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning on or after January 1, 2024 or later periods.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) Amendments

5. Right-of-use asset and lease liabilities

Right of-use assets

Movement in the right-of-use asset balance was as follows:

	December 31, 2022	March 31, 2022
Opening balance	\$ 13,041	\$ 28,691
Amortization expense	(11,737)	(15,650)
	\$ 1,304	\$ 13,041

The right-of-use assets relate to the Company's premises leases which have varying terms to January 2023. The assets are depreciated over their lease term.

Lease liabilities

	December 31, 2022	March 31, 2022
Opening balance	\$ 17,115	\$ 33,262
Interest expense	2,181	6,686
Lease payments	(13,030)	(22,833)
	\$ 1,904	\$ 17,115

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

5. Right-of-use asset and lease liabilities (Continued):

Allocated as:

Current	1,904	17,115
Long term	-	-
	<u>\$ 1,904</u>	<u>\$ 17,115</u>

6. Accounts receivable

	December 31, 2022	March 31, 2022
Accounts receivable	<u>\$ 313,297</u>	<u>\$ 7,244</u>
	<u>\$ 313,297</u>	<u>\$ 7,244</u>

7. Equipment

Cost	Data centre equipment	Computer and media equipment	Furniture and equipment	Total
Balance, April 1, 2021	\$ 353,873	\$ 20,723	\$ 6,802	\$ 381,398
Additions	-	1,798	-	1,798
Balance, March 31, 2022	353,873	22,521	6,802	383,196
Additions	-	-	-	-
Fully depreciated assets not in use	(353,873)	-	-	(353,873)
Balance, December 31, 2022	\$ -	\$ 22,521	\$ 6,802	\$ 29,323
Accumulated amortization				
Balance, April 1, 2021	\$ 353,873	\$ 6,899	\$ 3,479	\$ 364,251
Amortization	-	1,441	320	1,761
Impairment	-	-	-	-
Balance, March 31, 2022	353,873	8,340	3,799	366,012
Amortization	-	1,318	220	1,538
Fully depreciated assets not in use	(353,873)	-	-	(353,873)
Balance, December 31, 2022	\$ -	\$ 9,658	\$ 4,019	\$ 13,677
Net book value				
As at March 31, 2022	\$ -	\$ 14,180	\$ 3,004	\$ 17,184
As at December 31, 2022	\$ -	\$ 12,863	\$ 2,783	\$ 15,646

At the end of each reporting period, the Company reviews the carrying value of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. During the nine-month period ended December 31, 2022, the Company determined there was no impairment to the carrying value of the equipment and impairment charge of \$nil (2022 - \$nil) was charged to operations.

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

8. Accounts payable and accrued liabilities

	December 31, 2022	March 31, 2022
Trade payables due to related parties	\$ 88,854	\$ 9,056
Other trade payables	1,258,204	849,618
Salaries and benefits accrual	191,568	125,840
Accrued expenses	127,718	113,266
	<u>\$ 1,666,344</u>	<u>\$ 1,097,780</u>

9. Loans and borrowings

The Company has financed operations to date with various unsecured borrowings including government loans, convertible loans, promissory notes, and loans with detachable warrants.

The conversion features are classified as derivative financial liabilities (see Note 9), and the warrants are classified as equity (see Note 10).

The Company's loans and borrowings are measured at amortized cost as follows:

	December 31, 2022	March 31, 2022
Current:		
Promissory notes	\$ 1,327,146	\$ 678,700
Convertible loan - debt host	533,726	-
Total current	<u>\$ 1,860,872</u>	<u>\$ 678,700</u>
Non-Current:		
Government loans	\$ 1,538,006	\$ 1,030,828
Promissory notes	325,355	252,771
Total long term	<u>\$ 1,863,361</u>	<u>\$ 1,283,599</u>
	<u>\$ 3,724,233</u>	<u>\$ 1,962,299</u>

There are no debt covenants on any of the Company's loans and borrowings.

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

9. Loans and borrowings (continued)**Promissory notes**

Details of the promissory notes as of December 31, 2022, and March 31, 2022, are as follows:

Date received	Principal	Maturity date	Stated interest rate	Carrying value December 31, 2022	Carrying value March 31, 2022
<i>Related party</i>					
January 19, 2021	187,982	January 19, 2024	10%	\$ 87,219	\$ 105,041
July 18, 2022	50,000	November 30, 2022	25%	55,122	-
	200,000				
July 28, 2022	(USD)	November 30, 2022	25%	283,056	-
Total related party				\$ 425,397	\$ 105,041
<i>Arm's length party</i>					
April 15, 2017	\$ 150,000	August 15, 2023	Floating base rate +3.3%	\$ 20,000	\$ 42,500
November 12, 2017	100,000	March 12, 2025	Floating base rate + 2.2%	37,478	49,968
November 30, 2020	166,625	April 30, 2024	5.42%	143,932	144,117
August 19, 2021 ^(a)	142,332	August 31, 2024	5.45%	131,217	126,280
April 15, 2020	30,000	December 31, 2023	30%	30,000	30,000
December 31, 2020	10,000	December 31, 2023	30%	10,000	10,000
September 7, 2021	177,000	June 14, 2022	30%	-	189,281
October 08, 2021	208,000	June 14, 2022	30%	-	217,984
	40,000				
April 12, 2019	(USD)	April 19, 2024	30%	19,245	16,300
July 18, 2022	90,000	February 28, 2023	25%	99,219	-
August 16, 2022	50,000	February 28, 2023	25%	55,122	-
	100,000				
September 12, 2022	(USD)	February 28, 2023	25%	142,868	-
August 23, 2022	100,000	February 28, 2023	25%	110,244	-
August 23, 2022	200,000	February 28, 2023	25%	220,488	-
	50,000				
August 16, 2022	(USD)	February 28, 2023	25%	70,849	-
	100,000				
December 6, 2022	(USD)	April 30, 2023	25%	136,442	-
Total arm's length party				\$ 1,227,104	\$ 826,430
Total promissory notes				\$ 1,652,501	\$ 931,471
Due within one year				\$ 1,327,146	\$ 678,700
Due after one year				\$ 325,355	\$ 252,771
Total				\$ 1,652,501	\$ 931,471

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

9. Loans and borrowings (continued)

Convertible loans

Details of the convertible loans received and their carrying values as of December 31, 2022 and March 31, 2022 are as follows:

Date received	Principal	Maturity date	Effective interest rate	Carrying value December 31, 2022	Carrying value March 31, 2022
Conversion option (derivative) attached					
September 14, 2022	500,000 (USD)	September 14, 2023	33%	\$ 533,726	\$ -
Due within one year				\$ 533,726	\$ -
Due after one year				-	-
Total				\$ 533,726	\$ -

Conversion option (derivative) attached

From time to time, the Company issues convertible loans that are convertible at any time at the option of the holder into a variable number of common shares of the Company. The conversion ratio is a fixed dollar numerator divided by the number of shares outstanding on a fully diluted basis. Interest is payable on maturity and any loan not converted will be repaid in full on maturity. The conversion feature included various conversion ratio adjustment clauses, some of which caused the number of shares to be issued upon conversion to be variable and precluded the conversion feature from being classified as equity. The conversion feature is classified as a derivative financial liability and is recognized at its initial fair value and carried at fair value through profit or loss ("FVTPL") thereafter (see Note 11). The convertible loan is initially recognized at its fair value and carried at amortized cost thereafter.

The initial fair value of the host convertible loan is estimated using the prevailing market interest rate for a similar non-convertible instrument and the assumptions shown below. The conversion feature is initially measured by deducting the amount of the host convertible loan from the fair value of the convertible loan as a whole.

The details on initial recognition are as follows:

Issued	Principal	Maturity date	Effective interest rate	Initial fair value	
				Convertible loan	Conversion feature
September 14, 2022	\$ 500,000 (USD)	September 14, 2023	33%	\$ 538,191	\$ 119,998

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

9. Loans and borrowings (continued)

During the nine-month period ended December 31, 2022, the Company recorded \$21,940 of interest expense respectively (December 31, 2021: \$Nil) on these convertible loans in the condensed interim consolidated statements of loss and comprehensive income (loss).

Government loans

The Company obtained government loans that are non-interest bearing and have no fixed maturity date. The loans are to be repaid in yearly instalments based on a calculation as a percentage (range of 3% to 5%) of “gross annual sales of the recipient”. The government loans received have below-market interest rates and have been initially recorded at fair value using the assumptions noted below for each loan. Details of the government loans received and their carrying values as of December 31, 2022 and March 31, 2022 are as follows:

Date received	Principal	Effective interest rate	Initial fair value	Carrying value December 31, 2022	Carrying value March 31, 2022
April 14, 2016	\$ 500,000	57%	\$ 19,404	\$ 500,000	\$ 395,898
May 24, 2017	400,546	57%	18,941	400,070	251,384
November 2, 2017	68,204	67%	1,901	32,437	21,323
June 11, 2018	140,800	57%	19,120	132,502	87,040
October 17, 2018	359,200	57%	27,950	175,537	115,309
January 13, 2020	84,522	31%	47,088	34,947	36,146
March 31, 2020	152,978	31%	130,424	63,026	65,206
December 20, 2020	1,044	31%	432	410	428
February 23, 2021	11,455	31%	5,089	4,467	4,684
June 9, 2020	50,000	31%	15,518	33,413	26,705
November 16, 2020	50,000	31%	17,579	33,413	26,705
October 3, 2022	153,841	31%	43,035	46,290	-
November 16, 2020	270,881	31%	79,277	81,494	-
Total government loans				\$ 1,538,006	\$ 1,030,828

The difference between the principal and the initial fair value is the government grant benefit derived from each interest-free loan and is recognized as grant revenue.

During the nine-month period ended December 31, 2022, the Company recorded \$411,659 of interest expense (December 31, 2021: \$293,512) on the government loans in the consolidated statements of loss and comprehensive loss.

Other income

The benefit of the below-market rate of interest on the government loans is measured as the difference between the initial fair value of the loans determined in accordance with IFRS 9 *Financial Instruments* (“IFRS 9”) and the proceeds received and is recognized in deferred income.

During the nine-month period ended December 31, 2022, the Company recorded \$302,410 of other income (December 31, 2021: \$1Nil) on the recognized portion of the deferred income in the consolidated statements of loss and comprehensive loss.

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

10. Share capital

Authorized	December 31, 2022	March 31, 2022
Unlimited number of common shares		
Unlimited number of Class A preferred shares		
Unlimited number of Class B preferred shares		
Issued and outstanding		
Common shares	\$ 20,401,983	\$ 19,237,563
Warrants for common shares ¹	\$ 366,551	\$ 366,551
Equity component of convertible loans ¹	\$ -	\$ -

Note: (1) Following the closing of the Transaction, the authorized share capital of the Company is comprised of an unlimited number of common shares.

The movement in the common shares, warrants for common shares and equity components of convertible loans were as follows:

	December 31, 2022		March 31, 2022	
	Outstanding shares	Amount	Outstanding shares	Amount
Beginning balance	98,792,023	\$ 19,237,563	14,238,834	\$ 1,239,078
Stock options exercised	-	-	650,000	63,700
Conversion of preferred shares	-	-	8,238,219	362,179
Conversion of Convertible loans	-	-	9,835,116	2,486,307
Pre-RTO Bridge loan converted to common shares	-	-	16,235,069	2,970,656
Elimination of Swarmio Inc.'s common shares on RTO	-	-	(49,197,239)	(7,121,919)
Replacement shares issued to Swarmio Inc's shareholders	-	-	59,218,800	7,121,919
Common shares deemed issued in connection with RTO	-	-	14,640,001	5,124,000
Shares issued in connection with RTO	-	-	17,904,284	6,266,500
Finders' fee issued in shares	-	-	4,083,794	1,429,328
Advisory fees paid in shares	-	-	2,000,000	700,000
Stock warrants exercised	-	-	945,145	360,178
Shares issued for cash (a)	11,661,407	1,166,191	-	-
Share issuance costs (b)	-	(1,761)	-	(1,764,363)
	110,453,430	\$ 20,401,983	98,792,023	\$ 19,237,563

(a) Swarmio raised \$1,166,141 in cash by issuing common shares at 10 cents per share

(b) The share costs issuance costs are recorded to the share capital account.

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

10. Share capital (continued)**Warrants for Common Shares**

	December 31, 2022		March 31, 2022	
	Outstanding warrants	Amount	Outstanding warrants	Amount
Beginning balance	2,469,755	\$ 366,551	1,026,686	\$ 157,761
Warrants issued	8,022,751	-	-	-
Warrants expired	-	-	(90,978)	-
Elimination of Swarmio Inc.'s warrants to SMHI's warrants	-	-	(1,026,686)	(157,761)
Replacement warrants issued to Swarmio Inc's warrant holders	-	-	1,264,976	157,761
Warrants issued in connection with subscription receipts financing	-	-	1,661,255	275,167
Warrants exercised	-	-	(945,145)	(276,924)
Warrants issued as consideration for SMHI's net assets	-	-	640,000	210,547
Warrants expired	-	-	(60,352)	-
Closing Balance	10,492,506	\$ 366,551	2,469,755	\$ 366,551

From time to time, the Company issues loans with detachable warrants for the Company's common shares.

The details of the warrants outstanding are as follows:

Loan issued	Principal	Loan maturity date	Warrant maturity date	Carrying value December 31, 2022	Carrying value March 31, 2022
January 28, 2019	\$ 50,000	February 11, 2019	June 24, 2023	\$ 1,091	\$ 1,091
April 12, 2019	40,000	December 31, 2019	June 24, 2023	8,105	8,105
	40,000				
April 12, 2019	(USD)	April 25, 2019	June 24, 2023	5,788	5,788
January 30, 2020	-	-	March 02, 2023	16,084	16,084
February 19, 2020	-	-	March 25, 2023	34,101	34,101
March 24, 2021	-	-	March 2, 2023	1,934	1,934
November 5, 2021	-	-	November 5, 2023	40,287	40,287
November 5, 2021	-	-	November 5, 2023	114,433	114,433
November 5, 2021	-	-	November 5, 2023	8,398	8,398
November 5, 2021	-	-	November 5, 2023	6,746	6,746
November 5, 2021	-	-	November 5, 2023	19,107	19,107
November 5, 2021	-	-	November 5, 2023	23,936	23,936
November 5, 2021	-	-	November 5, 2023	10,141	10,141
November 5, 2021	-	-	November 5, 2023	76,400	76,400
Total				\$ 366,551	\$ 366,551

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

10. Share capital (continued)**Equity component of convertible loans**

	Number of common shares on conversion	Three months ended December 31, 2022	Number of common shares on conversion	Year ended March 31, 2022
Beginning balance	- \$	- \$	9,942,090 \$	515,878
Conversion options issued/(extinguished)	-	-	-	(5,011)
Private placement and Convertible notes exchanged to SMHI's common shares	-	-	(9,942,090)	(510,867)
Ending balance	- \$	- \$	- \$	-

Common shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

11. Operating expenses

	Three months ended December 31, 2022	Three months ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021
Advertising and promotion	\$ 166,390	\$ 19,982	\$ 628,308	\$ 37,072
Bank charges	5,985	3,018	13,899	7,151
Computer expense	289,674	102,742	934,552	168,709
Consulting fees	375,246	330,862	1,387,346	529,052
Foreign exchange (gain) loss	9,476	(3,151)	(2,542)	(6,201)
Insurance	9,336	2,423	10,765	4,930
Meals and entertainment	30,898	17,178	81,527	18,780
Office	268,136	44,729	566,098	64,606
Digital content royalty fee	(3,408)	-	99,856	-
Interconnect services	4,049,278	-	4,049,278	-
Professional fees	69,905	107,415	228,369	136,043
Salaries and benefits	997,832	585,379	3,047,125	998,478
Travel and accommodation	101,387	27,902	286,780	27,951
Bad debts	-	-	(238,352)	-
Other	8,789	7,880	32,125	18,324
	\$ 6,378,924	\$ 1,246,359	\$ 11,125,134	\$ 2,004,896

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

11. Operating expenses (continued)

	Three months ended December 31, 2022	Three months ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021
Salaries and benefits	\$ 602,227	\$ 825,155	\$ 2,287,515	\$ 1,456,935
Share based payments (see Note 17)	617,585	94,613	1,135,483	197,093
Government grants	(180,699)	(62,231)	(301,000)	(147,827)
SRED* refunds	(41,281)	(272,158)	(74,873)	(507,722)
Total salaries and benefits	\$ 997,832	\$ 585,379	\$ 3,047,125	\$ 998,478

*Scientific research and experimental development

12. Earnings (loss) per share**Weighted average number of ordinary shares (diluted)**

	Three months ended December 31, 2022	Three months ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021
Weighted average number of common shares (basic)	110,453,430	66,286,749	108,509,862	31,989,228

As the Company is currently operating at a loss, no dilutive potential ordinary shares have been identified as the conversion would lead to a decrease in loss per share.

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

13. Financial instruments: Fair value and risk management

Accounting classification and fair values

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as outlined in Note 3.

The fair value determination is the estimated amount that the Company would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

There were no transfers between Level 1 and Level 2 during the nine-month period ended December 31, 2022. The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value.

December 31, 2022

		Fair values			
		Level 1	Level 2	Level 3	Total
<i>Financial liabilities measured at fair value</i>					
Derivative financial liabilities	\$	-	\$ -	\$ 182,519	\$ 182,519
Preferred share liability		-	-	-	-
	\$	-	\$ -	\$ 182,519	\$ 182,519
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	\$	-	\$ -	\$ 3,724,233	\$ 3,724,233

March 31, 2022

		Fair values			
		Level 1	Level 2	Level 3	Total
<i>Financial liabilities measured at fair value</i>					
Derivative financial liabilities	\$	-	\$ -	\$ -	\$ -
Preferred share liability		-	-	-	-
	\$	-	\$ -	\$ -	\$ -
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	\$	-	\$ -	\$ 1,962,299	\$ 1,962,299

Due to their short-term nature, the carrying value of the following financial instruments approximates their fair value at the reporting dates:

- Cash
- Accounts receivable
- Accounts payable and accrued liabilities

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

13. Financial instruments: Fair value and risk management (continued)

Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Risk factors

The Company is exposed to various risks through its financial instruments. The following analysis provides a measure of the Company's risk exposures, concentrations, and its mitigation strategies.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they're due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company is exposed to this risk mainly in respect of accounts payable and accrued liabilities, loans and borrowings, derivative financial liabilities and warrants.

The Company's ability to satisfy its debt obligations will depend principally upon its future operating performance. The Company's inability to generate sufficient cash flow to satisfy its debt obligations or to refinance its obligations on commercially reasonable terms could materially adversely impact the Company's business, financial condition or operating results.

The Company anticipates that its anticipated cash flows to be generated from operations will be sufficient to execute its current business plan for 2022 and to meet its current debt obligations.

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

13. Financial instruments: Fair value and risk management (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

December 31, 2022	Carrying amount	Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<i>Non-derivative financial liabilities</i>						
Accounts payable and accrued liabilities	\$ 1,666,344	\$ 1,666,344	\$ 1,666,344	\$ -	\$ -	\$ -
Loans and borrowings:						
Government loans	1,538,006	2,243,470	63,485	1,718,086	198,326	263,573
Convertible loans	533,726	533,726	533,726	-	-	-
Promissory notes	1,652,501	1,652,501	1,327,146	325,355	-	-
Total non- derivative financial liabilities	\$ 5,390,577	\$ 6,096,041	\$ 3,590,701	\$ 2,043,441	\$ 198,326	\$ 263,573

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Cash held in foreign currencies is minimal, therefore there is immaterial currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's policy is to minimize interest rate cash flow risk exposures on its long-term financing. The Company's loans and borrowings are at fixed interest rates.

Sensitivity analysis

The Company doesn't account for any fixed-rate financial liabilities at FVTPL and the Company doesn't designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

14. Related party transactions

The Company's key management personnel include members of the Board of Directors and executive officers.

The remuneration of key management personnel of the Company during the three-months ended December 31, 2022 and 2021 was as follows:

	Three months ended December 31, 2022		Three months ended December 31, 2021		Nine months ended December 31, 2022		Nine months ended December 31, 2021	
Salaries, incentives and short-term benefit	\$	97,189	\$	522,171	\$	401,477	\$	747,367
Share based payments (Options)		197,537		23,386		317,082		127,607
Share based payments (RSU's)		-		1,400,000		-		1,400,000

The outstanding balances related to key management personnel other than remuneration are as follows:

	December 31, 2022		March 31, 2022	
Accounts payable and accrued liabilities	\$	88,856	\$	55,600
Promissory notes		425,397		105,041

The amounts incurred by the Company for the provision of key management personnel services that are provided by a separate management entity during the three months ended December 31, 2022 and 2021 are as follows:

	Three months ended December 31, 2022		Three months ended December 31, 2021		Nine months ended December 31, 2022		Nine months ended December 31, 2021	
Key management personnel services provided by separate management entity	\$	48,000	\$	36,000	\$	149,256	\$	108,000

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

15. Segmented information

The Company has not established discrete operating or geographic segments. Management makes decisions at a total company level.

16. Share based payments

(a) Employee Stock Options and Compensation Stock Options

The stock options are measured at fair value on the grant date, which is the date of issuance. The vesting conditions are factored into the fair value of these options at issuance, not when they are subsequently recognized over the vesting period.

The following table summarizes stock option activity for the respective periods as follows:

	Number of options	Weighted average exercise price	Average remaining contractual life (in years)
Options outstanding, March 31, 2022	3,646,281	0.2815	4.21
Exercised	(650,000)	0.0001	-
Forfeited	(50,000)	0.3496	-
Options granted by Swarmio Inc.	775,000	0.3496	-
Elimination of Swarmio Inc. as part of RTO transaction	(3,721,281)	(0.2758)	(4.21)
Replacement Options SMHI as part of RTO transaction	3,675,000	0.2649	5.31
New Options – SMHI	5,875,000	0.3500	4.63
Compensation option replaced by SMHI as part of the RTO	60,351	0.3977	-
Compensation Options Expired	(60,351)	(0.3977)	-
Options outstanding, March 31, 2022	9,550,000	0.3223	4.89
New Options	13,755,000	0.0601	4.84
Options Expired	(1,555,000)	(0.3473)	-
Options outstanding, December 31, 2022	21,750,000	\$0.1526	4.83

The following table lists the options outstanding at December 31, 2022 by exercise price:

Exercise price	Options outstanding	Weighted average remaining term (in years)	Options exercisable	Weighted average remaining term (in years)
\$0.0500	10,970,000	4.87	3,500,000	4.86
\$0.1000	2,785,000	4.71	625,000	4.71
\$0.2612	3,625,000	3.53	3,416,668	3.53
\$0.3500	4,370,000	5.88	1,118,750	5.88
	21,750,000		8,660,418	

Swarmio Media Holdings Inc.

Notes to the Condensed interim consolidated financial statements

(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

16. Share based payments (Continued)

The fair values of options granted were determined using a variation of the Black Scholes model that takes into account factors specific to the share incentive plan, such as the vesting period. The performance condition has been incorporated into the measurement by means of actuarial modelling. The following assumptions were used in the valuations during the respective annual periods:

	December 31, 2022	December 31, 2021
Weighted average fair value	\$0.1752	\$0.3616
Weighted average exercise price	\$0.1661	\$0.3172
Weighted average share price at grant date	\$0.1791	\$0.3500
Dividend yield	Nil	Nil
Volatility	197%	183%
Risk-free interest rate	2.67%	1.52%
Expected life (in years)	4.83	5.12
Forfeiture rate	0%	0%

For the nine-months ended December 31, 2022, \$990,483 (2021: \$322,486) of share-based payments were recognized in salaries and benefits and credited to contributed surplus.

(a) RSU – Restricted Share Units

On April 6, 2021, the Company passed a director's resolution to establish a restricted share unit plan (the "RSU Plan") that allows the Company to issue restricted share units ("RSUs") to certain directors, officers, employees and consultants of the Company. The Board of Directors of the Company (the "Board") shall specify the number of common shares of the Company (the "Shares") that will be placed under the RSU plan, the RSUs price and the period during which RSUs may be exercised. The maximum number of Shares reserved for issuance under the RSU Plan shall not exceed 11,045,343 Shares as at the date of the grant of RSUs.

As of December 31, 2022 the Company granted 6,000,000 RSUs to the management, and the each RSU granted represents the right of the participant to receive one common share in the share capital of the Company or, at the Company's election, an amount in cash, in each case net of applicable taxes and contributions to government sponsored plans, equal to the market price of one RSU Share for each RSU then being settled. These RSUs have vested immediately upon grant and expire in three years from the grant date.

During the nine-month period ended December 31, 2022, \$145,000 (2022: \$1,400,000) of share-based payments were recognized in salaries and benefits and credited to shares to be issued.

Swarmio Media Holdings Inc.
Notes to the Condensed interim consolidated financial statements
(Unaudited)

(Expressed in Canadian dollars)

Three and nine-months ended December 31, 2022

17. Subsequent events

Promissory notes

Subsequent to the December 31, 2022, that it has extended the repayment of secured debt of CAD \$802,275. The debt is repayable on demand by the lenders at any time on or after the earlier of (i) February 28, 2023, or (ii) the date on which the Company closes an equity financing with gross proceeds of at least US\$2,000,000.

Industrial Research Assistance Program (IRAP)

Swarmio has also entered into a contribution agreement with the National Research Council of Canada under its Industrial Research Assistance Program for up to \$103,353 in contributions toward research and development project to be undertaken by Swarmio. During the month of October 2022, the Company received \$nil of the total \$103,353.

**This is Exhibit "E" referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

**REPORT ON PERSONAL AND MOVABLE PROPERTY SECURITY
REGISTERED IN THE FOLLOWING PROVINCES**

**BRITISH COLUMBIA
NOVA SCOTIA
ONTARIO**

May 25, 2023

TABLE 1 – NAMES AND PROVINCES SEARCHED

BRITISH COLUMBIA	SASKATCHEWAN	ONTARIO
Swarmio Media Holdings Inc. 1283332 B.C. Ltd. Swarmio Inc. UBIQUE Networks Inc. 12747341 Canada Inc. Swarmio Media Inc. Battlehive Inc.	Swarmio Media Holdings Inc. 1283332 B.C. Ltd. Swarmio Inc. UBIQUE Networks Inc. 12747341 Canada Inc. Swarmio Media Inc. Battlehive Inc.	Swarmio Media Holdings Inc. 1283332 B.C. Ltd. Swarmio Inc. UBIQUE Networks Inc. 12747341 Canada Inc. Swarmio Media Inc. Battlehive Inc. Swarmio Media Singapore PTE. Ltd. Swarm.IO Media ME Computer Systems & Communications Equipment Software Trading Co. L.L.C.

**TABLE 2 – PERSONAL PROPERTY SECURITY REGISTRIES (“PPSR”)
SEARCH RESULTS**

A. BRITISH COLUMBIA

1. Swarmio Media Holdings Inc.

Date search performed: May 24, 2023 at 12:47:16 pm Pacific time

Ref. No.	Registration No.	Registration Date and Time	Secured Party(ies)	Debtor(s)	Expiry	Summary of Charge and Information (For further details, please refer to the text of the registration)
1.	937855N	August 24, 2022 at 6:35:06 am Pacific time	2873626 Ontario Ltd.	Swarmio Media Holdings Inc.	August 24, 2023 at 11:59:59 pm Pacific time	All PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.
2.	937856N	August 24, 2022 at 6:35:09 am Pacific time	2797254 Ontario Inc.	Swarmio Media Holdings Inc.	August 24, 2023 at 11:59:59 pm Pacific time	All PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.
3.	937859N	August 24, 2022 at 6:35:40 am Pacific time	Kolachalam, Arjun	Swarmio Media Holdings Inc.	August 24, 2023 at 11:59:59 pm Pacific time	All PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY
4.	937860N	August 24, 2022 at 6:36:09 am Pacific time	Khan, MD Aseef Hannan	Swarmio Media Holdings Inc.	August 24, 2023 at 11:59:59 pm Pacific time	All PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Ref. No.	Registration No.	Registration Date and Time	Secured Party(ies)	Debtor(s)	Expiry	Summary of Charge and Information (For further details, please refer to the text of the registration)
5.	937861N	August 24, 2022 at 6:36:39 am Pacific time	Joseph, Colin	Swarmio Media Holdings Inc.	August 24, 2023 at 11:59:59 pm Pacific time	All PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.
6.	416821P	March 16, 2023 at 12:15:44 pm Pacific time	2184907 Ontario Inc.	Swarmio Media Holdings Inc.	March 16, 2024 at 11:59:59 pm Pacific time	All PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

2. 1283332 B.C. Ltd.

Date search performed: May 24, 2023 at 12:47:51 pm Pacific time

Results: CLEAR

3. Swarmio Inc.

Date search performed: May 25, 2023 at 10:05:02 am Pacific time

Results: CLEAR

4. UBIQUE Networks Inc.

Date search performed: May 25, 2023 at 10:05:47 am Pacific time

Results: CLEAR

5. 12747341 Canada Inc.

Date search performed: May 25, 2023 at 10:05:26 am Pacific time

Results: CLEAR

6. Swarmio Media Inc.

Date search performed: May 25, 2023 at 10:06:07 am Pacific time

Results: CLEAR

7. Battlehive Inc.

Date search performed: May 25, 2023 at 10:04:40 am Pacific time

Results: CLEAR

B. NOVA SCOTIA

1. Swarmio Media Holdings Inc.

Date search performed: 2023-05-25 12:11 (Atlantic)

Ref. No.	Registration No.	Registration Date and Time	Secured Party(ies)	Debtor(s)	Expiry	Summary of Charge and Information (For further details, please refer to the text of the registration)
1.	36734317	2022-08-24 10:35	2873626 Ontario Ltd.	Swarmio Media Holdings Inc.	2023-08-24	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.
2.	36734333	2022-08-24 10:35	2797254 Ontario Inc.	Swarmio Media Holdings Inc.	2023-08-24	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.
3.	36734481	2022-08-24 10:36	Khan, MD Aseef Hannan	Swarmio Media Holdings Inc.	2023-08-24	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Ref. No.	Registration No.	Registration Date and Time	Secured Party(ies)	Debtor(s)	Expiry	Summary of Charge and Information (For further details, please refer to the text of the registration)
4.	36734564	2022-08-24 10:36	Joseph, Colin	Swarmio Media Holdings Inc.	2023-08-24	All PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.
5.	37564036	2023-03-16 16:16	2184907 Ontario Inc.	Swarmio Media Holdings Inc.	2024-03-16	All PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.
6.	36734473	2022-08-24 10:36	Kolachalam, Arjun	Swarmio Media Holdings Inc	2023-08-24	All PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

2. 1283332 B.C. Ltd.

Date search performed: 2023-05-25 12:11 (Atlantic)

Results: CLEAR

3. Swarmio Inc.

Date search performed: 2023-05-24 16:47 (Atlantic)

Ref. No.	Registration No.	Registration Date and Time	Secured Party(ies)	Debtor(s)	Expiry	Summary of Charge and Information (For further details, please refer to the text of the registration)
1.	27424787 Renewal 28545358 2017-11-10 12:10 Amendment 33912635 2021-01-15 10:52 – Add Swarmio Inc. as debtor	2017-04-05 10:43	Business Development Bank of Canada	Ubique Networks Inc. Ubique Networks Inc. Swarmio Inc.	2029-04-05	All present and after acquired personal property <u>Added by registration number 33912635</u> Ubique Networks Inc. changed its name to Swarmio Inc.

4. UBIQUE Networks Inc.

Date search performed: 2023-05-24 16:48 (Atlantic)

Ref. No.	Registration No.	Registration Date and Time	Secured Party(ies)	Debtor(s)	Expiry	Summary of Charge and Information (For further details, please refer to the text of the registration)
1.	27424787 Renewal 28545358 2017-11-10 12:10 Amendment 33912635 2021-01-15	2017-04-05 10:43	Business Development Bank of Canada	Ubique Networks Inc. Ubique Networks Inc. Swarmio Inc.	2029-04-05	All present and after acquired personal property <u>Added by registration number 33912635</u> Ubique Networks Inc. changed its name to Swarmio Inc.

Ref. No.	Registration No.	Registration Date and Time	Secured Party(ies)	Debtor(s)	Expiry	Summary of Charge and Information (For further details, please refer to the text of the registration)
	10:52 – Add Swarmio Inc. as debtor					

5. 12747341 Canada Inc.

Date search performed: 2023-05-24 16:47 (Atlantic)

Results: CLEAR

6. Swarmio Media Inc.

Date search performed: 2023-05-24 16:49 (Atlantic)

Results: CLEAR – only similar matches found

7. Battlehive Inc.

Date search performed: 2023-05-25 16:25 (Atlantic)

Results: CLEAR

C. ONTARIO

LEGEND: CG – CONSUMER GOODS, I – INVENTORY, E – EQUIPMENT, A – ACCOUNTS, O – OTHER, MV – MOTOR VEHICLE

1. Swarmio Media Holdings Inc.

Date search performed: May 24, 2023

PPSR currency as at: May 23, 2023

Ref. No.	Ref. File No: 786074805	From: August 24, 2022 To: August 24, 2023 (Expiry Date includes subsequent Renewals)	Registration Period: 1 year						Contains:		
1.	PPSA Registration (1 year)	Registration Number: 20220824 0934 1590 7112 Registration Date: August 24, 2022 Caution Filing:									
		PARTIES									
		Debtors:					SWARMIO MEDIA HOLDINGS INC.				
		Secured Parties:					2873626 ONTARIO LTD.				
		COLLATERAL CLASSIFICATION									
		CG	I	E	A	O	MV	Secured Amount:			
			x	x	x	x		Date of Maturity:			
Ref. No.	Ref. File No: 786074976	From: August 24, 2022 To: August 24, 2023 (Expiry Date includes subsequent Renewals)	Registration Period: 1 year						Contains:		
2.	PPSA Registration (1 year)	Registration Number: 20220824 0935 1590 7113 Registration Date: August 24, 2022 Caution Filing:									
		PARTIES									
		Debtors:					SWARMIO MEDIA HOLDINGS INC.				
		Secured Parties:					2797254 ONTARIO INC.				
		COLLATERAL CLASSIFICATION									
		CG	I	E	A	O	MV	Secured Amount:			
			x	x	x	x		Date of Maturity:			

Ref. No.	Ref. File No: 786075129	From: August 24, 2022 To: August 24, 2023 (Expiry Date includes subsequent Renewals)		Registration Period: 1 year		Contains:		
3.	PPSA Registration (1 year)	Registration Number: 20220824 0935 1590 7114 Registration Date: August 24, 2022 Caution Filing:						
		PARTIES						
		Debtors:		SWARMIO MEDIA HOLDINGS INC.				
		Secured Parties:		ARJUN KOLACHALAM				
		COLLATERAL CLASSIFICATION						
		CG	I	E	A	O	MV	Secured Amount:
			x	x	x	x		Date of Maturity: General Collateral Description: ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.
Ref. No.	Ref. File No: 786075219	From: August 24, 2022 To: August 24, 2023 (Expiry Date includes subsequent Renewals)		Registration Period: 1 year		Contains:		
4.	PPSA Registration (1 year)	Registration Number: 20220824 0936 1590 7115 Registration Date: August 24, 2022 Caution Filing:						
		PARTIES						
		Debtors:		SWARMIO MEDIA HOLDINGS INC.				
		Secured Parties:		MD ASEEF HANNAN KHAN				
		COLLATERAL CLASSIFICATION						
		CG	I	E	A	O	MV	Secured Amount:

			X	X	X	X		Date of Maturity: General Collateral Description:	
Ref. No.	Ref. File No: 786075345	From: August 24, 2022 To: August 24, 2023 (Expiry Date includes subsequent Renewals)		Registration Period: 1 year			Contains:		
5.	PPSA Registration (1 year)	Registration Number: 20220824 0936 1590 7116 Registration Date: August 24, 2022 Caution Filing:							
		PARTIES							
		Debtors:			SWARMIO MEDIA HOLDINGS INC.				
		Secured Parties:			COLIN JOSEPH				
		COLLATERAL CLASSIFICATION							
		CG	I	E	A	O	MV	Secured Amount:	
			X	X	X	X		Date of Maturity: General Collateral Description:	
Ref. No.	Ref. File No: 791533791	From: March 16, 2023 To: March 16, 2024 (Expiry Date includes subsequent Renewals)		Registration Period: 1 year			Contains:		
6.	PPSA Registration (1 year)	Registration Number: 20230316 1515 1590 5088 Registration Date: March 16, 2023 Caution Filing:							
		PARTIES							
		Debtors:			SWARMIO MEDIA HOLDINGS INC.				
		Secured Parties:			2184907 ONTARIO INC.				
		COLLATERAL CLASSIFICATION							
		CG	I	E	A	O	MV	Secured Amount:	

			x	x	x	x		Date of Maturity: General Collateral Description:
--	--	--	---	---	---	---	--	--

2.

1283332 B.C. Ltd.

Date search performed: May 24, 2023

PPSR currency as at: May 23, 2023

Results: CLEAR
3.

Swarmio Inc.

Date search performed: May 24, 2023

PPSR currency as at: May 23, 2023

Results: CLEAR
4.

UBIQUE Networks Inc.

Date search performed: May 24, 2023

Ref. No.	Ref. File No: 710776998	From: October 9, 2015 To: October 9, 2025 (Expiry Date includes subsequent Renewals)	Registration Period: 5 years	Contains: 20200904 1435 1530 3612 – Renewal – 5 years
1.	PPSA Registration (5 years)	Registration Number: 20151009 1954 1531 8865 Registration Date: October 9, 2015 Caution Filing:		
		PARTIES		
		Debtors:	UBIQUE NETWORKS INC	
		Secured Parties:	ROYAL BANK OF CANADA	
		COLLATERAL CLASSIFICATION		

		CG	I	E	A	O	MV	Secured Amount:
			x	x	x	x	x	Date of Maturity: General Collateral Description:

5. 12747341 Canada Inc.

Date search performed: May 24, 2023

PPSR currency as at: May 23, 2023

Results: CLEAR

6. Swarmio Media Inc.

Date search performed: May 24, 2023

PPSR currency as at: May 23, 2023

Results: CLEAR

7. Battlehive Inc.

Date search performed: May 24, 2023

PPSR currency as at: May 23, 2023

Results: CLEAR

8. Swarmio Media Singapore PTE. Ltd.

Date search performed: May 24, 2023

PPSR currency as at: May 23, 2023

Results: CLEAR

9. Swarm.IO Media ME Computer Systems & Communications Equipment Software Trading Co. L.L.C.

Date search performed: May 24, 2023

PPSR currency as at: May 23, 2023

Results: CLEAR

SWARMIO MEDIA HOLDINGS INC.

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105303.64

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(17359)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SWARMIO MEDIA HOLDINGS INC.

FILE CURRENCY : 08JUN 2023

ENQUIRY NUMBER 20230609105303.64 CONTAINS 8 PAGE(S), 6 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

MILLER THOMSON LLP (TORONTO) - TORONTOSEARCH TEAM

40 KING ST W
TORONTO ON M5H 4A9

CONTINUED... 2



RUN NUMBER : 160
 RUN DATE : 2023/06/09
 ID : 20230609105303.64

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 2
 (17360)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : SWARMIO MEDIA HOLDINGS INC.
 FILE CURRENCY : 08JUN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 791533791

00

01

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	1		20230316 1515 1590 5088	P PPSA	1

02

03

DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME SWARMIO MEDIA HOLDINGS INC.

ONTARIO CORPORATION NO.

04

ADDRESS 321 WATER STREET, SUITE 501 VANCOUVER BC V6B 1B8

05

06

DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07

ADDRESS

08

09

SECURED PARTY / 2184907 ONTARIO INC.

28 NORMANDALE CRES. TORONTO ON M2P 1M8

10

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE
X	X	X	X				

11

12

YEAR MAKE MODEL V.I.N.

13

14

15

GENERAL
 COLLATERAL
 DESCRIPTION

16

17

REGISTERING AGENT LABARGE WEINSTEIN LLP (SM/KE) 6657-012

ADDRESS 515 LEGGET DRIVE, SUITE 800 OTTAWA ON K2K 3G4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(orj1fv 05/2022)

Ontario 

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105303.64

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(17361)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SWARMIO MEDIA HOLDINGS INC.
FILE CURRENCY : 08JUN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
786074805

CAPTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	1		20220824 0934 1590 7112	P PPSA	1
02	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
03	BUSINESS NAME		SWARMIO MEDIA HOLDINGS INC.			
04	ADDRESS		321 WATER STREET, SUITE 501	VANCOUVER	BC	V6B 1B8
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
06	BUSINESS NAME					
07	ADDRESS					
08	SECURED PARTY / SPONSOR CONTRACT		2873626 ONTARIO LTD.			
09	ADDRESS		17 DENLOW BLVD.	NORTH YORK	ON	M3B 1P3
10	COLLATERAL CLASSIFICATION					
	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	
	X	X	X	X	X	
11	MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.		
12	GENERAL					
13	COLLATERAL					
14	DESCRIPTION					
15	REGISTERING AGENT		LABARGE WEINSTEIN LLP (SM-KE) - 6657-012			
16	ADDRESS		515 LEGGET DRIVE, SUITE 800	OTTAWA	ON	K2K 3G4
17						

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj)tr 05/2022

Ontario 

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105303.64

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(17362)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SWARMIO MEDIA HOLDINGS INC.
FILE CURRENCY : 08JUN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
786074976

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20220824 0935 1590 7113 P PPSA 1

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 SWARMIO MEDIA HOLDINGS INC.

05 ADDRESS 321 WATER STREET, SUITE 501 VANCOUVER BC V6B 1B8

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

07 NAME BUSINESS NAME

08 ADDRESS

09 SECURED PARTY / 2797254 ONTARIO INC.

06 ADDRESS 4744 WEST RIDGE DRIVE KELOWNA BC V1W 3B5

10 COLLATERAL CLASSIFICATION
CONSUMER GOOD INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
INCLUDED Maturity OR Maturity DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING LABARGE WEINSTEIN LLP (SM-KE) - 6657-012
AGENT

17 ADDRESS 515 LEGGET DRIVE, SUITE 800 OTTAWA ON K2K 3G4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(c)11w 05/2022

Ontario 

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105303.64

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(17363)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SWARMIO MEDIA HOLDINGS INC.
FILE CURRENCY : 08JUN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
786075129

CAPTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED INDEX	REGISTRATION PERIOD
	001	1		20220824 0935 1590 7114	P PPSA	1

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME SWARMIO MEDIA HOLDINGS INC.

04 ADDRESS 321 WATER STREET, SUITE 501 VANCOUVER ONTARIO CORPORATION NO. BC V6B 1B8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / ARJUN KOLACHALAM

09 ADDRESS 2237 AARON STREET LOS ANGELES CA 90026

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND

14 COLLATERAL ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

15 DESCRIPTION

16 REGISTERING LABARGE WEINSTEIN LLP (SM-KE) - 6657-012
AGENT

17 ADDRESS 515 LEGGET DRIVE, SUITE 800 OTTAWA ON K2K 3G4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(e) 11v 05/2022

Ontario 

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105303.64

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(17364)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SWARMIO MEDIA HOLDINGS INC.
FILE CURRENCY : 08JUN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
786075219

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	1		20220824 0936 1590 7115	P PPSA	1

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME SWARMIO MEDIA HOLDINGS INC.

04 ADDRESS 321 WATER STREET, SUITE 501 VANCOUVER BC V6B 1B8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / MD ASEEF HANNAN KHAN

09 ADDRESS 2808-4978 YONGE STREET TORONTO ON M2N 7G8

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED	
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY	OR	MATURITY DATE
10	X	X	X	X				

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING LABARGE WEINSTEIN LLP (SM-KE) - 6657-012
AGENT

17 ADDRESS 515 LEGGET DRIVE, SUITE 800 OTTAWA ON K2K 3G4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj11v 05/2022)

Ontario 

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105303.64

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 7
(17365)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SWARMIO MEDIA HOLDINGS INC.
FILE CURRENCY : 08JUN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
786075345

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20220824 0936 1590 7116 P PPSA 1

02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR NAME BUSINESS NAME SWARMIO MEDIA HOLDINGS INC.

04 ADDRESS 321 WATER STREET, SUITE 501 VANCOUVER ONTARIO CORPORATION NO. BC V6B 1B8

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / COLIN JOSEPH

09 TYPE OF COLLATERAL 73 SALT DR. AJAX ON L1S 7P6

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING LABARGE WEINSTEIN LLP (SM-KE) - 6657-012
AGENT

17 ADDRESS 515 LEGGET DRIVE, SUITE 800 OTTAWA ON K2K 3G4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES
(oj1fv 05/2022)

Ontario 

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105303.64

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

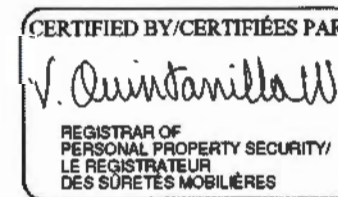
REPORT : PSSR060
PAGE : 8
(17366)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SWARMIO MEDIA HOLDINGS INC.
FILE CURRENCY : 00JUN 2023

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
791533791	20230316 1515 1590 5088			
786074805	20220824 0934 1590 7112			
786074976	20220824 0935 1590 7113			
786075129	20220824 0935 1590 7114			
786075219	20220824 0936 1590 7115			
786075345	20220824 0936 1590 7116			

6 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



(crj) 05/2022

Nova Scotia

PPRS Search Result Report

24387066

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Nova Scotia
Type of Search:	Debtors (Enterprise)
Search Criteria:	Swarmio Media Holdings Inc.
Date and Time of Search (YYYY-MM-DD hh:mm):	2023-05-25 12:11 (Atlantic)
Transaction Number:	24387066
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	36734317	Swarmio Media Holdings Inc.	Vancouver
*	*	36734333	Swarmio Media Holdings Inc.	Vancouver
*	*	36734481	Swarmio Media Holdings Inc.	Vancouver
*	*	36734564	Swarmio Media Holdings Inc.	Vancouver
*	*	37564036	Swarmio Media Holdings Inc.	Vancouver
	*	36734473	Swarmio Media Holdings Inc.	Vancouver

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 5 registration(s) contained information that **exactly** matched the search criteria you specified.

- 1 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 36734317

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734317	2022-08-24 10:35	2023-08-24	478362128

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Nova Scotia

PPRS Search Result Report

24387066

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Enterprise
2873626 Ontario Ltd.
17 Denlow Blvd.
North York ON M3B 1P3
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS
THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734333**Province or Territory: Nova Scotia****Registration Type: PPSA Financing Statement****Registration History**

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734333	2022-08-24 10:35	2023-08-24	478363029

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Enterprise
2797254 Ontario Inc.
4744 West Ridge Drive
Kelowna BC V1W 3B5

Nova Scotia

PPRS Search Result Report

24387066

Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734481

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734481	2022-08-24 10:36	2023-08-24	478362429

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Individual
Khan, MD Aseef Hannan
2808-4978 Yonge Street
Toronto ON M2N 7G8
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734564

Province or Territory: Nova Scotia

Nova Scotia

PPRS Search Result Report

24387066

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734564	2022-08-24 10:36	2023-08-24	478362228

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Individual
Joseph, Colin
73 Salt Dr.
Ajax ON L1S 7P6
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 37564036

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	37564036	2023-03-16 16:16	2024-03-16	383304667

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Nova Scotia

PPRS Search Result Report

24387066

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Enterprise
2184907 Ontario Inc.
28 Normandale Cres.
Toronto ON M2P 1M8
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS
THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734473**Province or Territory: Nova Scotia****Registration Type: PPSA Financing Statement****Registration History**

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734473	2022-08-24 10:36	2023-08-24	478362528

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Individual
Kolachalam, Arjun
2237 Aaron Street
Los Angeles CA 90026
USA

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS
THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

END OF REPORT



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "SWARMIO MEDIA HOLDINGS INC."

Search Date and Time: May 24, 2023 at 12:47:16 pm Pacific time
Account Name: MILLER THOMSON LLP
Folio Number: M. Faheim

TABLE OF CONTENTS

6 Matches in 6 Registrations in Report

Exact Matches: 6 (*)

Total Search Report Pages: 13

	Base Registration	Base Registration Date	Debtor Name	Page
1	937855N	August 24, 2022	* SWARMIO MEDIA HOLDINGS INC.	2
2	937856N	August 24, 2022	* SWARMIO MEDIA HOLDINGS INC.	4
3	937859N	August 24, 2022	* SWARMIO MEDIA HOLDINGS INC.	6
4	937860N	August 24, 2022	* SWARMIO MEDIA HOLDINGS INC.	8
5	937861N	August 24, 2022	* SWARMIO MEDIA HOLDINGS INC.	10
6	416821P	March 16, 2023	* SWARMIO MEDIA HOLDINGS INC.	12



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 937855N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 24, 2022 at 6:35:06 am Pacific time
Current Expiry Date and Time:	August 24, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of May 24, 2023 at 12:47:16 pm Pacific time)

Secured Party Information

2873626 ONTARIO LTD.

Address

17 DENLOW BLVD.
NORTH YORK ON
M3B 1P3 Canada

Debtor Information

SWARMIO MEDIA HOLDINGS INC.

Address

321 WATER STREET, SUITE 501
VANCOUVER BC
V6B 1B8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**LABARGE WEINSTEIN LLP (SM-KE -
6657-012)**

Address

515 LEGGET DRIVE, SUITE 800
OTTAWA ON
K2K 3G4 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 937856N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 24, 2022 at 6:35:09 am Pacific time
Current Expiry Date and Time:	August 24, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of May 24, 2023 at 12:47:16 pm Pacific time)

Secured Party Information

2797254 ONTARIO INC.

Address

4744 WEST RIDGE DRIVE
KELOWNA BC
V1W 3B5 Canada

Debtor Information

SWARMIO MEDIA HOLDINGS INC.

Address

321 WATER STREET, SUITE 501
VANCOUVER BC
V6B 1B8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**LABARGE WEINSTEIN LLP (SM-KE -
6657-012)**

Address

515 LEGGET DRIVE, SUITE 800
OTTAWA ON
K2K 3G4 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 937859N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 24, 2022 at 6:35:40 am Pacific time
Current Expiry Date and Time:	August 24, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of May 24, 2023 at 12:47:16 pm Pacific time)

Secured Party Information

KOLACHALAM, ARJUN

Address

2237 AARON STREET
LOS ANGELES CA
90026 United States of America

Debtor Information

SWARMIO MEDIA HOLDINGS INC.

Address

321 WATER STREET, SUITE 501
VANCOUVER BC
V6B 1B8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**LABARGE WEINSTEIN LLP (SM-KE -
6657-012)**

Address

515 LEGGET DRIVE, SUITE 800
OTTAWA ON
K2K 3G4 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 937860N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 24, 2022 at 6:36:09 am Pacific time
Current Expiry Date and Time:	August 24, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of May 24, 2023 at 12:47:16 pm Pacific time)

Secured Party Information

KHAN, MD ASEEF HANNAN

Address

2808-4978 YONGE STREET
TORONTO ON
M2N 7G8 Canada

Debtor Information

SWARMIO MEDIA HOLDINGS INC.

Address

321 WATER STREET, SUITE 501
VANCOUVER BC
V6B 1B8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**LABARGE WEINSTEIN LLP (SM-KE -
6657-012)**

Address

515 LEGGET DRIVE, SUITE 800
OTTAWA ON
K2K 3G4 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 937861N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 24, 2022 at 6:36:39 am Pacific time
Current Expiry Date and Time:	August 24, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of May 24, 2023 at 12:47:16 pm Pacific time)

Secured Party Information

JOSEPH, COLIN

Address

73 SALT DR.
AJAX ON
L1S 7P6 Canada

Debtor Information

SWARMIO MEDIA HOLDINGS INC.

Address

321 WATER STREET, SUITE 501
VANCOUVER BC
V6B 1B8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**LABARGE WEINSTEIN LLP (SM-KE -
6657-012)**

Address

515 LEGGET DRIVE, SUITE 800
OTTAWA ON
K2K 3G4 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 416821P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	March 16, 2023 at 12:15:44 pm Pacific time
Current Expiry Date and Time:	March 16, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of May 24, 2023 at 12:47:16 pm Pacific time)

Secured Party Information

2184907 ONTARIO INC.

Address

28 NORMANDALE CRES.
TORONTO ON
M2P 1M8 Canada

Debtor Information

SWARMIO MEDIA HOLDINGS INC.

Address

321 WATER STREET, SUITE 501
VANCOUVER BC
V6B 1B8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

LABARGE WEINSTEIN LLP (SM/KE)
6657-012

Address

515 LEGGET DRIVE, SUITE 800
OTTAWA ON
K2K 3G4 Canada



SWARMIO INC. (PREVIOUSLY UBIQUE NETWORKS INC.)

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105325.52

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(17367)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

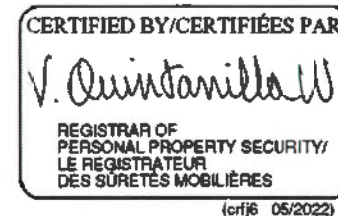
SEARCH CONDUCTED ON : SWARMIO INC.

FILE CURRENCY : 08JUN 2023

ENQUIRY NUMBER 20230609105325.52 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

MILLER THOMSON LLP (TORONTO) - TORONTOSEARCH TEAM
40 KING ST W
TORONTO ON M5H 4A9



RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105354.72

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(17368)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : UBIQUE NETWORKS INC.

FILE CURRENCY : 08JUN 2023

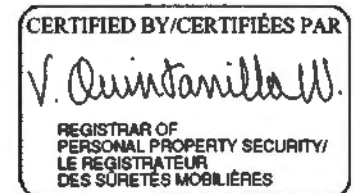
ENQUIRY NUMBER 20230609105354.72 CONTAINS 4 PAGE(S), 1 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

MILLER THOMSON LLP (TORONTO) - TORONTOSEARCH TEAM
40 KING ST W
TORONTO ON M5H 4A9

CONTINUED...

2



RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105354.72

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(17369)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : UBIQUE NETWORKS INC.
FILE CURRENCY : 08JUN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
710776998

CAPTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	01	001		20151009 1954 1531 8865	P PPSA	5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME UBIQUE NETWORKS INC

04 ADDRESS 18 DUCKFIELD CRES AJAX ON L1Z 2C8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS

08 SECURED PARTY / ROYAL BANK OF CANADA

09 ADDRESS 36 YORK MILLS ROAD, 4TH FLOOR TORONTO ON M2P 0A4

COLLATERAL CLASSIFICATION	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FILED MATURITY DATE
10	X	X	X	X	X	X			

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING CANADIAN SECURITIES REGISTRATION SYSTEMS
AGENT

17 ADDRESS 4126 NORLAND AVENUE BURNABY BC V5G 3S8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(01/11/05/2022)

Ontario 

RUN NUMBER : 160
 RUN DATE : 2023/06/09
 ID : 20230609105354.72

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 3
 (17370)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : UBIQUE NETWORKS INC.
 FILE CURRENCY : 08JUN 2023

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	01	001		20200904 1435 1530 3612	
21	FILE NUMBER	710776998			
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
		X	B RENEWAL	5	
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	UBIQUE NETWORKS INC		
25	OTHER CHANGE				
26	REASON/ DESCRIPTION				
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/					
06					
04/07	ADDRESS				ONTARIO CORPORATION NO.
29	ASSIGNOR				
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
09	ADDRESS				
	COLLATERAL CLASSIFICATION				
	CONSUMER		MOTOR VEHICLE	DATE OF	NO FIXED
	GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT	MATURITY OR	MATURITY DATE
10	YEAR MAKE	MODEL	V.I.N.		
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	CANADIAN SECURITIES REGISTRATION SYSTEMS			
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	4126 NORLAND AVENUE	BURNABY	BC V5G 3H8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES
 (ex)24v 05/2022

Ontario 

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105354.72

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

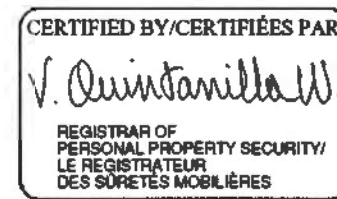
REPORT : PSSR060
PAGE : 4
(17371)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : UBIQUE NETWORKS INC.
FILE CURRENCY : 08JUN 2023

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
710776998	20151009 1954 1531 8865	20200904 1435 1530 3612		

2 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



Nova Scotia

PPRS Search Result Report

24384028

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Nova Scotia
Type of Search: Debtors (Enterprise)
Search Criteria: Swarmio Inc.
Date and Time of Search (YYYY-MM-DD hh:mm): 2023-05-24 16:47 (Atlantic)
Transaction Number: 24384028
Searched By: S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	27424787	Swarmio Inc.	Sydney
	*	36734473	Swarmio Media Holdings Inc	Vancouver
	*	36734317	Swarmio Media Holdings Inc.	Vancouver
	*	36734333	Swarmio Media Holdings Inc.	Vancouver
	*	36734481	Swarmio Media Holdings Inc.	Vancouver
	*	36734564	Swarmio Media Holdings Inc.	Vancouver
	*	37564036	Swarmio Media Holdings Inc.	Vancouver

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 1 registration(s) contained information that **exactly** matched the search criteria you specified.

- 6 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 27424787

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	27424787	2017-04-05 10:43	2028-04-05	123168
Renewal	28545358	2017-11-10 12:10	2029-04-05	
Amendment	33912635	2021-01-15 10:52	2029-04-05	

As listed in the Registration History section above, this registration has been the subject of an Amendment or

Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Ubique Networks Inc.
Karthigesu, Vijai
Director
37 Nepean Street
Suite 306
Sydney NS B1P 6A7
Canada

Type: Enterprise
Ubique Networks Inc.
Karthigesu, Vijai
Director
1 Douglas Street
Sydney NS B1P 1V2
Canada

The Debtor below was added by registration number 33912635

Type: Enterprise
Swarmio Inc.
295 George Street, Suite 102
Sydney NS B1P 1J7
Canada

Secured Parties

Type: Enterprise
Business Development Bank of Canada
275 Charlotte Street
Suite 117
Sydney NS B1P 1C6
Canada

General Collateral

All present and after acquired personal property

Additional Information

Added by registration number 33912635

Ubique Networks Inc. changed its name to Swarmio Inc.

Registration Details for Registration Number: 36734473

Nova Scotia

PPRS Search Result Report

24384028

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734473	2022-08-24 10:36	2023-08-24	478362528

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Individual
Kolachalam, Arjun
2237 Aaron Street
Los Angeles CA 90026
USA

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734317

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734317	2022-08-24 10:35	2023-08-24	478362128

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Nova Scotia

PPRS Search Result Report

24384028

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Enterprise
2873626 Ontario Ltd.
17 Denlow Blvd.
North York ON M3B 1P3
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS
THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734333**Province or Territory: Nova Scotia****Registration Type: PPSA Financing Statement****Registration History**

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734333	2022-08-24 10:35	2023-08-24	478363029

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Enterprise
2797254 Ontario Inc.
4744 West Ridge Drive
Kelowna BC V1W 3B5

Nova Scotia

PPRS Search Result Report

24384028

Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734481

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734481	2022-08-24 10:36	2023-08-24	478362429

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Individual
Khan, MD Aseef Hannan
2808-4978 Yonge Street
Toronto ON M2N 7G8
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734564

Province or Territory: Nova Scotia

Nova Scotia

PPRS Search Result Report

24384028

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734564	2022-08-24 10:36	2023-08-24	478362228

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Individual
Joseph, Colin
73 Salt Dr.
Ajax ON L1S 7P6
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 37564036

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	37564036	2023-03-16 16:16	2024-03-16	383304667

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Nova Scotia

PPRS Search Result Report

24384028

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Enterprise
2184907 Ontario Inc.
28 Normandale Cres.
Toronto ON M2P 1M8
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS
THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

END OF REPORT



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Swarmio Inc."

Search Date and Time: May 25, 2023 at 10:05:02 am Pacific time
Account Name: MILLER THOMSON LLP
Folio Number: 0278065.0001

NIL RESULT

0 Matches in 0 Registrations in Report

Exact Matches: 0 (*)

Total Search Report Pages: 0

The search returned a NIL result. 0 registrations were found.

No registered liens or encumbrances have been found on file that match EXACTLY to the search criteria listed above and no similar matches to the criteria have been found.

SWARMIO MEDIA INC.

RUN NUMBER : 160
RUN DATE : 2023/06/09
ID : 20230609105418.18

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(17372)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

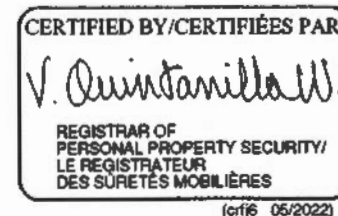
SEARCH CONDUCTED ON : SWARMIO MEDIA INC.

FILE CURRENCY : 08JUN 2023

ENQUIRY NUMBER 20230609105418.18 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

MILLER THOMSON LLP (TORONTO) - TORONTOSEARCH TEAM
40 KING ST W
TORONTO ON M5H 4A9



Nova Scotia

PPRS Search Result Report

24384050

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Nova Scotia
Type of Search:	Debtors (Enterprise)
Search Criteria:	Swarmio Media Inc.
Date and Time of Search (YYYY-MM-DD hh:mm):	2023-05-24 16:49 (Atlantic)
Transaction Number:	24384050
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
	*	36734473	Swarmio Media Holdings Inc	Vancouver
	*	36734317	Swarmio Media Holdings Inc.	Vancouver
	*	36734333	Swarmio Media Holdings Inc.	Vancouver
	*	36734481	Swarmio Media Holdings Inc.	Vancouver
	*	36734564	Swarmio Media Holdings Inc.	Vancouver
	*	37564036	Swarmio Media Holdings Inc.	Vancouver

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 6 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 36734473

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734473	2022-08-24 10:36	2023-08-24	478362528

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Nova Scotia

PPRS Search Result Report

24384050

Debtors

Type: Enterprise
Swarmio Media Holdings Inc
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Individual
Kolachalam, Arjun
2237 Aaron Street
Los Angeles CA 90026
USA

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734317**Province or Territory:** Nova Scotia**Registration Type:** PPSA Financing Statement**Registration History**

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734317	2022-08-24 10:35	2023-08-24	478362128

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Enterprise
2873626 Ontario Ltd.
17 Denlow Blvd.
North York ON M3B 1P3

Nova Scotia

PPRS Search Result Report

24384050

Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734333

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734333	2022-08-24 10:35	2023-08-24	478363029

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Enterprise
2797254 Ontario Inc.
4744 West Ridge Drive
Kelowna BC V1W 3B5
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734481

Province or Territory: Nova Scotia

Nova Scotia

PPRS Search Result Report

24384050

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734481	2022-08-24 10:36	2023-08-24	478362429

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
 Swarmio Media Holdings Inc.
 321 Water Street, Suite 501
 Vancouver BC V6B 1B8
 Canada

Secured Parties

Type: Individual
 Khan, MD Aseef Hannan
 2808-4978 Yonge Street
 Toronto ON M2N 7G8
 Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 36734564

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	36734564	2022-08-24 10:36	2023-08-24	478362228

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Individual
Joseph, Colin
73 Salt Dr.
Ajax ON L1S 7P6
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 37564036

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	37564036	2023-03-16 16:16	2024-03-16	383304667

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Swarmio Media Holdings Inc.
321 Water Street, Suite 501
Vancouver BC V6B 1B8
Canada

Secured Parties

Type: Enterprise
2184907 Ontario Inc.
28 Normandale Cres.
Toronto ON M2P 1M8
Canada

General Collateral

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THAT ARE PRESENT OR AFTER-ACQUIRED PERSONAL PROPERTY.

END OF REPORT



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Swarmio Media Inc."

Search Date and Time: May 25, 2023 at 10:06:07 am Pacific time
Account Name: MILLER THOMSON LLP
Folio Number: 0278065.0001

NO REGISTRATIONS SELECTED

0 Matches in 0 Registrations in Report

Exact Matches: 0 (*)

Total Search Report Pages: 0

No registered liens or encumbrances have been found on file that match EXACTLY to the search criteria listed above and no similar matches to the criteria have been selected by the searching party.



**This is Exhibit “F” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakhim

A927326440D742A

A COMMISSIONER FOR TAKING AFFIDAVITS

SECURED PROMISSORY NOTE

Principal Amount: \$1,000,000

Date of Issue: March 10, 2023

Lender: **2184907 Ontario Inc**

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the "Borrower"), promises to pay to the order of the lender named above (the "Lender") the principal amount indicated above, in lawful money of Canada and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. **Loan.** This Secured Promissory Note (this "Note") evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the "Loan"), which Borrower acknowledges receipt of such loan in the face amount of this Note.
2. **Note Purchase Agreement; Security Documents.** This Note is issued under and pursuant to the terms of that certain Note Purchase Agreement by and between the Borrower and the Lender dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"). The Lender is entitled to the benefits of this Note, the Purchase Agreement and the Security Documents (as defined in Section 7) and may enforce the agreements of the Borrower contained herein and therein and exercise the remedies provided for hereby and thereby or otherwise available in respect hereto and thereto.
3. **Payment; Interest Rate.**
 - (a) **Principal.** The outstanding principal hereof shall be payable on demand by the Lender at any time on or after June 10, 2023. The date on which repayment is demanded in accordance with this Section is referred to as the "Maturity Date".
 - (b) **Interest.** The outstanding principal balance of this Note shall bear no interest.
4. **Prepayment.** Upon the occurrence of an Event of Default (as defined in Section 6), the outstanding principal balance of and all interest accrued thereon pursuant to this Note shall be accelerated and shall become immediately due and payable. The Borrower may prepay all of the outstanding hereunder at any time in whole (but not in part) without penalty, and any amount so prepaid shall be applied in accordance with Section 3(d) hereof.
5. **Events of Default.** An "Event of Default" shall occur hereunder if any Event of Default (as defined and described in the Purchase Agreement) shall have occurred.
6. **Security.** The Borrower's obligations hereunder are secured by each of the following documents, to which reference is made for a more complete description of the Lender's rights thereunder and the terms of which are incorporated herein by reference (collectively, as any of

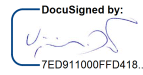
the same may be amended, modified, restated or renewed from time to time, collectively the "Security Documents"): (a) that certain Security Agreement effective as of the date hereof executed by the Borrower in favor of the Lender; and (b) an intercreditor agreement entered into between the Borrower, the Lender and other holders of promissory notes in similar form issued by the Borrower on or about the date hereof.

The Lender acknowledges that its security shall be subordinated to the security held by the Business Development Bank and the CBDC in the aggregate amount of \$325,000.

7. **Miscellaneous.** No extension of time for payment of any amount owing hereunder shall affect the liability of the Borrower for payment of the indebtedness evidenced hereby. No delay by any holder hereof in exercising any power or right hereunder shall operate as a waiver of any power or right hereunder. No waiver or modification of the terms of this Note shall be valid unless in writing and signed by the Borrower and the Lender. This Note shall be governed by the internal law and not the law of conflicts of the Province of Ontario, and the performance of obligations imposed by this Note shall be governed by the laws of Ontario applicable to contracts made and wholly to be performed in that Province. In case any provision contained herein (or part thereof) shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or other unenforceability shall not affect any other provision (or the remaining part of the affected provision) hereof, but this Note shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent that such provision is invalid, illegal or unenforceable.
8. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Note pursuant to the notice provisions set forth in the Purchase Agreement.
9. **Successors and Assigns.** All of the covenants, stipulations, promises, and agreements in this Note contained by or on behalf of the Borrower shall bind its successors and assigns, whether so expressed or not. The Borrower may not assign this Note without the prior written consent of Lender. This Note may be transferred or assigned by Lender, in whole or in part, without the prior written consent of the Borrower.
10. **Payments.** In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment or prepayment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 8) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.
12. **WAIVER OF JURY TRIAL AND CERTAIN DAMAGES.** The Borrower irrevocably waives, and the Lender by its acceptance hereof waives, any right or claim to a trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of or related to this Note or the other Security Documents or any related document. The Borrower further waives any right it

may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. This provision is a material inducement for the Lender to enter the loan relationship evidenced hereby.

[signature page follows]



IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

Per: 
Name: Vijai Karthigesu
Title: President
(I have authority to bind the company)

**This is Exhibit “G” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this “Agreement”), effective as of March 10, 2023, is made by Swarmio Media Holdings Inc., a corporation organized under the laws of British Columbia (“Debtor”) in favor of 2184907 Ontario Inc. (“Secured Party”).

WHEREAS, Secured Party and Debtor are party to that certain Note Purchase Agreement dated as of the date hereof (as the same may be amended, restated or otherwise supplemented from time to time, the “Purchase Agreement”) pursuant to which the Secured Party has made available to Debtor a loan in the original principal amount of \$1,000,000 (the “Loan”), the debt of which is evidenced by that certain Secured Promissory Note dated as of the date hereof executed by the Debtor in favor of Secured Party in such face amount (the “Note”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement;

WHEREAS, as a condition to Secured Party’s agreement to make available the Loan, the Lender is requiring that Debtor secure its obligations under the Purchase Agreement, the Note and otherwise owed to the Secured Party in connection with the Loan by granting to Secured Party a lien and security interest in the Collateral (as defined below) pursuant to the terms of this Agreement.

NOW, THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, and in consideration of the terms and conditions contained herein, and of any extension of credit previously, now or to be made to or for the benefit of the Debtor and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. As used in this Agreement:

(a) Unless otherwise defined herein, all terms that are defined in the Personal Property Security Act (British Columbia) (the “PPSA”), as the case may be, shall have the same meanings herein as in the PPSA, as the case may be;

(b) “Collateral” has the meaning ascribed to such term in Section 2 of this Agreement;

(c) “Commercial Tort Claims” shall mean commercial tort claims of Debtor including those specifically identified on Schedule 1 to this Agreement, as it may be amended from time to time;

(d) “Event of Default” has the meaning ascribed to such term in Section 5 of this Agreement;

(e) “Liabilities” has the meaning ascribed to such term in Section 3 of this Agreement.

2. Security Interest. As security for the Liabilities (as defined below), Debtor hereby grants to Secured Party a continuing security interest in, and assigns and transfers to Secured Party, all of the present and after-acquired personal property of Debtor, including, without limitation, the following property or types of property now owned by or hereafter created or acquired by Debtor wherever located (collectively, the “Collateral”):

- (a) All Accounts;
- (b) All Chattel Paper;
- (c) All Commercial Tort Claims;
- (d) All contracts and contractual rights of the Debtor
- (e) All bank deposit accounts of the Debtor;
- (f) All Money and all cash;
- (g) All Documents of Title;
- (h) All Equipment and Fixtures;
- (i) All General Intangibles;
- (j) All Instruments (including promissory notes);
- (k) All Inventory;
- (l) All Investment Property and all claims, powers, privileges, benefits, remedies, voting rights, options or rights of any nature whatsoever now existing or which hereafter may be issued or granted by any issuer of Investment Property to the Debtor while this Agreement is in effect relating to such Investment Property;
- (m) All letter of credit rights held by the Debtor (whether or not the letter of credit is evidenced by a writing);
- (n) All Intangibles; and
- (p) All Proceeds (whether cash Proceeds, Money or noncash Proceeds) of all the foregoing.

3. Liabilities. The lien and security interest herein granted and provided for in the Collateral is made and given to secure, and shall secure, the payment and performance of (a) any and all indebtedness, obligations, and liabilities of whatsoever kind and nature of the Debtor to the Secured Party (whether arising before or after the filing of a petition in bankruptcy) under the Note, whether direct or indirect, absolute or contingent, due or to become due, and whether now

existing or hereafter arising and howsoever held, evidenced, or acquired, and whether several, joint, or joint and several and (b) any and all expenses and charges, legal or otherwise, suffered or incurred by the Secured Party in collecting or enforcing any of such indebtedness, obligations, or liabilities or in realizing on or protecting or preserving any security therefor, including, without limitation, the lien and security interest granted hereby (all of the foregoing being hereinafter referred to as the "Liabilities").

4. Collections.

(a) Until notice to the contrary is given by Secured Party, Debtor (i) shall collect the Accounts for Secured Party at Debtor's own expense and (ii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled and accept in connection therewith the return of any goods the sale or lease of which shall have given rise to the Accounts.

(b) After the occurrence of an Event of Default, Secured Party, may or, upon request of Secured Party, Debtor shall, notify any account debtors of Debtor of the existence of this Agreement and direct such account debtors to pay directly to Secured Party the amounts due or to become due from such account debtors. Each account debtor so notified and directed may accept the receipt of Secured Party for any such payment as a full release of any amounts so paid.

(c) After an Event of Default, Secured Party may enforce collection of any or all of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder.

(d) Secured Party may, upon the happening of an Event of Default, apply all payments received from account debtors to the Liabilities when due (whether by acceleration or otherwise) and may credit any balance after such payment to the account of Debtor.

5. Events Of Default. The occurrence of any "Event of Default" (as defined and described in the Purchase Agreement) shall constitute an "Event of Default" under this Agreement.

6. Remedies on Default. Notwithstanding any provision of any document or instrument evidencing or relating to the Liabilities upon the occurrence of any Event of Default specified in Section 5, Secured Party at its option may declare all of the Liabilities immediately due and payable. Secured Party may exercise from time to time any rights and remedies available under the PPSA, as applicable based on the statute which governs the Collateral, including the right to have Debtor assemble the Collateral and deliver it to a place designated by Secured Party. Secured Party shall, in addition to and not in limitation of all rights of offset under applicable law, have the right to appropriate and apply all of the Collateral in its possession to payment of the Liabilities. With the assistance of Debtor, Secured Party may enter

upon and into and take possession of all or such part or parts of the Collateral, including lands, plants, buildings, machinery, equipment and other property as may be necessary or appropriate in the reasonable judgment of Secured Party, to permit or enable Secured Party to store, lease, sell or otherwise dispose of or collect all or any part of the Collateral, and use and operate said properties for such purposes and for such length of time as Secured Party may deem necessary or appropriate for said purposes without the payment of any compensation to Debtor therefor. Secured Party may proceed to sell or otherwise dispose of the Collateral at public or private sale for cash or credit; provided, however, that Debtor shall be credited with proceeds of such sale when the proceeds are received by Secured Party. At any such sale or sales of the Collateral, the Collateral need not be in view of those present and attending the sale, nor at the same location at which the sale is being conducted. Secured Party may purchase all or any part of the Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may setoff the amount of such price against the Liabilities. Any proceeds of the Collateral may be applied by Secured Party first to the payment of expenses and costs to exercise Secured Party's rights hereunder, and second toward the Liabilities. Any balance remaining shall be returned to the Debtor or to any other person entitled in accordance with applicable law.

7. Rights of Secured Party. Secured Party may, from time to time, at its option (but shall have no duty to): (a) perform any agreement of Debtor hereunder that Debtor shall have failed to perform; (b) take any other action which Secured Party deems necessary or desirable for the preservation of the Collateral or Secured Party's interest herein, including without limiting the generality of the foregoing: (i) any action to collect or realize upon the Collateral; (ii) the discharge of taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral; or (iii) the discharge or keeping current of any obligation of Debtor having effect on the Collateral; or (c) file, or cause to be filed, photocopies or carbon copies of any financing statement respecting any right of Secured Party in the Collateral. In addition to any other authorizations granted to Secured Party by Debtor, Debtor hereby ratifies such authorizations and further authorizes Secured Party to file any PPSA financing statements describing the Collateral or any other documents that the Secured Party deems necessary or desirable to perfect and maintain the security interests granted hereunder. In addition, with respect to the Secured Party's reasonable exercise of rights and remedies hereunder including in connection with any completion of the sale or other disposition of any of the Collateral, the Debtor hereby grants to the Secured Party a nonexclusive irrevocable license to use, apply, and affix, exercisable only upon and at any time or times after the occurrence and during the continuance of any Event of Default, any Intellectual Property, or the like in which the Debtor now or hereafter has rights. The Debtor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Liabilities (including the reasonable fees and disbursements of any attorneys retained by the Secured Party) to collect such deficiency.

8. General.

(a) Nonwaiver; Cumulative Remedies. No delay or omission on the part of Secured Party in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. The rights and

remedies herein provided to Secured Party are cumulative and not exclusive of any rights or remedies provided by law.

(b) Notices. Any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Agreement or the Note in accordance with the notice provisions set forth in the Purchase Agreement.

(c) Successors. This Agreement shall, upon execution and delivery by the Debtor, become effective and shall be binding upon and inure to the benefit of Debtor, Secured Party and their respective personal representatives, executors, heirs, successors and assigns. Neither the Debtor nor Secured Party may transfer or assign any of their rights or interest hereunder without the consent of the other.

(d) Singular and Plural. Unless the context otherwise requires, wherever used herein the singular shall include the plural and the plural shall include the singular, and the use of one gender shall denote the other where appropriate.

(e) Counterparts. This Agreement may be executed in any number of counterparts, and each of said counterparts shall be deemed to be an original.

(f) Provisions Severable; References. If any term or provision of this Agreement shall be unenforceable or invalid, such unenforceability or invalidity shall not render any other term or provision hereof unenforceable or invalid and all other terms and provisions of this Agreement shall be enforceable and valid. References to Sections herein shall be to Sections of this Agreement unless otherwise specified.

(g) Construction; Jurisdiction; Jury Waiver. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with the internal law and not the law of conflicts of the Province of Ontario. The Debtor and the Secured Party agree that any suit, action or proceeding against the other arising out of or based upon this Agreement may be instituted in or removed to court in the Province of Ontario, and any appellate court from any thereof, and the Debtor and the Secured Party irrevocably submit to the non-exclusive jurisdiction of such courts in any suit, action or proceeding. The Debtor and the Secured Party irrevocably waive, to the fullest extent permitted by law, any objection to any suit, action or proceeding that may be brought in connection with this Agreement in such courts whether on the grounds of venue, residence or domicile or on the ground that any such suit, action or proceeding has been brought in an inconvenient forum. The Debtor and the Secured Party agree that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Debtor and the Secured Party and may be enforced in any court to the jurisdiction of which they are subject, by a suit upon judgment.

(h) Costs, Fees and Expenses. Debtor shall pay or reimburse Secured Party for all reasonable costs, fees and expenses incurred by Secured Party or for which Secured Party becomes obligated in connection with the negotiation, preparation, consummation, collection of the Liabilities or enforcement of this Agreement and, including reasonable attorneys' or legal fees and time charges of counsel to Secured Party, plus costs and expenses of such attorneys or legal counsel or of Secured Party; search fees, costs and expenses; and all taxes payable in connection with this Agreement, whether or not the transaction contemplated hereby shall be consummated. In furtherance of the foregoing, Debtor shall pay any and all stamp and other taxes or PPSA search fees, filing fees and other costs and expenses in connection with the execution and delivery of this Agreement, the Note and the other documents to be delivered in connection herewith. If at any time or times hereafter Secured Party: (a) employs counsel for advice or other representation (i) with respect to this Agreement and the transactions contemplated hereby; (ii) to represent Secured Party in any litigation, contest, dispute, suit or proceeding or to commence, defend, or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit, or proceeding (whether instituted by Secured Party, Debtor, or any other person or entity) in any way or respect relating to this Agreement, the Note or Debtor's business or affairs; or (iii) to enforce any rights of Secured Party against Debtor or any other person or entity that may be obligated to Secured Party by virtue of this Agreement or the documents delivered in connection herewith; (b) takes any action to protect, collect, sell, liquidate, or otherwise dispose of any of the Collateral; and/or (c) attempts to or enforces any of Secured Party's rights or remedies under the Agreement or the other documents delivered in connection herewith, the costs and expenses incurred by Secured Party in any manner or way with respect to the foregoing, shall be part of the Liabilities, payable by Debtor to Secured Party on demand.

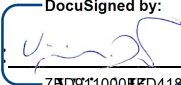
(i) Indemnification. Debtor agrees to defend (with counsel satisfactory to Secured Party), protect, indemnify, exonerate and hold harmless Secured Party, its employees, officers, managers, partners, agents, attorneys, representatives and other equity holders (collectively, the "Indemnified Parties") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and distributions of any kind or nature (including the disbursements and the reasonable fees of counsel for each Indemnified Party thereto, which shall also include, without limitation, reasonable attorneys' or legal fees and time charges of attorneys or legal counsel who may be employees of any Indemnified Party), which may be imposed on, incurred by, or asserted against, any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, state, provincial or local laws or regulations, including securities laws, environmental law, commercial laws and regulations, under common law or in equity, or based on contract or otherwise) in any manner relating to or arising out of this Agreement or any of the other documents delivered in connection herewith, or any act, event or transaction related or attendant thereto, the preparation, execution and delivery of this Agreement and the other documents delivered in connection herewith, including the enforcement of Secured Party's rights and remedies under this Agreement, the Note, any other instruments and documents delivered hereunder, or under any other agreement between Debtor and

Secured Party; provided, however, that Debtor shall not have any obligations hereunder to any Indemnified Party with respect to matters determined by a court of competent jurisdiction by final and nonappealable judgment to have been caused by or resulting from the willful misconduct or gross negligence of such Indemnified Party. To the extent that the undertaking to indemnify set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Debtor shall satisfy such undertaking to the maximum extent permitted by applicable law. Any liability, obligation, loss, damage, penalty, cost or expense covered by this indemnity shall be paid to each Indemnified Party on demand, and failing prompt payment, shall be added to the Liabilities of Debtor and be secured by the Collateral. The provisions of this Section shall survive the satisfaction and payment of the other Liabilities and the termination of this Agreement.

[signature pages follow]

IN WITNESS WHEREOF, Debtor has executed this Agreement in favor of the Secured Party as of the day and year first set forth above.

SWARMIO MEDIA HOLDINGS INC.

DocuSigned by:
By: 
Name: Vijai Karthigesu
Title: CEO

Schedule 1

Commercial Tort Claims

None.

**This is Exhibit “H” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakeim

A027328446B742A...

A COMMISSIONER FOR TAKING AFFIDAVITS



BDCID : 10007683146

GUARANTEE

GUARANTOR: **VIJAYASUGANTHAN KARTHIGESU**
a.k.a. VIJAI KARTHIGESU the "Guarantor"

CREDITOR: **Business Development Bank of Canada** "BDC"

DEBTOR: **UBIQUE NETWORKS INC.** the "Borrower"

DEBT: **\$150,000.00** the "Principal Sum"

LIMIT OF LIABILITY: **100% of the Outstanding Balance on the date BDC demands payment under this guarantee** the "Limited Amount"

DATED: _____, 20____

BUSINESS CENTRE: **NOVA SCOTIA** the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF BDC OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

(f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;

(g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;

(h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;

(i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and

(j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. BDC may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

14. WAIVER

I ACKNOWLEDGE AND CONFIRM THAT I HAVE READ AND UNDERSTOOD THE NATURE OF AND ALL CONSEQUENCES ASSOCIATED WITH THE EXECUTION AND DELIVERY OF THE GUARANTEE DOCUMENT GRANTED BY ME TO AND IN FAVOUR OF BDC, WITH RESPECT TO THE LOAN. I FURTHER ACKNOWLEDGE AND CONFIRM THAT I HAVE EITHER OBTAINED INDEPENDENT LEGAL ADVICE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE GUARANTEE OR VOLUNTARILY DETERMINED NOT TO SEEK SUCH INDEPENDENT LEGAL ADVICE.

Executed, Sealed and Delivered by



(Witness)

Name of witness: Sorin Stoian

Address: 47 Moynahan Cres., Ajax, ON L1Z 1P1

Occupation: CTO



VIJAYASUGANTHAN KARTHIGESU
a.k.a. VIJAI KARTHIGESU



BDCID : 10007683138

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated this 05 day of April, 2017.

BETWEEN:

UBIQUE NETWORKS INC., in the Province of Nova Scotia

(the "Debtor")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at

275 Charlotte Street, Suite 117, Sydney, Nova Scotia B1P 1C6

(the "BDC")

1. SECURITY INTEREST

(You, as the Debtor, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Debtor hereby:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:
 - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
 - (iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");

- (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Debtor that is not Equipment, Inventory or Accounts;
- (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is collectively called the "Intellectual Property");
- (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
- (vi) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and
- (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
 - (i) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property is subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Debtor shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.

2.2 All the Debtor's consumer goods are excepted out of the Security Interests.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Debtor agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Debtor has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Debtor confirms that there has been no agreement between the Debtor and BDC to postpone the time for attachment of the Security Interests and that it is the Debtor's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Debtor acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that moneys advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Debtor or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Debtor to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Debtor to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Debtor's obligation and liability under any contract or guarantee now or in the future in existence whereby the Debtor guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Debtor to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Debtor represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constituting documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constituting documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Debtor has provided a written memorandum to BDC accurately setting forth all prior names under which the Debtor has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Debtor is an individual, that individual's full name and address provided to BDC are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor; and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office have been correctly provided to BDC

7. COVENANTS OF THE DEBTOR

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

7.1 The Debtor covenants with BDC that while this Security Agreement remains in effect the Debtor will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;

- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) forthwith pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter between BDC and the Debtor including, without limitation, inspection, administration and returned cheque handling fees;
- (g) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Debtor, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Debtor's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under Bankruptcy and Insolvency Act (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to Bankruptcy and Insolvency Act (Canada);
 - (ix) any sums BDC pays as fines, or as clean up costs because of contamination of or from your assets. Further, you will indemnify BDC and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:

- (i) any change in the information contained in this Security Agreement relating to the Debtor, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
- (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
- (iii) any material loss or damage to the Collateral;
- (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
- (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
- (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
- (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and the taking of extracts and copies, whether at the Debtor's premises or otherwise, and the Debtor will render all assistance necessary;
- (m) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
- (n) deliver to BDC from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
- (o) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing

anything that may invalidate or otherwise impair the Intellectual Property;

- (p) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (q) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral;
- (r) consent to BDC contacting and making enquiries of the Debtor's lessors, as well as municipal or other government officials or assessors; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.

8. INSURANCE

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if it so requires.

8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

8.3 The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Debtor hereby authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.

8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. OTHER PROHIBITIONS

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Debtor will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2; or
- (c) where the Debtor is a corporation
 - (i) repay or reduce any shareholders loans or other debts due to its shareholders; or
 - (ii) change its name, merge with or amalgamate with any other entity;

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 Provided that the Debtor is not in default under this Security Agreement, the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Debtor holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, BDC may perform those obligations but you will be required to pay for them.)

If the Debtor fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Debtor to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment

received by the Debtor in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held by the Debtor in trust for BDC.

13. APPROPRIATION OF PAYMENTS

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by BDC, the Debtor shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Debtor and BDC in any of the following events:

- (a) the Debtor defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Debtor is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Debtor to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Debtor or a guarantor of the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under Bankruptcy and Insolvency Act (Canada), the Companies Creditors' Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Debtor or a guarantor of the Debtor; or
- (f) the Debtor or a guarantor of the Debtor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or any part of the Collateral; or
- (h) if the Debtor is a corporation and any member or shareholder:
 - (i) commences an action against the Debtor; or
 - (ii) gives a notice of dissent to the Debtor in accordance with the provisions of any governing legislation; or
- (i) if the Debtor is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Debtor uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Debtor creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or

- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Debtor is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Debtor of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Debtor; or
- (p) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Debtor or to be incorporated into any of its assets, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Debtor is cancelled, revoked or reduced, as the case may be, or any order against the Debtor is enforced, preventing the business of the Debtor from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Debtor's business; or
- (r) if an individual, the Debtor dies or is declared incompetent by a court of competent jurisdiction.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 Upon any default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use sell, assign, license or sub-license any of the Intellectual Property; and

- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:

- (a) carry on the Debtor's business and for such purpose from time to time to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under Bankruptcy and Insolvency Act (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:
 - (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
- (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.

16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of

seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.

16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to BDC and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral.

16.4 BDC in its sole discretion may realize upon any other security provided by the Debtor in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter with the Debtor shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.

16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.

16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint BDC your attorney for specific matters.)

The Debtor hereby irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Debtor for and in the name of the Debtor to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall continue and survive any mental infirmity or legal incapacity of the Debtor subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Debtor to BDC.

20. WAIVER

(Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Debtor to remedy any default without waiving the default so remedied. BDC may from time to time and at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if mailed shall be deemed to have been given at the expiration of three business days after mailing and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

BDC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, the Debtor's account debtors, sureties and others and with the Collateral and other security interests as BDC may see fit without prejudice to the Debtor's liability or BDC's right to hold and realize on the Security Interests.

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Debtor or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Debtor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Debtor, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Debtor agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Debtor will not assert as a defence, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such

assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Debtor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Debtors and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;

- (b) "the Act" means the *Personal Property Security Act* of the province in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the province referred to in subclause 29.1(b). For enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Debtor acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. PARENTHETICAL COMMENTS

The Debtor acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

34. THE COMMITMENT LETTER

BDC has extended an offer of financing or a commitment letter to the Debtor relating to the loan facilities secured by this Security Agreement. The Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the commitment letter, the terms of the commitment letter shall apply and take precedence over the terms of this Security Agreement.

35. WAIVER

I HAVE READ AND UNDERSTOOD THE GENERAL SECURITY AGREEMENT GRANTED TO THE BDC WITH RESPECT TO ALL THE INDEBTEDNESS, LIABILITIES AND OBLIGATIONS OWED OR THAT MAY BECOME DUE AND PAYABLE BY ME TO THE BDC; I UNDERSTAND THE NATURE OF AND ALL CONSEQUENCES ASSOCIATED WITH THE EXECUTION AND DELIVERY OF THE GENERAL SECURITY AGREEMENT; AND I ACKNOWLEDGE AND CONFIRM THAT I HAVE EITHER OBTAINED INDEPENDENT

LEGAL ADVICE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE SECURITY DOCUMENTATION OR HAVE VOLUNTARILY DETERMINED NOT TO SEEK SUCH INDEPENDENT LEGAL ADVICE.

IN WITNESS WHEREOF the Debtor has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.

UBIQUE NEWTORKS INC.

Per: _____

Vijai Karthigesu,
Authorized Signing Officer

I have the authority to bind the Corporation.

SCHEDULE "A"

Subclause 1.1(a):

1. the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

2. the following serial numbered goods:

Serial No. (re motor vehicles & trailers, etc.)

Year

Make and Model

3. Location(s) of the Collateral:

BDCID : 10007683120

OFFICER'S CERTIFICATE

I, **VIJAI KARTHIGESU**, being an officer of **UBIQUE NETWORKS INC.** (the "Corporation"), DO HEREBY CERTIFY:

1. The Corporation is duly incorporated and validly existing under the Federal laws of Canada, being the only jurisdiction where the Corporation presently carries on business.
2. The Corporation has all necessary power, authority and capacity to obtain the loan and to grant the Security and no resolution or amendment to the Articles of Incorporation or Articles of Continuance or Bylaws of the Corporation has been passed, nor is there any provision in any unanimous shareholders agreement, which has the effect of restricting the powers of the Directors of the Corporation with respect to borrowing and the granting of security.
3. There are no proceedings to condemn, expropriate, purchase, place in receivership or otherwise acquire the business or property of the Corporation.
4. THAT the following persons are the Directors of the Corporation:

NAME

VIJAI KARTHIGESU

5. THAT the following persons are the authorized Officers of the Corporation

NAME

VIJAI KARTHIGESU

POSITION

Authorized Signing Officer

WITNESS my hand and signature as an officer of the Corporation this 05 day of April, 2017



VIJAI KARTHIGESU,
Authorized Signing Officer



BDCID: 10009757104

Letter of Offer dated November 9, 2017

Ubique Networks Inc.
 37 Nepean St Suite 306
 Sydney, NS
 B1P 6A7

Attention of: Mr. Karthigesu Vijayasuganthan**Re: Loan(s) No. 123168-02**

Business Development Bank of Canada ("BDC") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "**Loan**") according to the terms of this letter (the "**Letter of Offer**"):

Loan 123168-02 in the amount of \$100,000.00

The Letter of Offer is open for acceptance until November 19, 2017 (the "**Acceptance Date**") after which date it will become null and void.

This Loan is in addition to the existing CDN dollar loan(s) on which \$150,000.00 is outstanding.

LOAN PURPOSE AND FUNDING**Loan Purpose**

Human Resources Mandate	22,000.00
Working Capital	78,000.00
	100,000.00

Funding

BDC 123168-02	100,000.00
	100,000.00

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

BORROWER

Ubique Networks Inc. (the "**Borrower**")

LETTER OF OFFER Ubique Networks Inc. - 123168, November 9, 2017**GUARANTOR**

Karthigesu Vijayasuganthan

(Hereinafter individually or collectively referred to as the "**Guarantor**"). The terms of each guarantee are set forth in the Security section below.

INTEREST RATE**Loan 123168-02**

Floating Rate: BDC's Floating Base Rate plus a variance of 2.20% per year (the "**Variance 02**"). On the date hereof, BDC's Floating Base Rate is 5.30% per year.

BDC's Floating Base Rate is defined as the annual rate of interest announced from time to time as BDC's floating rate then in effect for determining floating interest rates for Canadian dollar loans. It shall vary automatically without notice to BDC clients upon each change in BDC's Floating Base Rate.

INTEREST CALCULATION

Calculated monthly on each Loan from the date of disbursement. Interest on arrears is calculated and compounded monthly at the rate applicable to each Loan.

REPAYMENT

All payments must be made by pre-authorized debit from your bank account and will be applied in the following order: 1) prepayment indemnity, 2) protective disbursement, 3) standby fees, 4) arrears of fees, interest and principal, 5) current balances of fees, interest and principal, 6) cancellation fees and 7) other amounts.

The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan shall become due and payable on the Maturity Date (the "**Maturity Date**").

Loan 123168-02**Regular**

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
1	Once	1,452.00	12-10-2018	12-10-2018
71	Monthly	1,388.00	12-11-2018	12-09-2024

In addition, interest is payable monthly on the 12th day of the month (the "**Payment Date 02**") commencing on the next occurring Payment Date 02 following the first advance on the Loan.

LETTER OF OFFER Ubique Networks Inc. - 123168, November 9, 2017

Maturity Date: September 12, 2024 (the "**Maturity Date 02**").

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after November 9, 2017. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full.

Partial Indemnity: At any time, if your loan is on a floating interest rate, three months further interest on the principal prepaid, or if the Loan is on a fixed interest rate, three months further interest together with an Interest Differential Charge. The Interest Differential Charge is a present value amount calculated by determining the difference between BDC's Base Rate then applicable to the Loan and the corresponding BDC Base Rate at the time of prepayment multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date or the maturity of the principal if earlier.

SECURITY

The Loan, interest on the Loan and all other amounts owing under the Loan shall be secured by the following (the "**Security**"):

Loan 123168-02

1. Guarantee of Karthigesu Vijayasuganthan for 100% of the Loan amount outstanding on the date BDC demands payment under this guarantee. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.
2. General Security Agreement from Ubique Networks Inc. providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges and excluding all Scientific Research and Development receivable financing issued by R & D Capital Inc. Existing GSA to stand.

LETTER OF OFFER Ubique Networks Inc. - 123168, November 9, 2017

DISBURSEMENT

Funds shall be disbursed to solicitor or notary unless otherwise authorized and as follows:

Loan 123168-02

1. The Loan or portion of the Loan to pay the consulting fees will be disbursed directly to the Borrower and the Borrower will pay the consulting fees in accordance with the terms and conditions of BDC's Contract for Consulting Services.
2. This Loan will only be disbursed once all Conditions Precedent have been met.

Invoices evidencing working capital improvements expenditures are not required.

The Loan will be disbursed as follows :
(The Borrower shall initial one of the options below)

- ☐ BDC will disburse the full amount of the Loan directly to the Borrower, as soon as possible.
- ☐ BDC will disburse {\$_____} directly to the Borrower, as soon as possible.
- ☐ BDC will contact the Borrower prior to disbursement.

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

1. Security in form and substance satisfactory to BDC.
2. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
3. No material adverse change.
4. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.
5. No Default shall have occurred.
6. The Borrower must provide Notice to Reader financial statements for March 31st 2017 for Ubique Networks Inc which show, in BDC's sole opinion, no Material Adverse Change in the financial position since the Draft Notice to Reader year-end financial statements dated March 31st 2017 (prepared on November 8th, 2017) .

COVENANTS

The Borrower:

- Confirms that the information in the Application for Financing and all information provided to BDC by the Borrower or on the Borrower's behalf is true.
- Agrees to comply with laws and regulations, including but not limited to environmental laws, applicable to the Borrower and its business.

LETTER OF OFFER Ubique Networks Inc. - 123168, November 9, 2017

- Authorizes BDC to obtain relevant information from any party for the purpose of evaluating the financial condition of the Borrower or its business.
- Agrees to obtain BDC's prior written consent a) to change the nature of the business; b) to amalgamate, merge, acquire or otherwise restructure the business or create an affiliated company; c) to sell or transfer shares or any interest in a partnership or limited partnership or trust or change the effective voting control (as determined by BDC).
- Agrees to refrain from conducting, or permitting to be conducted, any activity which BDC has described as an "Ineligible Activity" in the Application for Financing and acknowledges that this covenant applies to any entity that controls, is controlled by, or is under common control with, the Borrower.
- Agrees to keep secured assets insured against physical damage and other losses on an "All-Risks" Basis including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and to name BDC as loss payee as its interests may appear and to ensure that a standard mortgage clause be included in all policies insuring real property and to maintain all policies of insurance in effect for the duration of the Loan.

REPORTING OBLIGATIONS

The Borrower (and if applicable the corporate Guarantor) shall provide to BDC within 90 days of its (their) fiscal year end the following financial statements:

Company	Type	Frequency	Period Ending
Ubique Networks Inc.	Notice to Reader	Annual	March

and such other financial and operating statements and reports as and when BDC may reasonably require.

DEFAULT

- Any representation to BDC is false.
- Failure to make any payment or to comply with the terms of this Letter of Offer or any Security or any other agreement between the Borrower and/or the Guarantor and BDC in respect of this loan or any other loan.
- Insolvency or bankruptcy or failure to perform obligations to other creditors.
- Cessation of business.

The occurrence of any of the above events by the Borrower constitutes a Default at which time BDC may demand immediate payment of the Loan and enforce the Security.

FEES**PAYABLE BY BORROWER AND GUARANTOR:**

Cancellation: If the Borrower does not draw on the Loan by the Lapsing Date indicated below (the "**Lapsing Date**"), the Loan shall lapse and be cancelled and the Borrower and the

LETTER OF OFFER Ubique Networks Inc. - 123168, November 9, 2017

Guarantor shall pay BDC the applicable cancellation fee indicated below. If the Loan is partially disbursed on the Lapsing Date, the Borrower and the Guarantor shall pay BDC a percentage of the cancellation fee in proportion to the percentage of the Loan that is cancelled. No cancellation fee will be payable if 50% or more of the Loan has been disbursed.

Loan 123168-02

Lapsing Date: November 9, 2018 (the "**Lapsing Date 02**").

Cancellation Fee: \$3,000.00 (the "**Cancellation Fee 02**").

Standby: Commencing on the date indicated below, and payable monthly, a fee calculated at a rate indicated below on the portion of the Loan which has not been advanced or cancelled. This date is subject to change if you change your interest rate plan.

Loan 123168-02

Rate: 3.00% per annum

Date: May 9, 2018

Legal: Fees and expenses, payable on demand, incurred by BDC in connection with the placing of the Loan and the Security including the enforcement of the Loan and the Security, whether or not any documentation is entered into or any advances made.

PAYABLE BY BORROWER:

Loan Management: Payable annually on the Payment Date immediately following each anniversary of the first disbursement date.

Loan 123168-02

\$150.00 per year (the "**Management Fee 02**")

Transaction and Administration: The Standard Loan Amendment, Security Processing and administration fees for the handling of the Loan.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall be binding on the Borrower and its respective successors and assigns. BDC may assign, sell or grant participation in (a "**transfer**") all or any part of its rights and obligations under the Letter of Offer to any third party, and the Borrower agrees to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer.

ANTI-MONEY LAUNDERING / KNOW YOUR CLIENT

The Borrower and each Guarantor acknowledge that, pursuant to prudent banking practices in respect of "knowing your client", BDC, in compliance with its internal policies, is required to verify and record information regarding the Borrower and each Guarantor, their directors, authorized signing officers, shareholders and other Persons in control of the Borrower and each Guarantor. The Borrower and each Guarantor agree to promptly provide all such

LETTER OF OFFER Ubique Networks Inc. - 123168, November 9, 2017

information, including supporting documentation and other evidence, as may be reasonably requested by BDC in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

ACCEPTANCE

By original signature, fax, or any other electronic means acceptable to BDC.

LANGUAGE CLAUSE

The parties have expressly requested that this Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.



Jonathan MacNeil
Senior Account
Phone: (902) 564-7706
Fax: (902) 564-3975
jonathan.macneil@bdc.ca



Deborah Phillips
Senior Client Relationship Officer
Phone: (902) 564-7702
Fax: (902) 564-3975
deborah.phillips@bdc.ca

LETTER OF OFFER Ubique Networks Inc. - 123168, November 9, 2017

ACCEPTANCE

We accept the terms and conditions this 10 day of November 2017.

Ubique Networks Inc.


_____, Authorized Signing Officer

Name: Vijai Karthigesu
[Please print name of signing party]

GUARANTOR(S)



Karthigesu Vijayasuganthan



BDCID: 10009501023

October 13, 2017

Mr. Vijayasuganthan Karthigesu
Ubique Networks Inc.
1 Douglas St
Sydney, NS
B1P 1V2

Re: BDC Loan 123168-01

Dear Mr. Karthigesu:

We write in reference to our Letter of Offer for Loan No. 123168-01, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan(s).

The amendments shall take effect upon receipt by BDC of the Acceptance Form duly signed by all signatories no later than January 10, 2018.

Amendments – Loan No. 123168-01:

SECURITY

The following existing Security relating to this Loan:

General Security Agreement from Ubique Networks Inc. providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges.

is modified and is now replaced with:

General Security Agreement from Ubique Networks Inc. providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges and **excluding all Scientific Research and Development receivable financing issued by R & D Capital Inc.**

Except for the modifications expressly mentioned above, nothing in the above amendments with respect to the Security shall in any way alter the rights which BDC now or hereafter has or may have and resulting from the Security nor shall it alter in any way the liability of the remaining obligant(s) and/or guarantor(s), as the case may be.

All other terms and conditions of your financing with BDC remain unchanged.

Yours truly,


Jonathan Macneil
Senior Account Manager,
Phone: (902) 564-7706
jonathan.macneil@bdc.ca


Deborah Phillips
Senior Client Relationship Officer
Phone: (902) 564-7702
deborah.phillips@bdc.ca

Encl.

Business Development Bank of Canada
275 Charlotte Street
Sydney, NS B1P 1C6

Attention: Jonathan Macneil

Re: BDC Loan 123168-01

The undersigned accept the terms and conditions set forth in BDC's Letter of Amendment dated October 13, 2017.

Signed this 14 day of November, 2017.
(date) (month) (year)

BORROWER

Ubique Networks Inc.


_____, Authorized Signing Officer

Name: Vijai Karthigesu
[Please print name of signing party]

GUARANTOR



Vijayasuganthan Karthigesu



BDCID : 10009757708

GUARANTEE

GUARANTOR:	Karthigesu Vijayasuganthan a.k.a. Vijai Karthigesu	the "Guarantor"
CREDITOR:	Business Development Bank of Canada	"BDC"
DEBTOR:	Ubique Networks Inc.	the "Borrower"
DEBT:	\$100,000.00	the "Principal Sum"
LIMIT OF LIABILITY:	100% of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	<u>November 10</u> , 20 <u>17</u>	
BUSINESS CENTRE:	Nova Scotia	the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF BDC OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

(f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;

(g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;

(h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;

(i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and

(j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. BDC may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

14. WAIVER

I ACKNOWLEDGE AND CONFIRM THAT I HAVE READ AND UNDERSTOOD THE NATURE OF AND ALL CONSEQUENCES ASSOCIATED WITH THE EXECUTION AND DELIVERY OF THE GUARANTEE DOCUMENT GRANTED BY ME TO AND IN FAVOUR OF BDC, WITH RESPECT TO THE LOAN. I FURTHER ACKNOWLEDGE AND CONFIRM THAT I HAVE EITHER OBTAINED INDEPENDENT LEGAL ADVICE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE GUARANTEE OR VOLUNTARILY DETERMINED NOT TO SEEK SUCH INDEPENDENT LEGAL ADVICE.

Executed, Sealed and Delivered by



(Witness)



Karthigesu Vijayasuganthan
a.k.a. Vijai Karthigesu

Name of witness: Sorin Stoian

Address: 250 Water St. Unit 202, Whitby, ON

**This is Exhibit "I" referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakhim

A COMMISSIONER FOR TAKING AFFIDAVITS

SECURED PROMISSORY NOTE

Principal Amount: \$90,000

Date of Issue: August 23, 2022

Lender: Colin Joseph

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the “Borrower”), promises to pay to the order of the lender named above (the “Lender”) the principal amount indicated above, in lawful money of Canada and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. Loan. This Secured Promissory Note (this “Note”) evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the “Loan”), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. Note Purchase Agreement; Security Documents. This Note is issued under and pursuant to the terms of that certain Note Purchase Agreement by and between the Borrower and the Lender dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Purchase Agreement”). The Lender is entitled to the benefits of this Note, the Purchase Agreement and the Security Documents (as defined in Section 7) and may enforce the agreements of the Borrower contained herein and therein and exercise the remedies provided for hereby and thereby or otherwise available in respect hereto and thereto.

3. Payment; Interest Rate.

(a) **Principal.** The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) November 30, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.

(b) **Interest.** The outstanding principal balance of this Note shall bear simple interest, at an annual rate of twenty five percent (25%) per annum, payable on the Maturity Date.

(c) **Maximum Amount of Interest.** In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal

owed by Borrower first, to the unpaid balance of principal on this Note, and, if any excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) **Application of Payments.** All payments made hereunder shall be applied first, to any fees or expenses owing to the Lender hereunder or under any of the Security Documents, second, to accrued and unpaid interest, and third to principal outstanding hereunder.

4. **Prepayment.** Upon the occurrence of an Event of Default (as defined in Section 6), the outstanding principal balance of and all interest accrued thereon pursuant to this Note shall be accelerated and shall become immediately due and payable. The Borrower may prepay all of the outstanding hereunder at any time in whole (but not in part) without penalty, and any amount so prepaid shall be applied in accordance with Section 3(d) hereof.

5. **Events of Default.** An “Event of Default” shall occur hereunder if any Event of Default (as defined and described in the Purchase Agreement) shall have occurred.

6. **Security.** The Borrower’s obligations hereunder are secured by each of the following documents, to which reference is made for a more complete description of the Lender’s rights thereunder and the terms of which are incorporated herein by reference (collectively, as any of the same may be amended, modified, restated or renewed from time to time, collectively the “Security Documents”): (a) that certain Security Agreement effective as of the date hereof executed by the Borrower in favor of the Lender; and (b) an intercreditor agreement entered into between the Borrower, the Lender and other holders of promissory notes in similar form issued by the Borrower on or about the date hereof.

7. **Miscellaneous.** No extension of time for payment of any amount owing hereunder shall affect the liability of the Borrower for payment of the indebtedness evidenced hereby. No delay by any holder hereof in exercising any power or right hereunder shall operate as a waiver of any power or right hereunder. No waiver or modification of the terms of this Note shall be valid unless in writing and signed by the Borrower and the Lender. This Note shall be governed by the internal law and not the law of conflicts of the Province of Ontario, and the performance of obligations imposed by this Note shall be governed by the laws of Ontario applicable to contracts made and wholly to be performed in that Province. In case any provision contained herein (or part thereof) shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or other unenforceability shall not affect any other provision (or the remaining part of the affected provision) hereof, but this Note shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent that such provision is invalid, illegal or unenforceable.

8. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with

respect to this Note pursuant to the notice provisions set forth in the Purchase Agreement.

9. Successors and Assigns. All of the covenants, stipulations, promises, and agreements in this Note contained by or on behalf of the Borrower shall bind its successors and assigns, whether so expressed or not. The Borrower may not assign this Note without the prior written consent of Lender. This Note may be transferred or assigned by Lender, in whole or in part, without the prior written consent of the Borrower.

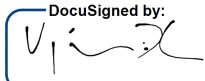
10. Payments. In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment or prepayment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 8) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

12. WAIVER OF JURY TRIAL AND CERTAIN DAMAGES. The Borrower irrevocably waives, and the Lender by its acceptance hereof waives, any right or claim to a trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of or related to this Note or the other Security Documents or any related document. The Borrower further waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. This provision is a material inducement for the Lender to enter the loan relationship evidenced hereby.

[signature page follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

By:  DocuSigned by:
80D3613E00154C8...
Name: Vijai Karthigesu
Title: CEO

EXTENSION AGREEMENT

THIS AGREEMENT is entered into as of February 28, 2023 between Swarmio Media Holdings Inc. (the “**Borrower**”) and Colin Joseph (the “**Lender**”).

WHEREAS the Borrower and the Lender are parties to a secured promissory note in the principal amount of \$50,000 issued by the Borrower in favour of the Lender on August 23, 2022 (the “**Note**”);

AND WHEREAS the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) February 28, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

NOW THEREFORE, for good and valuable consideration, including but not limited to the additional interest that the Lender will receive on the Note during the extended term, the receipt and sufficiency of which is confirmed, the Borrower and the Lender agree as follows:

1. Section 3(a) of the Note is deleted and replaced with the following:

(a) Principal. The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) June 30, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.

2. All other terms of the Note and the documents entered into between the Borrower and the Lender in connection with the issuance of the Note, remain in full force and effect unamended.
3. This Agreement shall be governed by the internal law and not the law of conflicts of the Province of Ontario
4. This Agreement may be signed in counterparts, including by electronic signature or transmission, and such counterparts shall together constitute one and the same agreement with the same effect as an originally signed document.

**SWARMIO MEDIA
HOLDINGS INC.**

COLIN JOSEPH

DocuSigned by:
Per: Jonathan Visser
Jonathan Visser
CAO

Per: _____
Colin Joseph

**This is Exhibit “J” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Faleim

A027328446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS

SECURED PROMISSORY NOTE

Principal Amount: \$50,000

Date of Issue: August 23, 2022

Lender: **2873626 Ontario Ltd.**

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the "Borrower"), promises to pay to the order of the lender named above (the "Lender") the principal amount indicated above, in lawful money of Canada and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. Loan. This Secured Promissory Note (this "Note") evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the "Loan"), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. Note Purchase Agreement; Security Documents. This Note is issued under and pursuant to the terms of that certain Note Purchase Agreement by and between the Borrower and the Lender dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"). The Lender is entitled to the benefits of this Note, the Purchase Agreement and the Security Documents (as defined in Section 7) and may enforce the agreements of the Borrower contained herein and therein and exercise the remedies provided for hereby and thereby or otherwise available in respect hereto and thereto.

3. Payment; Interest Rate.

(a) Principal. The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) November 30, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the "Maturity Date".

(b) Interest. The outstanding principal balance of this Note shall bear simple interest, at an annual rate of twenty five percent (25%) per annum, payable on the Maturity Date.

(c) Maximum Amount of Interest. In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal

owed by Borrower first, to the unpaid balance of principal on this Note, and, if any excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) **Application of Payments.** All payments made hereunder shall be applied first, to any fees or expenses owing to the Lender hereunder or under any of the Security Documents, second, to accrued and unpaid interest, and third to principal outstanding hereunder.

4. **Prepayment.** Upon the occurrence of an Event of Default (as defined in Section 6), the outstanding principal balance of and all interest accrued thereon pursuant to this Note shall be accelerated and shall become immediately due and payable. The Borrower may prepay all of the outstanding hereunder at any time in whole (but not in part) without penalty, and any amount so prepaid shall be applied in accordance with Section 3(d) hereof.

5. **Events of Default.** An “Event of Default” shall occur hereunder if any Event of Default (as defined and described in the Purchase Agreement) shall have occurred.

6. **Security.** The Borrower’s obligations hereunder are secured by each of the following documents, to which reference is made for a more complete description of the Lender’s rights thereunder and the terms of which are incorporated herein by reference (collectively, as any of the same may be amended, modified, restated or renewed from time to time, collectively the “Security Documents”): (a) that certain Security Agreement effective as of the date hereof executed by the Borrower in favor of the Lender; and (b) an intercreditor agreement entered into between the Borrower, the Lender and other holders of promissory notes in similar form issued by the Borrower on or about the date hereof.

7. **Miscellaneous.** No extension of time for payment of any amount owing hereunder shall affect the liability of the Borrower for payment of the indebtedness evidenced hereby. No delay by any holder hereof in exercising any power or right hereunder shall operate as a waiver of any power or right hereunder. No waiver or modification of the terms of this Note shall be valid unless in writing and signed by the Borrower and the Lender. This Note shall be governed by the internal law and not the law of conflicts of the Province of Ontario, and the performance of obligations imposed by this Note shall be governed by the laws of Ontario applicable to contracts made and wholly to be performed in that Province. In case any provision contained herein (or part thereof) shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or other unenforceability shall not affect any other provision (or the remaining part of the affected provision) hereof, but this Note shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent that such provision is invalid, illegal or unenforceable.

8. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with

respect to this Note pursuant to the notice provisions set forth in the Purchase Agreement.

9. Successors and Assigns. All of the covenants, stipulations, promises, and agreements in this Note contained by or on behalf of the Borrower shall bind its successors and assigns, whether so expressed or not. The Borrower may not assign this Note without the prior written consent of Lender. This Note may be transferred or assigned by Lender, in whole or in part, without the prior written consent of the Borrower.

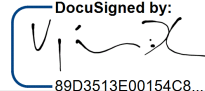
10. Payments. In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment or prepayment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 8) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

12. WAIVER OF JURY TRIAL AND CERTAIN DAMAGES. The Borrower irrevocably waives, and the Lender by its acceptance hereof waives, any right or claim to a trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of or related to this Note or the other Security Documents or any related document. The Borrower further waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. This provision is a material inducement for the Lender to enter the loan relationship evidenced hereby.

[signature page follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

DocuSigned by:


By: 89D3513E00154C8...

Name: Vijai Karthigesu

Title: CEO

EXTENSION AGREEMENT

THIS AGREEMENT is entered into as of December 30, 2022 between Swarmio Media Holdings Inc. (the “**Borrower**”) and 2873626 Ontario Ltd. (the “**Lender**”).

WHEREAS the Borrower and the Lender are parties to a secured promissory note in the principal amount of \$50,000 issued by the Borrower in favour of the Lender on August 23, 2022 (the “**Note**”);

AND WHEREAS the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) November 30, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000;

AND WHEREAS the Borrower and the Lender had extended the date to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) December 31, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

NOW THEREFORE, for good and valuable consideration, including but not limited to the additional interest that the Lender will receive on the Note during the extended term, the receipt and sufficiency of which is confirmed, the Borrower and the Lender agree as follows:

1. Section 3(a) of the Note is deleted and replaced with the following:
 - (a) Principal. The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) February 28, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.
2. All other terms of the Note and the documents entered into between the Borrower and the Lender in connection with the issuance of the Note, remain in full force and effect unamended.
3. This Agreement shall be governed by the internal law and not the law of conflicts of the Province of Ontario
4. This Agreement may be signed in counterparts, including by electronic signature or transmission, and such counterparts shall together constitute one and the same agreement with the same effect as an originally signed document.

**SWARMIO MEDIA
HOLDINGS INC.**

2873626 ONTARIO LTD.

DocuSigned by:
Per: Jonathan Visva
7BCC09D9BFCB456...
Jonathan Visva
CAO

DocuSigned by:
Per: Sangeetha Navaneethasingam
9EC2A94821E8476...
AUTHORIZED SIGNATORY

**This is Exhibit “K” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Faleim

A027020146D742A...

A COMMISSIONER FOR TAKING AFFIDAVITS

SECURED PROMISSORY NOTE

Principal Amount: US\$200,000

Date of Issue: August 23, 2022

Lender: MD Aseef Hannan Khan

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the "Borrower"), promises to pay to the order of the lender named above (the "Lender") the principal amount indicated above, in lawful money of Canada and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. Loan. This Secured Promissory Note (this "Note") evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the "Loan"), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. Note Purchase Agreement; Security Documents. This Note is issued under and pursuant to the terms of that certain Note Purchase Agreement by and between the Borrower and the Lender dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"). The Lender is entitled to the benefits of this Note, the Purchase Agreement and the Security Documents (as defined in Section 7) and may enforce the agreements of the Borrower contained herein and therein and exercise the remedies provided for hereby and thereby or otherwise available in respect hereto and thereto.

3. Payment; Interest Rate.

(a) **Principal.** The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) November 30, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the "Maturity Date".

(b) **Interest.** The outstanding principal balance of this Note shall bear simple interest, at an annual rate of twenty five percent (25%) per annum, payable on the Maturity Date.

(c) **Maximum Amount of Interest.** In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal

owed by Borrower first, to the unpaid balance of principal on this Note, and, if any excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) **Application of Payments.** All payments made hereunder shall be applied first, to any fees or expenses owing to the Lender hereunder or under any of the Security Documents, second, to accrued and unpaid interest, and third to principal outstanding hereunder.

4. **Prepayment.** Upon the occurrence of an Event of Default (as defined in Section 6), the outstanding principal balance of and all interest accrued thereon pursuant to this Note shall be accelerated and shall become immediately due and payable. The Borrower may prepay all of the outstanding hereunder at any time in whole (but not in part) without penalty, and any amount so prepaid shall be applied in accordance with Section 3(d) hereof.

5. **Events of Default.** An “Event of Default” shall occur hereunder if any Event of Default (as defined and described in the Purchase Agreement) shall have occurred.

6. **Security.** The Borrower’s obligations hereunder are secured by each of the following documents, to which reference is made for a more complete description of the Lender’s rights thereunder and the terms of which are incorporated herein by reference (collectively, as any of the same may be amended, modified, restated or renewed from time to time, collectively the “Security Documents”): (a) that certain Security Agreement effective as of the date hereof executed by the Borrower in favor of the Lender; and (b) an intercreditor agreement entered into between the Borrower, the Lender and other holders of promissory notes in similar form issued by the Borrower on or about the date hereof.

7. **Miscellaneous.** No extension of time for payment of any amount owing hereunder shall affect the liability of the Borrower for payment of the indebtedness evidenced hereby. No delay by any holder hereof in exercising any power or right hereunder shall operate as a waiver of any power or right hereunder. No waiver or modification of the terms of this Note shall be valid unless in writing and signed by the Borrower and the Lender. This Note shall be governed by the internal law and not the law of conflicts of the Province of Ontario, and the performance of obligations imposed by this Note shall be governed by the laws of Ontario applicable to contracts made and wholly to be performed in that Province. In case any provision contained herein (or part thereof) shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or other unenforceability shall not affect any other provision (or the remaining part of the affected provision) hereof, but this Note shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent that such provision is invalid, illegal or unenforceable.

8. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with

respect to this Note pursuant to the notice provisions set forth in the Purchase Agreement.

9. Successors and Assigns. All of the covenants, stipulations, promises, and agreements in this Note contained by or on behalf of the Borrower shall bind its successors and assigns, whether so expressed or not. The Borrower may not assign this Note without the prior written consent of Lender. This Note may be transferred or assigned by Lender, in whole or in part, without the prior written consent of the Borrower.

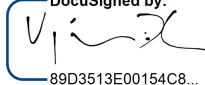
10. Payments. In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment or prepayment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 8) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

12. WAIVER OF JURY TRIAL AND CERTAIN DAMAGES. The Borrower irrevocably waives, and the Lender by its acceptance hereof waives, any right or claim to a trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of or related to this Note or the other Security Documents or any related document. The Borrower further waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. This provision is a material inducement for the Lender to enter the loan relationship evidenced hereby.

[signature page follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

DocuSigned by:

By: 89D3513E00154C8...
Name: Vijai Karthigesu
Title: CEO

EXTENSION AGREEMENT

THIS AGREEMENT is entered into as of February 28, 2023 between Swarmio Media Holdings Inc. (the “**Borrower**”) and MD Aseef Hannan Khan (the “**Lender**”).

WHEREAS the Borrower and the Lender are parties to a secured promissory note in the principal amount of US\$200,000 issued by the Borrower in favour of the Lender on August 23, 2022 (the “**Note**”);

AND WHEREAS the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) February 28, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

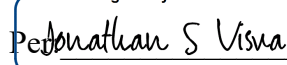
NOW THEREFORE, for good and valuable consideration, including but not limited to the additional interest that the Lender will receive on the Note during the extended term, the receipt and sufficiency of which is confirmed, the Borrower and the Lender agree as follows:

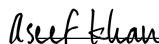
1. Section 3(a) of the Note is deleted and replaced with the following:

(a) Principal. The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) June 30, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.

2. All other terms of the Note and the documents entered into between the Borrower and the Lender in connection with the issuance of the Note, remain in full force and effect unamended.
3. This Agreement shall be governed by the internal law and not the law of conflicts of the Province of Ontario
4. This Agreement may be signed in counterparts, including by electronic signature or transmission, and such counterparts shall together constitute one and the same agreement with the same effect as an originally signed document.

**SWARMIO MEDIA
HOLDINGS INC.**

DocuSigned by:

Jonathan Visva
7BCC09D967CB456...
CAO

DocuSigned by:

MD Aseef Hannan Khan
8F2A02B2F005493...

**This is Exhibit “L” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Faheim

A COMMISSIONER FOR TAKING AFFIDAVITS

SECURED PROMISSORY NOTE

Principal Amount: US\$50,000

Date of Issue: August 23, 2022

Lender: Arjun Kolachalam

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the “Borrower”), promises to pay to the order of the lender named above (the “Lender”) the principal amount indicated above, in lawful money of Canada and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. Loan. This Secured Promissory Note (this “Note”) evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the “Loan”), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. Note Purchase Agreement; Security Documents. This Note is issued under and pursuant to the terms of that certain Note Purchase Agreement by and between the Borrower and the Lender dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Purchase Agreement”). The Lender is entitled to the benefits of this Note, the Purchase Agreement and the Security Documents (as defined in Section 7) and may enforce the agreements of the Borrower contained herein and therein and exercise the remedies provided for hereby and thereby or otherwise available in respect hereto and thereto.

3. Payment; Interest Rate.

(a) **Principal.** The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) November 30, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.

(b) **Interest.** The outstanding principal balance of this Note shall bear simple interest, at an annual rate of twenty five percent (25%) per annum, payable on the Maturity Date.

(c) **Maximum Amount of Interest.** In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal

owed by Borrower first, to the unpaid balance of principal on this Note, and, if any excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) **Application of Payments.** All payments made hereunder shall be applied first, to any fees or expenses owing to the Lender hereunder or under any of the Security Documents, second, to accrued and unpaid interest, and third to principal outstanding hereunder.

4. **Prepayment.** Upon the occurrence of an Event of Default (as defined in Section 6), the outstanding principal balance of and all interest accrued thereon pursuant to this Note shall be accelerated and shall become immediately due and payable. The Borrower may prepay all of the outstanding hereunder at any time in whole (but not in part) without penalty, and any amount so prepaid shall be applied in accordance with Section 3(d) hereof.

5. **Events of Default.** An “Event of Default” shall occur hereunder if any Event of Default (as defined and described in the Purchase Agreement) shall have occurred.

6. **Security.** The Borrower’s obligations hereunder are secured by each of the following documents, to which reference is made for a more complete description of the Lender’s rights thereunder and the terms of which are incorporated herein by reference (collectively, as any of the same may be amended, modified, restated or renewed from time to time, collectively the “Security Documents”): (a) that certain Security Agreement effective as of the date hereof executed by the Borrower in favor of the Lender; and (b) an intercreditor agreement entered into between the Borrower, the Lender and other holders of promissory notes in similar form issued by the Borrower on or about the date hereof.

7. **Miscellaneous.** No extension of time for payment of any amount owing hereunder shall affect the liability of the Borrower for payment of the indebtedness evidenced hereby. No delay by any holder hereof in exercising any power or right hereunder shall operate as a waiver of any power or right hereunder. No waiver or modification of the terms of this Note shall be valid unless in writing and signed by the Borrower and the Lender. This Note shall be governed by the internal law and not the law of conflicts of the Province of Ontario, and the performance of obligations imposed by this Note shall be governed by the laws of Ontario applicable to contracts made and wholly to be performed in that Province. In case any provision contained herein (or part thereof) shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or other unenforceability shall not affect any other provision (or the remaining part of the affected provision) hereof, but this Note shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent that such provision is invalid, illegal or unenforceable.

8. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with

respect to this Note pursuant to the notice provisions set forth in the Purchase Agreement.

9. Successors and Assigns. All of the covenants, stipulations, promises, and agreements in this Note contained by or on behalf of the Borrower shall bind its successors and assigns, whether so expressed or not. The Borrower may not assign this Note without the prior written consent of Lender. This Note may be transferred or assigned by Lender, in whole or in part, without the prior written consent of the Borrower.

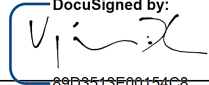
10. Payments. In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment or prepayment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 8) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

12. WAIVER OF JURY TRIAL AND CERTAIN DAMAGES. The Borrower irrevocably waives, and the Lender by its acceptance hereof waives, any right or claim to a trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of or related to this Note or the other Security Documents or any related document. The Borrower further waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. This provision is a material inducement for the Lender to enter the loan relationship evidenced hereby.

[signature page follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

By:  DocuSigned by:
89D3513E00154C8...
Name: Vijai Karthigesu
Title: CEO

EXTENSION AGREEMENT

THIS AGREEMENT is entered into as of December 30, 2022 between Swarmio Media Holdings Inc. (the “**Borrower**”) and Arjun Kolachalam (the “**Lender**”).

WHEREAS the Borrower and the Lender are parties to a secured promissory note in the principal amount of US\$50,000 issued by the Borrower in favour of the Lender on August 23, 2022 (the “**Note**”);

AND WHEREAS the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) November 30, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000;

AND WHEREAS the Borrower and the Lender had extended the date to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) December 31, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

NOW THEREFORE, for good and valuable consideration, including but not limited to the additional interest that the Lender will receive on the Note during the extended term, the receipt and sufficiency of which is confirmed, the Borrower and the Lender agree as follows:

1. Section 3(a) of the Note is deleted and replaced with the following:

(a) Principal. The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) February 28, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.

At their option, lender may roll into any new bridge or debt fund raisings the Borrower closes to the end of February 2023.

With any future extension, in case of such extension is requested by the borrower, after the current extension to February 28, 2023, the lender will receive a one-time additional number of warrants equal to the number of warrants received initially in August 2022. The lender will have the option to renew or demand the repayment of the principal and interest accrued to that date.

2. All other terms of the Note and the documents entered into between the Borrower and the Lender in connection with the issuance of the Note, remain in full force and effect unamended.

3. This Agreement shall be governed by the internal law and not the law of conflicts of the Province of Ontario
4. This Agreement may be signed in counterparts, including by electronic signature or transmission, and such counterparts shall together constitute one and the same agreement with the same effect as an originally signed document.

**SWARMIO MEDIA
HOLDINGS INC.**

DocuSigned by:
Per: Jonathan Visva
7BC009D98FCB456...
Jonathan Visva
CAO

DocuSigned by:
Arjun Kolachalam
EB3ECE02E3E0437
ARJUN KOLACHALAM

**This is Exhibit “M” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakhim

A COMMISSIONER FOR TAKING AFFIDAVITS

SECURED PROMISSORY NOTE

Principal Amount: \$50,000

Date of Issue: August 23, 2022

Lender: 2797254 Ontario Inc.

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the "Borrower"), promises to pay to the order of the lender named above (the "Lender") the principal amount indicated above, in lawful money of Canada and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. Loan. This Secured Promissory Note (this "Note") evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the "Loan"), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. Note Purchase Agreement; Security Documents. This Note is issued under and pursuant to the terms of that certain Note Purchase Agreement by and between the Borrower and the Lender dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"). The Lender is entitled to the benefits of this Note, the Purchase Agreement and the Security Documents (as defined in Section 7) and may enforce the agreements of the Borrower contained herein and therein and exercise the remedies provided for hereby and thereby or otherwise available in respect hereto and thereto.

3. Payment; Interest Rate.

(a) **Principal.** The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) November 30, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the "Maturity Date".

(b) **Interest.** The outstanding principal balance of this Note shall bear simple interest, at an annual rate of twenty five percent (25%) per annum, payable on the Maturity Date.

(c) **Maximum Amount of Interest.** In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal owed by Borrower first, to the unpaid balance of principal on this Note, and, if any

excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) **Application of Payments.** All payments made hereunder shall be applied first, to any fees or expenses owing to the Lender hereunder or under any of the Security Documents, second, to accrued and unpaid interest, and third to principal outstanding hereunder.

4. **Prepayment.** Upon the occurrence of an Event of Default (as defined in Section 6), the outstanding principal balance of and all interest accrued thereon pursuant to this Note shall be accelerated and shall become immediately due and payable. The Borrower may prepay all of the outstanding hereunder at any time in whole (but not in part) without penalty, and any amount so prepaid shall be applied in accordance with Section 3(d) hereof.

5. **Events of Default.** An “Event of Default” shall occur hereunder if any Event of Default (as defined and described in the Purchase Agreement) shall have occurred.

6. **Security.** The Borrower’s obligations hereunder are secured by each of the following documents, to which reference is made for a more complete description of the Lender’s rights thereunder and the terms of which are incorporated herein by reference (collectively, as any of the same may be amended, modified, restated or renewed from time to time, collectively the “Security Documents”): (a) that certain Security Agreement effective as of the date hereof executed by the Borrower in favor of the Lender; and (b) an intercreditor agreement entered into between the Borrower, the Lender and other holders of promissory notes in similar form issued by the Borrower on or about the date hereof.

7. **Miscellaneous.** No extension of time for payment of any amount owing hereunder shall affect the liability of the Borrower for payment of the indebtedness evidenced hereby. No delay by any holder hereof in exercising any power or right hereunder shall operate as a waiver of any power or right hereunder. No waiver or modification of the terms of this Note shall be valid unless in writing and signed by the Borrower and the Lender. This Note shall be governed by the internal law and not the law of conflicts of the Province of Ontario, and the performance of obligations imposed by this Note shall be governed by the laws of Ontario applicable to contracts made and wholly to be performed in that Province. In case any provision contained herein (or part thereof) shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or other unenforceability shall not affect any other provision (or the remaining part of the affected provision) hereof, but this Note shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent that such provision is invalid, illegal or unenforceable.

8. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Note pursuant to the notice provisions set forth in the Purchase Agreement.

9. Successors and Assigns. All of the covenants, stipulations, promises, and agreements in this Note contained by or on behalf of the Borrower shall bind its successors and assigns, whether so expressed or not. The Borrower may not assign this Note without the prior written consent of Lender. This Note may be transferred or assigned by Lender, in whole or in part, without the prior written consent of the Borrower.

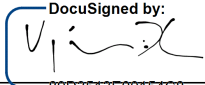
10. Payments. In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment or prepayment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 8) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

12. WAIVER OF JURY TRIAL AND CERTAIN DAMAGES. The Borrower irrevocably waives, and the Lender by its acceptance hereof waives, any right or claim to a trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of or related to this Note or the other Security Documents or any related document. The Borrower further waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. This provision is a material inducement for the Lender to enter the loan relationship evidenced hereby.

[signature page follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

By:  DocuSigned by:
89D3513E00154C8...
Name: Vijai Karthigesu
Title: CEO

EXTENSION AGREEMENT

THIS AGREEMENT is entered into as of December 30, 2022 between Swarmio Media Holdings Inc. (the “**Borrower**”) and 2797254 Ontario Inc (the “**Lender**”).

WHEREAS the Borrower and the Lender are parties to a secured promissory note in the principal amount of \$50,000 issued by the Borrower in favour of the Lender on August 23, 2022 (the “**Note**”);

AND WHEREAS the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) November 30, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000;

AND WHEREAS the Borrower and the Lender had extended the date to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) December 31, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

NOW THEREFORE, for good and valuable consideration, including but not limited to the additional interest that the Lender will receive on the Note during the extended term, the receipt and sufficiency of which is confirmed, the Borrower and the Lender agree as follows:

1. Section 3(a) of the Note is deleted and replaced with the following:

(a) Principal. The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) February 28, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$2,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.

At their option, lender may roll into any new bridge or debt fund raisings the Borrower closes to the end of February 2023.

With any future extension, in case of such extension is requested by the borrower, after the current extension to February 28, 2023, the lender will receive a one-time additional number of warrants equal to the number of warrants received initially in August 2022. The lender will have the option to renew or demand the repayment of the principal and interest accrued to that date.

2. All other terms of the Note and the documents entered into between the Borrower and the Lender in connection with the issuance of the Note, remain in full force and effect unamended.

3. This Agreement shall be governed by the internal law and not the law of conflicts of the Province of Ontario
4. This Agreement may be signed in counterparts, including by electronic signature or transmission, and such counterparts shall together constitute one and the same agreement with the same effect as an originally signed document.

**SWARMIO MEDIA
HOLDINGS INC.**

DocuSigned by:
Per: Jonathan Visva
7BCC09D98FCB456...
Jonathan Visva
CAO

2797254 ONTARIO INC

DocuSigned by:
Per: Sean Peasgood
8C9591955E094EE...
SEAN PEASGOOD
AUTHORIZED SIGNATORY

**This is Exhibit “N” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Faleim

A027328446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS

POSTPONEMENT AND SUBORDINATION

POSTPONEMENT AND SUBORDINATION AGREEMENT, made as of the 10TH day of March, 2023 between 2184907 Ontario Inc. (the “**Senior Lender**”), Swarmio Media Holdings Inc. (the “**Borrower**”) and 2873626 Ontario Ltd., 2797254 Ontario Inc., Arjun Kolachalam, MD Aseef Hannan Khan and Colin Joseph (the “**Sublenders**” and each a “**Sublender**”).

WHEREAS:

1. The Borrower and the Senior Lender propose to enter into a Promissory Note to be dated on or about the date hereof (the “**Note**”) pursuant to which the Senior Lender has made available to the Borrower certain funds.
2. The Borrower has granted or will grant various security interests in favour of Senior Lender in all of its property, assets and undertaking pursuant to various security agreements, each as security for the payment and performance of all of the Borrower’s present and future obligations to Senior Lender pursuant to the Note and otherwise (the “**Senior Lender Obligations**”). The documents between the Borrower and Senior Lender relating to and giving rise to the Senior Lender Obligations are hereinafter, collectively, referred to as the “**Senior Lender Loan Documents**”. The security granted to Senior Lender pursuant to the Senior Lender Loan Documents in respect of the Senior Lender Obligations is hereinafter, collectively, referred to as the “**Senior Lender Security**”.
3. The Borrower is indebted or liable to the Sublenders pursuant to secured promissory notes outstanding as of the date hereof (the “**Subordinated Loan Documents**”). All of the Borrower’s present and future indebtedness to the Sublenders under the Subordinated Loan Documents or otherwise are referred to herein as the “**Subordinated Obligations**”. Any security granted to the Sublenders by the Borrower to secure the payment of the Subordinated Obligations, if any, is referred to herein as the “**Subordinated Security**”.
4. The Sublenders have agreed to subordinate and postpone the Subordinated Security and all payments in respect of the Subordinated Obligations to the payment by the Borrower of all moneys payable to Senior Lender under the Senior Lender Obligations.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. The Sublenders hereby consent to the Borrower’s execution and delivery of the Senior Lender Loan Documents, the borrowing from the Senior Lender and contemplated therein and the grant of Senior Lender Security.
2. All Subordinated Security and all claims of the Sublenders in connection with, relating to or arising from the Subordinated Obligations are hereby postponed and subordinated to the Senior Lender Security and to the payment by the Borrower of all of the principal, interest and other moneys owing to Senior Lender pursuant to the Senior Lender Obligations. No direct or indirect payment of any kind (whether in cash, property, securities or otherwise or by way of set-off or in any manner) shall be made by the Borrower or received by the Sublenders on account of, or in respect of, the Subordinated Obligations until all of the Senior Lender Obligations have been paid or repaid in full, except that the Borrower shall be permitted to repay the Subordinated Obligations on the terms set out in the Subordinated Loan Documents

- provided that, in each case, no Event of Default (as defined in the Senior Lender Loan Documents) has occurred and is continuing at such time and such payments do not cause any Event of Default under any of the Senior Lender Loan Documents. All moneys received by the Sublenders in respect of the Subordinated Obligations other than as set forth in the exception described above shall be received in trust for Senior Lender and forthwith upon receipt thereof shall be paid over to Senior Lender. The Borrower shall not make any payments in contravention of this Agreement.
3. The Sublenders shall not take any steps whatsoever to enforce the Subordinated Obligations or Subordinated Security (including rights of set-off, to initiate or participate in the initiation of proceedings under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), foreclosure, sale, power of sale, taking of possession, appointing or making application to a court for an order appointing an agent or a receiver or receiver manager of some or all assets of the Borrower or by any other means of enforcement thereof) until the earlier of (i) the date on which all Senior Lender Obligations have been satisfied in full, as acknowledged in writing by Senior Lender (which acknowledgement shall not be unreasonably withheld); or (ii) the date that is 120 days following the date on which any Sublender notifies Senior Lender in writing of the occurrence of a default under the Subordinated Loan Documents and of the intent of any Sublender to enforce the Subordinated Obligations as a result of such default (the "**Standstill Period**"). For greater certainty, it is agreed and acknowledged that any payment to be made by the Borrower as a result of any steps taken by the Sublenders in accordance with this Section 3 shall be dealt with in accordance with Section 2.
 4. The Subordinated Security shall for all purposes be, and at all times remain, inferior, junior and subordinate to the Senior Lender Security and no amounts shall be payable or any action taken under the Subordinated Security except as permitted in this Agreement. The subordination and postponement provided for in this Agreement, and all other rights established in, altered by or specified in this Agreement, will be effective irrespective of any facts, matters or circumstances of any kind, including:
 - a. the respective times that any indebtedness or liability is incurred by the Borrower to the Senior Lender and the Sublenders;
 - b. the time, date or order of creation, execution, delivery, attachment, registration or perfection of the Senior Lender Security and the Subordinated Security (together, the "**Security**");
 - c. the method of perfection of the Security;
 - d. the time, date or order of registration or filing of financing statements, or other filings, registrations or recordings of the Security under any registration regime;
 - e. the giving of, or failure to give, notice of the acquisition of any additional security interest;
 - f. the date or dates of any existing or future advances made to the Borrower by either the Senior Lender or the Sublenders or of any liability of the Borrower to either the Senior Lender or the Sublenders;
 - g. the date or dates of any default or of any demand for payment resulting from any default;

- h. the date or dates of crystallization of any floating charge contained in the Security;
 - i. the date or dates of commencement of enforcement proceedings under the Security;
 - j. the place or jurisdiction of creation, execution, delivery, attachment, registration or perfection of the Subordinated Obligations or Senior Lender Obligations or any of the Security, or any document or agreement relating to them;
 - k. any other matter which may affect the relative priorities of the Subordinated Obligations, Senior Lender Obligations or the Security; or
 - l. the priorities otherwise given to the Security by any applicable laws.
5. Notwithstanding any other provisions of this Agreement, this Agreement shall not in any way limit or impair the Sublenders from (i) filing a proof of claim as creditor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other similar law or procedure that compromises the Borrower's debt (the "**Insolvency Legislation**") provided that the Sublenders did not initiate or participate in the initiation of any proceeding pursuant to such Insolvency Legislation in contravention of the terms of this Agreement, (ii) voting at any meeting of creditors held in connection Insolvency Legislation provided that the Sublenders did not initiate or participate in the initiation of the proceeding pursuant to such Insolvency Legislation in contravention of the terms of this Agreement, (iii) receiving any payment under the Subordinated Obligations if such payment is made in the context of a proposal or a plan of arrangement pursuant to Insolvency Legislation, to the extent such proposal, plan or procedure is duly approved in accordance with the Insolvency Legislation and the Sublenders did not initiate or participate in the initiation of such proposal, plan or procedure in contravention of the terms of this Agreement, or (iv) converting the Subordinated Obligations into equity securities of the Borrower if and as provided in the Subordinated Loan Documents or agreed to with the Borrower.
6. This postponement and subordination by the Sublenders shall be null and void and of no further effect upon repayment in full of the Senior Lender Obligations, as evidenced by an acknowledgement in writing of payment in full by Senior Lender (which acknowledgement shall not be unreasonably withheld).
7. Senior Lender may grant time, renewals, extensions, amendments, modifications and releases to, and otherwise deal with the Borrower and others, as Senior Lender may see fit, without notice to the Sublenders and without prejudice to or in any way limiting or affecting the obligations of the Sublenders hereunder.
8. The Sublenders will not assert in any action, suit or proceeding whatsoever the invalidity, unenforceability or ineffectiveness of the Senior Lender Obligations, Senior Lender Security, this agreement or any of the Senior Lender Loan Documents.
9. The Sublenders agree that they will not amend or vary any term of the Subordinated Obligations or Subordinated Loan Documents without the prior written consent of Senior Lender if such amendment (i) increases the principal amount of the Subordinated Obligations, (ii) increases the interest rate of the Subordinated Obligations, (iii) amends the payment requirements or repayment date(s) of the Subordinated Obligations, (iv) amends or modifies any provision of the Subordinated Obligations or Subordinated Loan Documents in any manner that is more onerous for the Borrower than the provisions in effect on the date hereof; (v) has the effect of

- granting the Sublenders a new security interest in the assets of the Borrower; (vi) results in a breach of the terms of the Senior Lender Loan Documents or (vii) in any other way has the effect of contravening, circumventing or nullifying the terms of this Agreement.
10. It shall be a condition of any transfer of any of the Subordinated Obligations or the Subordinated Loan Documents by the Sublenders that the assignee(s) or transferee(s) enter into a postponement and subordination agreement in favour of Senior Lender in the form of this Agreement.
 11. This Agreement shall extend to and be binding upon the Sublenders, the Borrower and their respective successors and permitted assigns and shall enure to the benefit of Senior Lender and its successors and assigns. Senior Lender may assign this Agreement, the Senior Lender Loan Documents, the Senior Lender Obligations and the Senior Lender Security without the consent of the Sublender or the Borrower. This Agreement is not assignable by the Sublenders or the Borrower without the prior written consent of Senior Lender.
 12. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.
 13. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
 14. This Agreement may be executed by facsimile, pdf or other form of electronic signature, and any signature contained hereon by facsimile, pdf or other electronic means shall be deemed to be equivalent to an original signature for all purposes.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

DATED as of the day and year first written above.

SWARMIO MEDIA HOLDINGS INC.

DocuSigned by:

Per: _____
Name: **Vijai Karthigesu**
Title: **CEO**

2184907 ONTARIO INC.

Per: _____
Name: **Steve Singh**
Title: **President**

Obligations or Subordinated Loan Documents in any manner that is more onerous for the Borrower than the provisions in effect on the date hereof; (v) has the effect of granting the Sublenders a new security interest in the assets of the Borrower; (vi) results in a breach of the terms of the Senior Lender Loan Documents or (vii) in any other way has the effect of contravening, circumventing or nullifying the terms of this Agreement.

10. It shall be a condition of any transfer of any of the Subordinated Obligations or the Subordinated Loan Documents by the Sublenders that the assignee(s) or transferee(s) enter into a postponement and subordination agreement in favour of Senior Lender in the form of this Agreement.
11. This Agreement shall extend to and be binding upon the Sublenders, the Borrower and their respective successors and permitted assigns and shall enure to the benefit of Senior Lender and its successors and assigns. Senior Lender may assign this Agreement, the Senior Lender Loan Documents, the Senior Lender Obligations and the Senior Lender Security without the consent of the Sublender or the Borrower. This Agreement is not assignable by the Sublenders or the Borrower without the prior written consent of Senior Lender.
12. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.
13. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
14. This Agreement may be executed by facsimile, pdf or other form of electronic signature, and any signature contained hereon by facsimile, pdf or other electronic means shall be deemed to be equivalent to an original signature for all purposes.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

DATED as of the day and year first written above.

SWARMIO MEDIA HOLDINGS INC.

Per: _____
Name: Vijai Karthigesu
Title: CEO

2184907 ONTARIO INC.

Per: _____
Name: _____
Title: President

2873626 ONTARIO LTD.

DocuSigned by:

Per: N. Sangeetha
Name: Sangeetha Navaneethasingam
Title: **President**

2797254 ONTARIO LTD.

DocuSigned by:

Per: Sean Peargood
Name: Sean Peargood
Title: **President**

DocuSigned by:

Arjun Kolachalam
ARJUN KOLACHALAM

DocuSigned by:

Aseef Khan
MD ASEEF HANNAN KHAN

DocuSigned by:

Colin Joseph
COLIN JOSEPH

**This is Exhibit “O” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakeim

A COMMISSIONER FOR TAKING AFFIDAVITS

Coastal Business Opportunities Incorporated

A Community Business Development Corporation



Letter of Offer dated 31 March, 2020

Mr. Vijayasuganthan Karthigesu, CEO
Swarmio Inc.
295 George St., Suite 102
Sydney, NS B1P 1J7
Via email: vijai@swarmio.media

Dear Mr. Karthigesu,

Coastal Business Opportunities Incorporated (Coastal), is prepared to lend Swarmio Inc. (Borrower), the sum of \$166,625.00. These funds are to be used for working capital purposes.

No change in the use of these funds may be made without first obtaining the written consent of Coastal. Loan proceeds may only be used as indicated above.

Terms and Conditions

The loan is subject to the following conditions being fulfilled prior to the disbursement of any funds.

Terms of Repayment

The loan will carry an interest rate of 5.45% compounded semi-annually. The loan is scheduled for repayment in equal monthly installments of principal and interest in the amount of \$7,337 per month for 24 months with the last month adjusted to include all sums owing. These payments are to commence the end of the thirteenth month following disbursement of funds. Interest will accrue from the date of issuance and be payable monthly commencing the end of the fourth month following disbursement and continue until the equal monthly installments of principal and interest in the amount of \$7,337 commence, the end of the thirteenth month following disbursement of funds.

All amounts paid will be applied first to fees, followed by interest with the remainder applied against principal. Interest will also be charged on interest past due at the same rate and in the same manner as interest on the principal sum.

All payments will be made by post-dated cheque. Prior to disbursing the loan Coastal will require post-dated cheques for the first year. When these have been used Coastal will request a further series of cheques until the loan has been fully repaid.

LETTER OF OFFER

Ubique Networks Inc.

Fees

Payment of all legal costs incurred by our solicitor on your behalf will be deducted prior to issuance of our funds. Should funds not be disbursed, any fees and expenses incurred by our solicitor or Coastal in connection with the placing of the Loan and Security including the enforcement of the Loan and the Security, whether or not any documentation is entered into or any advance made, shall be payable by the Borrower.

A service charge of \$50.00 will apply to any dishonored, overdue payments or any other change to the payment schedule.

There will be a one-time administration fee consisting of 1% of the total loan amount which will be applied to the loan account upon disbursement.

Security

The following security documents must be prepared and executed to the satisfaction of Coastal prior to any disbursement of funds:

1. Personal Guarantee for the following for \$166,625 from:

Mr. Vijayasuganthan Karthigesu.

In the case of a non-shareholder, Coastal must receive a copy of a certificate of independent legal advice. In the case of corporations, Coastal must receive a copy of the borrowing resolution.

2. Promissory note.
3. Any other documentation or security recommended by legal counsel.

Other Conditions

1. Copy of photo identification.
2. Confirmation that all accounts with Canada Revenue Agency are in good standing.
3. Signed Canada Revenue Agency forms RC59 and T1013 for Mr. Mr. Vijayasuganthan Karthigesu.

Underlying Conditions

1. Default under any existing account shall constitute default under this account and default under this account shall constitute default under any existing account with Coastal.
2. Your acceptance of this letter constitutes your authority for Coastal to make periodic contact with your landlord, if applicable, to check on the status of lease commitments.
3. You acknowledge that CANADA or its representatives are allowed access to Coastal client files for monitoring, reporting and evaluation purposes and that the client may be contacted from time to time by CANADA or its representatives in order to effectively evaluate the performance of this corporation. You also agree to co-operate by providing information on assistance provided to you by Coastal.

LETTER OF OFFER

Ubique Networks Inc.

4. Acceptance of this loan shall constitute the Borrower's agreement to maintain adequate financial records and make such records available upon request and provide accountant-prepared financial statements, on an annual basis, to Coastal. You also agree to provide quarterly internal financial statements to Coastal. In accepting this loan offer you are giving authority to Coastal to share and request relevant information from your accountant.
5. Coastal may withhold disbursement of the loan or any undrawn balance if in the opinion of Coastal a material adverse change in risk occurs before full disbursement.
6. Coastal may cancel the undrawn balance of the loan if the Borrower has not drawn the entire loan within three months of the date of this letter. If your business ceases to operate or is sold before the loan has been fully repaid, the balance outstanding on the said loan will be due and payable in full, ten (10) days after the date of closure.

Covenants

The Borrower:

1. Confirms that the information in the application for financing and all information provided to Coastal by the Borrower or on the Borrower's behalf are true and correct.
2. Agrees to obtain prior written consent of Coastal (i) to change the nature of its business; (ii) to amalgamate, merge, acquire or otherwise restructure the business or create an affiliate; or (iii) otherwise change the controlling shareholder of the business.
3. Agrees to obtain prior written consent of Coastal before beginning any capital expansion or incurring any additional debt in excess of that noted in the application/business plan until the debt is fully satisfied.
4. Agrees to obtain prior written consent of Coastal before increasing any salaries, commissions, bonuses or any other form of payment above those noted in the application/business plan until the debt is fully satisfied.
5. Agrees that no withdrawal of shareholders loans, present or future, or withdrawal of dividends shall be permitted until the debt is fully satisfied.
6. Agrees to comply with all regulations in relation to this project that satisfies the requirements of all regulatory bodies of appropriate jurisdiction.
7. Agrees to comply with all other requirements deemed necessary by legal counsel of Coastal.
8. Agrees to maintain commercial general liability insurance and keep all assets insured against physical damage and other losses on an "all-risks" basis for their full replacement.
9. Agrees that this Letter of Offer may be communicated by a facsimile transmission and that when signed by all parties, this Letter of Offer shall be binding on all parties.

LETTER OF OFFER

Ubique Networks Inc.

Default

The following constitutes default:

1. Any representation to Coastal is false.
2. Failure to make any payment, comply with the terms of this letter of offer, comply with any security agreements or any other agreement between the Borrower and Coastal in respect of this loan or any other loan.
3. Insolvency or bankruptcy or failure to perform obligations to other creditors.
4. Cessation of business.
5. Other conditions as listed in any security documents.

The occurrence of any of the above events by the Borrower constitutes a default at which time Coastal may demand immediate payment of the loan and enforce its security.

Prepayment Privilege

Prepayment in whole or in part may be made at any time without notice with a one month interest penalty.

LETTER OF OFFER

Ubique Networks Inc.

Acceptance

This loan will become effective upon receipt of a signed copy of this Letter of Offer by Coastal no later than 09 April, 2020. Any conditional acceptance of this offer shall render it null and void.



Patricia MacNeil
Executive Director Tel:
(902) 539-4332
Fax: (902) 562-1016

Swarmio Inc.


_____, Authorized Signing Officer

Name: Vijayasuganthan Karthigesu

April 01, 2020

Date of Acceptance


_____, Witness

Sorin Stoian

Please Print Name of Witness

Coastal Business Opportunities Incorporated

A Community Business Development Corporation



Letter of Offer dated 28 July 2021

Mr. Vijayasuganthan Karthigesu, CEO
Swarmio Inc.
295 George St., Suite 102
Sydney, NS B1P 1J7
Via email: vijai@swarmio.media

Dear Mr. Karthigesu,

Coastal Business Opportunities Incorporated (Coastal), is prepared to lend Swarmio Inc. (Borrower), the sum of \$142,332. These funds are to be used for working capital purposes.

No change in the use of these funds may be made without first obtaining the written consent of Coastal. Loan proceeds may only be used as indicated above.

Terms and Conditions

The loan is subject to the following conditions being fulfilled prior to the disbursement of any funds.

Terms of Repayment

The loan will carry an interest rate of 5.45% compounded semi-annually. The loan is scheduled for repayment in equal monthly installments of principal and interest in the amount of \$6,933 per month for 24 months with the last month adjusted to include all sums owing. These payments to commence the end of the third month following disbursement of funds. Interest will accrue from the date of issuance.

All amounts paid will be applied first to fees, followed by interest with the remainder applied against principal. Interest will also be charged on interest past due at the same rate and in the same manner as interest on the principal sum.

All payments will be made by post-dated cheque or authorized direct deposit. Prior to disbursing the loan, Coastal will require post-dated cheques the first year or an approved authorized direct deposit form.

Page 1 of 5

LETTER OF OFFER

Swarmio Inc.

Fees

Payment of all legal costs incurred by our solicitor on your behalf will be deducted prior to issuance of our funds. Should funds not be disbursed, any fees and expenses incurred by our solicitor or Coastal in connection with the placing of the Loan and Security including the enforcement of the Loan and the Security, whether or not any documentation is entered into or any advance made, shall be payable by the Borrower.

A service charge of \$50.00 will apply to any dishonored, overdue payments or any other change to the payment schedule.

There will be a one-time administration fee consisting of 1% of the total loan amount which will be applied to the loan account upon disbursement.

Security

The following security documents must be prepared and executed to the satisfaction of Coastal prior to any disbursement of funds:

1. Personal Guarantee for the following for \$142,332 from:

Mr. Vijayasuganthan Karthigesu.

In the case of a non-shareholder, Coastal must receive a copy of a certificate of independent legal advice. In the case of corporations, Coastal must receive a copy of the borrowing resolution.

2. Promissory note.
3. Any other documentation or security recommended by legal counsel.

Other Conditions

1. Copy of photo identification.
2. Confirmation that all accounts with Canada Revenue Agency are in good standing.

Underlying Conditions

1. Default under any existing account shall constitute default under this account and default under this account shall constitute default under any existing account with Coastal.
2. Your acceptance of this letter constitutes your authority for Coastal to make periodic contact with your landlord, if applicable, to check on the status of lease commitments.
3. In recognition of its contribution, you acknowledge that CANADA or its representatives are allowed access to Coastal client files for monitoring, reporting and evaluation purposes and that the client may be contacted/visited from time to time by CANADA or its representatives in order to effectively evaluate the performance of this corporation. You also agree to co-operate by providing information on assistance provided to you by Coastal.

LETTER OF OFFER

Swarmio Inc.

4. Acceptance of this loan shall constitute the Borrower's agreement to maintain adequate financial records and make such records available upon request and provide accountant-prepared financial statements, on an annual basis, to Coastal. You also agree to provide quarterly internal financial statements to Coastal. In accepting this loan offer you are giving authority to Coastal to share and request relevant information from your accountant.
5. Coastal may withhold disbursement of the loan or any undrawn balance if in the opinion of Coastal a material adverse change in risk occurs before full disbursement.
6. Coastal may cancel the undrawn balance of the loan if the Borrower has not drawn the entire loan within three months of the date of this letter. If your business ceases to operate or is sold before the loan has been fully repaid, the balance outstanding on the said loan will be due and payable in full, ten (10) days after the date of closure.

Covenants

The Borrower:

1. Confirms that the information in the application for financing and all information provided to Coastal by the Borrower or on the Borrower's behalf are true and correct.
2. Agrees to obtain prior written consent of Coastal (i) to change the nature of its business; (ii) to amalgamate, merge, acquire or otherwise restructure the business or create an affiliate; or (iii) otherwise change the controlling shareholder of the business.
3. Agrees to obtain prior written consent of Coastal before beginning any capital expansion or incurring any additional debt in excess of that noted in the application/business plan until the debt is fully satisfied.
4. Agrees to obtain prior written consent of Coastal before increasing any salaries, commissions, bonuses or any other form of payment above those noted in the application/business plan until the debt is fully satisfied.
5. Agrees that no withdrawal of shareholders loans, present or future, or withdrawal of dividends shall be permitted until the debt is fully satisfied.
6. Agrees to comply with all regulations in relation to this project that satisfies the requirements of all regulatory bodies of appropriate jurisdiction.
7. Agrees to comply with all other requirements deemed necessary by legal counsel of Coastal.
8. Agrees to maintain commercial general liability insurance and keep all assets insured against physical damage and other losses on an "all-risks" basis.
9. Agrees that this Letter of Offer may be communicated by a facsimile transmission and that when signed by all parties, this Letter of Offer shall be binding on all parties.

LETTER OF OFFER

Swarmio Inc.

Default

The following constitutes default:

1. Any representation to Coastal is false.
2. Failure to make any payment, comply with the terms of this letter of offer, comply with any security agreements or any other agreement between the Borrower and Coastal in respect of this loan or any other loan.
3. Insolvency or bankruptcy or failure to perform obligations to other creditors.
4. Cessation of business.
5. Other conditions as listed in any security documents.

The occurrence of any of the above events by the Borrower constitutes a default at which time Coastal may demand immediate payment of the loan and enforce its security.

Prepayment Privilege

Prepayment in whole or in part may be made at any time without notice with a one-month interest penalty.

LETTER OF OFFER

Swarmio Inc.

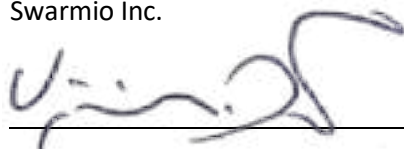
Acceptance

This loan will become effective upon receipt of a signed copy of this Letter of Offer by Coastal no later than 09 August, 2021. Any conditional acceptance of this offer shall render it null and void.



Patricia MacNeil
Executive Director Tel:
(902) 539-4332
Fax: (902) 562-1016

Swarmio Inc.



_____, Authorized Signing Officer

Name: Vijayasuganthan Karthigesu

August 3, 2021

Date of Acceptance



_____, Witness

August 3, 2021

Please Print Name of Witness

**This is Exhibit “P” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakeim

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A COMMISSIONER FOR TAKING AFFIDAVITS

Business Development Program

Project Number: 206144

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY**
(hereinafter referred to as "the Agency")

AND: **Ubique Networks Inc.**, an organization duly incorporated
under the laws of Canada, having its office located at:
1 Douglas Street
Sydney, Nova Scotia
B1P 1V2
(hereinafter referred to as "the Recipient")

WHEREAS the Agency has established a program, the Business Development Program, to
increase opportunities for economic development in Atlantic Canada,
(hereinafter referred to as "the Program")

WHEREAS this Agreement sets out the terms and conditions under which the Agency shall
provide a contribution to the Recipient,

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as
follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Schedule 3 – Claims and Costs Principles
Schedule 4 – Reporting Requirements
Schedule 5 – Project Fact Sheet for News Release

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient will carry out the Project as described in Schedule 2 – Statement of Work, will make claims in accordance with Schedule 3 – Claims and Costs Principles, will issue the reports required under Schedule 4 – Reporting Requirements, and will fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before October 31, 2015 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before September 1, 2016 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency shall make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the assistance rate percentage of the Eligible Costs as stated on Schedule 2 – Statement of Work; and
 - (b) \$500,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on , and there shall be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs incurred, as listed in Schedule 2 – Statement of Work, on the basis of itemized claims submitted in accordance with the procedures set out in Schedule 3 – Claims and Costs Principles.

ARTICLES OF AGREEMENT

- 5.2 The Agency will not contribute to any cost incurred by the Recipient prior to June 25, 2015. The Agency will not accept any cost incurred after the Project Completion Date, unless otherwise agreed to in writing, by the Agency.
- 5.3 Prior to the initial payment, the Recipient shall provide the Agency with the following information:
- (a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization (PAD)* form as provided by the Agency; and
- 5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency, that all Eligible Costs that have been incurred and submitted for payment to the Agency have effectively been paid by the Recipient.
- 5.5 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Eligible Costs incurred.
- 5.6 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.
- 6.0 Repayment**
- 6.1 The Recipient shall repay the Contribution to the Agency in yearly instalments calculated as a percentage of Gross Annual Sales of the Recipient.
- 6.2 These amounts are calculated to repay the outstanding balance of the Contribution; however, the last instalment may be adjusted to include all sums owing.
- 6.3 The annual amount due to the Agency shall be calculated as 5% of Gross Annual Sales of the Recipient generated in the Recipient's fiscal year immediately preceding the due date of the first repayment of the year. The annual amount will then be divided, as required, to determine the yearly instalments.
- 6.4 The first repayment shall be due on July 1, 2017 and subsequent repayments are due yearly until the Contribution has been repaid in full.
- 6.5 Within one hundred and eighty (180) days of the end of each fiscal year, the Recipient shall provide the Agency with a certificate, satisfactory to the Agency, confirming the Gross Annual Sales of the Recipient for the preceding fiscal year.
- 6.6 The Recipient agrees that all sales of Resulting Product(s) shall be at fair market value unless otherwise approved in writing by the Agency.

ARTICLES OF AGREEMENT

7.0 Special Condition(s)

- 7.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency by January 31, 2016 ("the **Lapsing Date**"), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.

Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any outstanding balance of the Contribution that has not been fully claimed by December 31, 2016 ("the **End Date**"). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.

8.0 Official Languages

- 8.1 The Recipient agrees that any public acknowledgment of the Agency's support for the Project will be expressed in both official languages.
- 8.2 The Recipient agrees:
- (a) that basic project information, such as project description, will be developed and made available to the public in both official languages;
 - (b) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
 - (c) that main signage components related to the Project will be in both official languages.

9.0 Project Financing

- 9.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work.

The following table sets out the details and the time frame for the confirmation of the Project financing:

Financing Source	Amount	Confirmation Date
Shareholder Injection	\$500,000	Date of First Payment
NRC – IRAP	\$500,000	Date of First Payment
Other – Convertible Debenture or Equity	\$500,000	Date of First Payment

ARTICLES OF AGREEMENT

- 9.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than that described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient shall promptly inform the Agency of the receipt of such assistance as described in Schedule 1 – General Conditions, Other Government Assistance.

10.0 Equity

- 10.1 The Recipient shall attain Equity, in a form satisfactory to the Agency, in the total amount of \$500,000.00 on or before the date of the first disbursement by the Agency to the Recipient.
- 10.2 In order to comply with the required Equity level, the Recipient shall submit a duly signed and completed Subordination Agreement, to be provided by the Agency.
- 10.3 Unless authorized by the Agency in writing, this level of Equity shall be maintained until the end of the Control Period.
- 10.4 Equity is to be calculated as the aggregate of:
- (a) the Recipient's share capital (incorporated company), the partner's capital accounts (incorporated partnerships), the Recipient's net worth (individual);
 - (b) contributed surplus and other surplus accounts;
 - (c) retained earnings (added) or accumulated deficit (subtracted);
 - (d) subordinated shareholder(s)' loan(s) or partner(s)' loan(s). In order to be considered in this calculation, a duly signed Subordination Agreement must be on file; and
 - (e) loans from other parties that are subordinated (reduced in priority of payment) to all other liabilities for a certain period, at the satisfaction of the Agency. In order to be considered in this calculation, a duly signed Subordination Agreement must be on file.

LESS:

- (f) advances to shareholders; and
- (g) any other asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's Equity.

ARTICLES OF AGREEMENT

- 10.5 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined, for the purpose of this Agreement, as any payments to any shareholder, director, officer or associate company of the Recipient, including, without limitation, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

11.0 Environmental Requirements

- 11.1 The Parties agree that the *Canadian Environmental Assessment Act*, 2012, S.C. 2012, c. 19, s. 52 (CEAA, 2012) does not apply to the Project and that an environmental assessment (EA) or a determination under section 67 of CEAA, 2012 are not required for the Project.
- 11.2 If, as a result of changes to the Project or otherwise, the Agency is of the opinion that CEAA, 2012 applies to the Project, the Recipient agrees that construction of the Project, including site preparation, will not be undertaken or will be suspended and no funds or additional funds will become or will be payable by the Agency to the Recipient for the Project unless, and until:
- (a) in the case of an EA, a decision statement has been issued to the Recipient; or
 - (b) in the case of a determination under section 67 of CEAA, 2012, the Agency determines that the Project is not likely to cause significant adverse environmental effects or is likely to cause significant adverse environmental effects that are justified in the circumstances.
- 11.3 For any EA or determination made under CEAA, 2012 as a result of changes to the Project or otherwise:
- (a) the Recipient will comply with, to the satisfaction of the Agency and at the Recipient's own expense, all conditions included in the decision statement issued under CEAA, 2012 or other conditions that the Agency may require in coming to a determination under section 67 of CEAA, 2012.
 - (b) the Recipient will allow the Agency and its agents, employees, servants or contractors to access and enter at any time during reasonable hours upon any real property under the ownership or control of the Recipient for the purpose of ensuring that any conditions and mitigation measures are implemented for the Project.

ARTICLES OF AGREEMENT

12.0 Communications

- 12.1 The Recipient must consult with the Agency regarding communication activities relating to the Project, in accordance with Schedule 1 – General Conditions, Communications

13.0 Notice

- 13.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, shall be addressed to:

Atlantic Canada Opportunities Agency
70 Crescent Street
Sydney, Nova Scotia
B1S 2Z7

Attention: Steven Lane

or to such address as is designated by the Agency in writing.

- 13.2 Any notice or correspondence to the Recipient shall be addressed to:

Ubique Networks Inc.
1 Douglas Street
Sydney, Nova Scotia
B1P 1V2

Attention: Vijai Karthigesu

14.0 Entire Agreement

- 14.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments shall be made to the Agreement unless confirmed in writing.

15.0 Joint and Several Obligations

- 15.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the "Recipient" or "it" or "its" in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

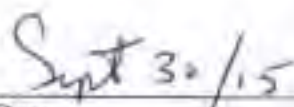
ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY



Joe Cashin, CA, Director, Enterprise Development



Date

Project No.: 206144

The agreement is hereby signed and accepted by the Recipient this _____ day of _____, 20____.

Ubique Networks Inc.

Signature

Name: _____
(please print)

Title/Position: _____
(please print)

Signature

Name: _____
(please print)

Title/Position: _____
(please print)

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in all information of a scientific, technical or artistic nature, whether oral or recorded, that is required to carry out the Project or exploit the Foreground Intellectual Property.

Control Period means the period commencing on the Project Commencement Date and ending at the later of the end of any applicable repayment of the Contribution by the Recipient or fifteen (15) years after the Project Completion Date if no repayment amount has become due to the Agency.

Co-recipient means an individual or entity, in addition to the primary Recipient, who accepts responsibility for the terms and conditions of the Agreement.

Costs Incurred means the costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for or has a legal obligation to pay in the future.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or, (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs that comply with the principles of Schedule 3 – Claims and Costs Principles, are necessary to carry out the Project and are listed in Schedule 2 – Statement of Work.

End Date means the date that any outstanding balance of the Contribution will be cancelled and no longer available for payment under this Agreement.

Equity means the ownership interest or value in the assets of a business, net of all debts, claims and any asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's net worth (i.e. assets minus liabilities equals Equity). Negative Equity exists when the value of the total assets is less than the total liabilities. The Recipient's Equity will be calculated as stated in Equity, in the Articles of Agreement.

Foreground Intellectual Property means all information of a scientific, technical or artistic nature first conceived, developed or reduced to practise as part of the Project.

SCHEDULE 1**GENERAL CONDITIONS**

Gross Annual Sales means the annual revenue, which includes but shall not be limited to, sales of the Recipient's products, royalties, licensing revenues, advertising revenues, and all other operating revenues, before making any deductions for discounts, returns or allowances. It is calculated simply by adding all sales invoices and not including operating expenses, cost of goods sold, payment of taxes or any other charges.

Gross Annual Sales of Resulting Product(s) means the annual revenue derived from the sale of Resulting Product(s) before making any deductions for discounts, returns or allowances. Calculated simply by adding all sales invoices for Resulting Product(s) and not including operating expenses, cost of goods sold, payment of taxes or any other charges.

Interest Rate means the rate of interest equal to three per cent (3%) higher than the Average Bank Rate.

Lapsing Date means the date that this Agreement terminates because the Recipient failed to submit a claim for payment or provide documentation with the claim satisfactory to the Agency.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Project Commencement Date means the date on which, in the opinion of the Agency, the first major commitment is made by the Recipient to implement the Project.

Project Completion Date means the date on which, in the opinion of the Agency, all Eligible Costs have been incurred and/or the work completed in accordance with Schedule 2 – Statement of Work.

Resulting Products means products that, at the sole determination of the Agency, are produced or result from the Project, incorporate results of the Project, or use a method, process, equipment or information resulting from the Project and, without restricting the generality of the foregoing, that include all inventions, works, foreground intellectual property, writings, designs, devices and adaptations together with all modifications or improvements.

GENERAL CONDITIONS**2.0 Representations, Warranties and Undertakings****2.1 Representations, Warranties and Undertakings by the Recipient**

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatories to the Agreement have been duly authorized to execute and deliver the Agreement.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that when executed and delivered, the Agreement will constitute a legal, valid and binding obligation enforceable in accordance with its terms.

2.5 No Pending Suits or Actions

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the Term of the Agreement.

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

GENERAL CONDITIONS**2.8 Other Agreements**

The Recipient represents and warrants that it has not entered and undertakes not to enter into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

2.9 Intellectual Properties

The Recipient represents and warrants that:

- (a) it has taken appropriate steps to ensure that it either owns the Background Intellectual Property or holds sufficient rights in the same to permit the Project to be carried out and the Foreground Intellectual Property to be exploited;
- (b) the title to the Foreground Intellectual Property is to be vested and, unless otherwise agreed to in writing by the Agency, to remain exclusively with the Recipient;
- (c) it shall take appropriate steps to protect the Foreground Intellectual Property and shall, upon request, provide information to the Agency in that regard; and
- (d) it has obtained written permission from every author who will contribute to any Foreground Intellectual Property that may be subject to copyright protection and that will form part of the Project. The Agency may request that the Recipient provide it with a copy of the written waiver(s) of moral rights.

3.0 Other Financing

- 3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's other obligations under this Agreement.

4.0 Other Government Assistance

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance received or to be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency shall have the right to adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics**5.1 Members of the Senate and House of Commons**

No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.

GENERAL CONDITIONS**5.2 Members of a Provincial or Territorial Legislature**

Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict of interest guidelines in effect during the term of this Agreement.

5.3 Conflict of Interest

The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for the Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

6.0 Dispute Resolution

6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

7.0 Lobbying

7.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement and to the Project is registered pursuant to the Act.

8.0 Relationship with the Agency

8.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

9.0 Termination

9.1 The Agreement will terminate at the end of the Control Period, when all amounts due from the Recipient to the Agency under this Agreement have been paid in full or until that obligation is otherwise discharged to the satisfaction of the Agency.

SCHEDULE 1**GENERAL CONDITIONS**

- 9.2 In the event that all of the Recipient's undertakings in regard to the Project have been completed and the Recipient has demonstrated to the satisfaction of the Agency it is no longer acquiring benefits from the Resulting Product(s), the Agency may terminate the Agreement. This does not affect any right of collection or recovery of the debt at any time in the future.

10.0 Force Majeure**10.1 Event of Force Majeure**

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

10.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control, and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

11.0 Communications

- 11.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the Agency logo or otherwise make reference to the Agency.

- 11.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. After official announcement of the Project by the Agency or sixty (60) calendar days after the Recipient's acceptance of this Agreement, whichever is earlier, information appearing in Schedule 5 – Project Fact Sheet, herein, will be considered to be in the public domain.

- 11.3 The Recipient will advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony shall be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.

- 11.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.

SCHEDULE 1**GENERAL CONDITIONS**

- 11.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

12.0 Material Changes

- 12.1 No material changes will be made to the estimated total scope or nature of any element of the Project or element of the Recipient's operation which would affect the completion of the Project, without the prior written consent of the Agency. A material change includes, but is not limited to, ownership, control, management, financing, location, size of facilities, timing, expected results, or other government contributions with respect to the Project. With its request for consent, the Recipient will provide, in a timely manner, all documentation and information as may be required by the Agency.

13.0 Disposal of Assets

- 13.1 The Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the written consent of the Agency.
- 13.2 Any funds recovered by the Recipient pursuant to the sale or disposal of Project Assets, shall be paid to the Agency, except where the Project Assets disposed of are immediately replaced by comparable assets of equal or greater value that are used for the Project.
- 13.3 If so directed by the Agency, the Recipient shall pay the Agency forthwith the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the:
- (a) proceeds of disposition of the Project Asset(s); or
 - (b) fair market value of the Project Asset(s).
- 13.4 The total amount payable by the Recipient pursuant to, the Disposal of Assets, shall not exceed the amount of the Contribution.

14.0 Insurance Coverage

- 14.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

GENERAL CONDITIONS**15.0 Monitoring, Rights to Audit and Physical Access**

- 15.1 During the term of the Agreement, the Recipient will provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.
- 15.2 The Recipient will provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.
- 15.3 The Recipient will, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to ensure compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary using the staff of the Agency, an independent firm or the Recipient's external auditors.
- 15.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.
- 15.5 The Recipient will assist the Agency with the monitoring of the Agreement and will facilitate access by the Agency to information from third parties and to the premises of third parties relating to the Agreement.

16.0 Overpayment

- 16.1 Where, for any reason:
- (a) the Recipient is not entitled to the Contribution; or
 - (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled.

the Recipient will repay to the Agency, promptly and no later than thirty (30) calendar days from the date of the notice from the Agency, the amount of the overpayment. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

SCHEDULE 1**GENERAL CONDITIONS****17.0 Right to Set-off**

- 17.1 Without limiting the scope of set-off rights available to the Crown at Common Law, under the *Financial Administration Act* or otherwise, the Agency may:
- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
 - (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

18.0 Interest and Administrative Charges**18.1 Payments**

When any payment is received from the Recipient on account of a prepayment of a repayment installment, an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance.

18.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate, in accordance with the *Interest and Administrative Charges Regulation*. The interest, calculated daily and compounded monthly, shall accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

18.3 Fee

An administrative fee shall be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulation* which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

19.0 Events of Default**19.1 The following constitute events of default:**

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership, or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;

SCHEDULE 1**GENERAL CONDITIONS**

- (e) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;
- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with the Agency.

20.0 Remedies on Default

- 20.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:
- (a) suspend or terminate any obligation by the Agency to contribute to the Eligible Costs, including any obligation to pay any amount owing prior to the date of such suspension or termination;
 - (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*. The interest, calculated daily and compounded monthly, shall accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.
- 20.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.

SCHEDULE 1**GENERAL CONDITIONS**

- 20.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.

21.0 Annual Appropriations**21.1 Parliamentary Allocation**

Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1st and ending on the following March 31st; in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.

21.2 Lack of Appropriation

In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.

22.0 Notice

- 22.1 Any notice required to be given with respect to this Agreement shall be in writing and shall be effectively given if delivered or if sent by ordinary or registered mail, ACOA Direct, courier, telegram or fax, addressed to the party for whom the notice is intended. Any notice shall be deemed to have been received on delivery. Any notice sent by telegram, ACOA Direct or fax shall be deemed to have been received one (1) working day after being sent. Any notice sent by mail shall be deemed to have been received eight (8) calendar days after being sent.

23.0 No Assignment of Agreement

- 23.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

24.0 Indemnity

- 24.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

SCHEDULE 1**GENERAL CONDITIONS****25.0 Cancellation of Agreement**

- 25.1 The Agency, by thirty (30) calendar days' notice duly given to the Recipient in accordance with, Notice, of these General Conditions, may cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

26.0 Access to Information Act and Privacy Act

- 26.1 All information obtained by the Agency from the Recipient pursuant to an application or during the course of this Agreement will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

27.0 Aboriginal Consultation

- 27.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

SCHEDULE 2**STATEMENT OF WORK****Project Description**

UBIQUE will develop technology aimed at assisting game publishers to deliver the ultimate gaming experience for online multiplayer games. UBIQUE's "Q-Sense" technology will enable the on-demand, real-time and live migration of running game servers from one geographical location to another with zero downtime, continuous service availability, complete transaction integrity and transparent to users.

UBIQUE will build a dedicated, intelligent global network called "IQnet" to deliver the Game Network as a Service. IQnet will be using the "Q-Sense" technology to monitor the network and the game servers in real-time. When the players join the game on servers using the "Q-Sense" technology, IQnet will determine an optimal location for each player based on where and when the players are joining the game. Using business intelligence input from business applications, IQnet will move the game server to an optimal location for the player and provide a level playing field for all competitors without "lag" differences.

Project Location

SYDNEY, Nova Scotia

Project Financing

<u>Project Costs</u>		\$	<u>Financing</u>	\$
Salaries/Wages		\$750,000	ACOA Conditionally Repayable Contribution	\$500,000
Special Equipment		\$300,000	NRC-IRAP Grant	\$500,000
Sub-Contracting		\$250,000	Convertible Debentures/ Equity Injection	\$1,000,000
Working Capital/Project Overhead		\$700,000		
Total		\$2,000,000	Total	\$2,000,000
<u>Eligible Costs</u>	<u>Assistance Rate 25%</u>	\$		
Salaries/Wages	0%	\$750,000		
Special Equipment	100%	\$300,000		
Sub-Contracting	80%	\$250,000		
Working Capital/Project Overhead	0%	\$700,000		
Total	25%	\$2,000,000		
<u>Non-Eligible Costs</u>				

SCHEDULE 2

STATEMENT OF WORK

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

Expected Project Results

Annual revenue in excess of \$3,900,000.

Means of Verification

Client submitted, Review Engagement quality, annual financial statements.

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****1.0 Claims**

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Eligible Costs incurred, on the basis of claims that:
 - (a) are submitted on claim forms provided by the Agency and include the details of all Eligible Costs being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) include a declaration of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient, in respect to Eligible Costs that have been incurred but not yet paid to suppliers, shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in Payments, of the Articles of Agreement, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for an examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall include a statement certified by a person authorized to sign on behalf of the Recipient attesting that the Eligible Costs for the entire Project have been incurred and paid.
- 1.5 Payments to the Recipient will be withheld if there are any outstanding reports, as required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles**2.1 Total Eligible Costs of the Project**

The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, shall be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

2.2 Incremental Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional or costs that would not have otherwise been incurred if not for the implementation of the Project.

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****2.3 Reasonable Costs**

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration shall be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project as they affect costs.

2.4 Travel Costs

Travel costs include transportation, accommodations and meals that are directly attributable to the Project and included in Schedule 2 – Statement of Work. The Agency will reimburse the Recipient's travel expenditures in accordance to the National Joint Council Directive (www.njc-cnm.gc.ca). While the Recipient may travel by any means that it deems appropriate and incur any related costs, the Agency will only reimburse those costs incurred up to the maximums for travel costs according to the principles, guidelines and rates prescribed by the Travel Directive.

2.5 General Administrative Costs

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.6 Salary Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES**

When hourly rates are being charged for salaried personnel, the hourly rates shall be the periodic remuneration (e.g. annual, monthly, weekly), divided by the total paid hours in the period, including holidays, vacations, and paid sick leave.

When it has been authorized, salary costs may be claimed for the performance of an authorized and incremental role by qualified management personnel.

2.7 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project.

2.8 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible unless they are specified in Schedule 2 – Statement of Work as being Eligible costs. Non-eligible costs include, but are not necessarily restricted to, items such as:

- (a) the cost of land and goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;
- (c) fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation);
- (d) entertainment expenses (does not include networking receptions) and first-class airfare;
- (e) insurance, except if the cost is directly related to construction and is capitalized (in accordance with Generally Accepted Accounting Principles or International Financial Reporting Standards) as part of the Project;
- (f) dues and other membership fees;
- (g) severance pay;
- (h) interest costs, bond discounts, and other financing costs; and
- (i) any costs, such as amortization and in-kind, that would not necessitate an expenditure of cash by the Recipient.

SCHEDULE 3

CLAIMS AND COSTS PRINCIPLES

2.9 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit or the reimbursement of sales taxes paid by the Recipient for goods and services. These credits shall be taken into consideration in calculating Eligible Costs.

SCHEDULE 4**REPORTING REQUIREMENTS****1.0 General****1.0 Progress Report with Each Claim**

From the Project Commencement Date until the Project Completion Date, the Recipient shall submit a progress report with each claim for payment, detailing the progress and results of the Project. The progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual reviewed financial statements within one hundred and twenty (120) days after the end of each fiscal year. The Agency also reserves the right to request and to obtain internally prepared financial statements and/or audited year end financial statements, when deemed necessary, upon written requests.

1.3 Internal Financial Statements

The Recipient shall provide a copy of its semiannual internally prepared financial statements, for monitoring purposes, within 60 days following the respective six month period. The Agency also reserves the right to change the interval of monitoring and of receipt of internally prepared financial statements, when deemed necessary, upon written requests.

1.4 Final Progress Report

Prior to the final payment, the Recipient shall submit a final progress report detailing the actual results of the Project as compared to the expected results and using the means of verification identified in Schedule 2 – Statement of Work. All deviations should be explained.

2.0 Other Reports

- 2.1 Prior to any payment exceeding ninety percent (90%) of the total Contribution, the Recipient shall provide a statement of the total funding from all sources for the Project, including total Canadian government funding received.

FACT SHEET FOR NEWS RELEASE

Program:
The Agency's Business Development
Program

Project No:
206144

Name and Address of Recipient:
Ubique Networks Inc.
1 Douglas Street
Sydney, Nova Scotia
B1P 1V2

Recipient Contact:
Name: Vijai Karthigesu
Title: CEO & Founder
Telephone: (902) 982-3580
Fax:

Project Location:
SYDNEY, Nova Scotia

Project Type:
Innovation

Project Description:

UBIQUE will develop technology aimed at assisting game publishers to deliver the ultimate gaming experience for online multiplayer games. UBIQUE's "Q-Sense" technology will enable the on-demand, real-time and live migration of running game servers from one geographical location to another with zero downtime, continuous service availability, complete transaction integrity and transparent to users.

UBIQUE will build a dedicated, intelligent global network called "IQnet" to deliver the Game Network as a Service. IQnet will be using the "Q-Sense" technology to monitor the network and the game servers in real-time. When the players join the game on servers using the "Q-Sense" technology, IQnet will determine an optimal location for each player based on where and when the players are joining the game. Using business intelligence input from business applications, IQnet will move the game server to an optimal location for the player and provide a level playing field for all competitors without "lag" differences.

Total Project Costs:
\$2,000,000.00

Eligible Costs:
\$2,000,000.00

Authorized Assistance:
\$500,000.00

Total Government Funding:
\$1,000,000.00

Estimated Project Commencement Date: October 31, 2015

Estimated Project Completion Date: September 1, 2016



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Quebec Office
70, rue Grenier
Sydney, N.S.
B1S 2Z7

Moncton Office
70, rue Grenier
Sydney (N-B)
B1S 2Z7

Project No.: 207960

Ubique Networks Inc.
37 Nepean Street
Suite 306
Sydney, Nova Scotia
B1P 6A7

DEC 13 2016

Attention: Mr. Vijai Karthigesu

Dear Mr. Karthigesu

RE: Offer of Assistance under the Business Development Program

Please find attached a contribution agreement for funding under the Business Development Program for your review and signature. **This agreement is open for acceptance for sixty (60) calendar days from the date that appears on this letter.**

We have also included a Pre-authorized Debit/Direct Deposit Authorization (PAD) form for your completion and signature. Please return one signed copy of the contribution agreement and the completed PAD form.

Once we receive the signed forms, we will provide you with information on how to submit claims under the project. We recommend using ACOA Direct, the Agency's web-based client portal, where you can submit claims online, share documents, collaborate with members of the secure site and access your ACOA account 24 hours a day, 7 days a week. ACOA Direct is the most effective way for you to submit claims. Included with this letter is an ACOA Direct Client Registration form for your convenience. You can use it to enroll or to make changes if you are already enrolled.

If you have any questions, please contact Steven Lane, the Program Officer assigned to your project, at (800) 705-3926 or (902) 564-7325, or via e-mail at steven.lane@canada.ca.

Yours truly,

Joe Cashin, CPA, CMA
Director, Enterprise Development

Enclosures

Business Development Program

Project Number: 207960

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY**

(hereinafter referred to as "the Agency")

AND:

Ubique Networks Inc., an organization duly incorporated under the laws of Canada, having its office located at:

37 Nepean Street
Suite 306
Sydney, Nova Scotia
B1P 6A7

(hereinafter referred to as "the Recipient")

WHEREAS the Agency has established a program, the Business Development Program, to increase opportunities for economic development in Atlantic Canada,

(hereinafter referred to as "the Program")

WHEREAS this Agreement sets out the terms and conditions under which the Agency shall provide a contribution to the Recipient,

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Schedule 3 – Claims and Costs Principles
Schedule 4 – Reporting Requirements
Schedule 5 – Project Fact Sheet for News Release

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient will carry out the Project as described in Schedule 2 – Statement of Work, will make claims in accordance with Schedule 3 – Claims and Costs Principles, will issue the reports required under Schedule 4 – Reporting Requirements, and will fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before December 31, 2016 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before July 30, 2017 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency shall make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the assistance rate percentage of the Eligible Costs as stated on Schedule 2 – Statement of Work; and
 - (b) \$468,750.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on March 31, and there shall be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs incurred, as listed in Schedule 2 – Statement of Work, on the basis of itemized claims submitted in accordance with the procedures set out in Schedule 3 – Claims and Costs Principles.

ARTICLES OF AGREEMENT

- 5.2 The Agency will not contribute to any cost incurred by the Recipient prior to June 10, 2016. The Agency will not accept any cost incurred after the Project Completion Date, unless otherwise agreed to in writing, by the Agency.
- 5.3 Prior to the initial payment, the Recipient shall provide the Agency with the following information:
- (a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization (PAB)* form as provided by the Agency; and
 - (b) an agreement between the Recipient, in a form acceptable to the Agency, to deploy its technology with Sri Lanka Telecom PLC, or equivalent
 - (c) an insurance policy from Export Development Canada, with terms acceptable to the Agency, for the deployment of its technology in Sri Lanka, or equivalent location
- 5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency, that all Eligible Costs that have been incurred and submitted for payment to the Agency have effectively been paid by the Recipient.
- 5.5 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Eligible Costs incurred.
- 5.6 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.
- 6.0 Repayment**
- 6.1 Provided that Project Success as specified below has been achieved, the Recipient shall repay the Contribution to the Agency in monthly instalments calculated as a percentage of Gross Annual Sales of the Recipient.
- 6.2 These amounts are calculated to repay the outstanding balance of the Contribution; however, the last instalment may be adjusted to include all sums owing.
- 6.3 The annual amount due to the Agency shall be calculated as three percent (3%) of Gross Annual Sales of the Recipient generated in the Recipient's fiscal year immediately preceding the due date of the first repayment of the year. The annual amount will then be divided, as required, to determine the monthly instalments.
- 6.4 The first repayment shall be due on June 1, 2018, and subsequent repayments are due monthly until the Contribution has been repaid in full.

ARTICLES OF AGREEMENT

- 6.5 Project Success occurs when the sale of one (1) unit of the Resulting Product(s) or any other event that the Agency deems to be sufficient evidence that the Project has been successful.
- 6.6 The Recipient shall notify the Agency promptly in writing as soon as Project Success has been achieved.
- 6.7 Within one hundred and eighty (180) days of the end of each fiscal year, the Recipient shall provide the Agency with a certificate, satisfactory to the Agency, confirming the Gross Annual Sales of the Recipient for the preceding fiscal year.
- 6.8 The Recipient agrees that all sales of Resulting Product(s) shall be at fair market value unless otherwise approved in writing by the Agency.
- 6.9 The Agency may engage a mutually-agreeable, independent qualified third party to verify Project Success. The third party costs shall be shared equally between the Agency and the Recipient. Both the Agency and the Recipient agree that the third party's findings will be a final determination of Project Success and agree to abide by the third party's verification.

7.0 Special Condition(s)

- 7.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency by three (3) months after the Project Commencement Date ("the Lapsing Date"), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.

Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any outstanding balance of the Contribution that has not been fully claimed by three (3) months after the Project Completion Date ("the End Date"). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.

8.0 Official Languages

- 8.1 The Recipient agrees that any public acknowledgment of the Agency's support for the Project will be expressed in both official languages.
- 8.2 The Recipient agrees:
 - (a) that basic project information, such as project description, will be developed and made available to the public in both official languages;
 - (b) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and

ARTICLES OF AGREEMENT

- (e) that main signage components related to the Project will be in both official languages.

9.0 Project Financing

- 9.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work:

The following table sets out the details and the time frame for the confirmation of the Project financing:

Financing Source	Amount	Confirmation Date
InnovaCorp (or acceptable alternative)	\$150,000	Date of First Payment
NRC IRAP (or acceptable alternative)	\$500,000	Date of First Payment
Shareholder Injection	\$231,250	Date of First Payment

- 9.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than that described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient shall promptly inform the Agency of the receipt of such assistance as described in Schedule 1 – General Conditions, Other Government Assistance.

10.0 Commercialization

10.1 Work in Atlantic Canada

Unless otherwise agreed to in writing by the Agency, the Recipient will ensure that the Resulting Product(s) are exploited through their production in Atlantic Canada until the end of the Control Period.

10.2 Licensing Agreement

In the event the Recipient enters into a licensing agreement, which the Agency shall approve to fulfill the obligations set out in Project Financing above, the Recipient shall provide the Agency with a copy of the licensing agreement when it is executed with evidence to satisfy the Agency that the transaction was completed at fair market value.

11.0 Equity

- 11.1 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined, for the purpose of this Agreement, as any payments to any shareholder, director, officer or associate company of the Recipient, including, without limitation, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

ARTICLES OF AGREEMENT

12.0 Environmental Requirements

- 12.1 The Parties agree that the *Canadian Environmental Assessment Act*, 2012, S.C. 2012, c. 19, s. 52 (CEAA, 2012) does not apply to the Project and that an environmental assessment (EA) or a determination under section 67 of CEAA, 2012 are not required for the Project.

13.0 Communications

- 13.1 The Recipient must consult with the Agency regarding communication activities relating to the Project, in accordance with Schedule 1 – General Conditions, Communications.

14.0 Notice

- 14.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, shall be addressed to:

Atlantic Canada Opportunities Agency
70 Crescent Street
Sydney, Nova Scotia
B1S 2Z7

Attention: Steven Lane

or to such address as is designated by the Agency in writing.

- 14.2 Any notice or correspondence to the Recipient shall be addressed to:

Ubique Networks Inc.
37 Nepean Street
Suite 306
Sydney, Nova Scotia
B1P 6A7

Attention: Vijai Karthigesu

15.0 Entire Agreement

- 15.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments shall be made to the Agreement unless confirmed in writing.

ARTICLES OF AGREEMENT

16.0 Joint and Several Obligations

- 16.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the "Recipient" or "it" or "its" in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY



Joe Cashin, CPA, CA
Director, Enterprise Development



Date

Project No.: 207960

The agreement is hereby signed and accepted by the Recipient this 03 day of
January, 2017.

This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original, but such separate counterparts shall together constitute one and the same instrument. Execution of this Agreement may be communicated by facsimile transmission or by ACOA Direct of an originally-executed counterpart thereof.

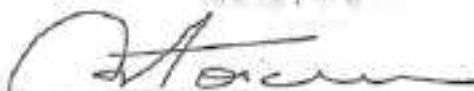
Ubique Networks Inc.



Signature

Name: Vijai Karthigesu
(please print)

Title/Position: CEO
(please print)



Signature

Name: Sorin Stoian
(please print)

Title/Position: CTO
(please print)

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in all information of a scientific, technical or artistic nature, whether oral or recorded, that is required to carry out the Project or exploit the Foreground Intellectual Property.

Control Period means the period commencing on the Project Commencement Date and ending at the later of the end of any applicable repayment of the Contribution by the Recipient or fifteen (15) years after the Project Completion Date if no repayment amount has become due to the Agency.

Costs Incurred means the costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for or has a legal obligation to pay in the future.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or, (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs that comply with the principles of Schedule 3 – Claims and Costs Principles, are necessary to carry out the Project and are listed in Schedule 2 – Statement of Work.

End Date means the date that any outstanding balance of the Contribution will be cancelled and no longer available for payment under this Agreement.

Equity means the ownership interest or value in the assets of a business, net of all debts, claims and any asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's net worth (i.e., assets minus liabilities equals Equity). Negative Equity exists when the value of the total assets is less than the total liabilities. The Recipient's Equity will be calculated as stated in Equity, in the Articles of Agreement.

Foreground Intellectual Property means all information of a scientific, technical or artistic nature first conceived, developed or reduced to practice as part of the Project.

Gross Annual Sales means the annual revenue, which includes but shall not be limited to, sales of the Recipient's products, royalties, licensing revenues, advertising revenues, and all other operating revenues, before making any deductions for discounts, returns or allowances. It is calculated simply by adding all sales invoices and not including operating expenses, cost of goods sold, payment of taxes or any other charges.

SCHEDULE 1**GENERAL CONDITIONS**

Gross Annual Sales of Resulting Product(s) means the annual revenue derived from the sale of Resulting Product(s) before making any deductions for discounts, returns or allowances. Calculated simply by adding all sales invoices for Resulting Product(s) and not including operating expenses, cost of goods sold, payment of taxes or any other charges.

Interest Rate means the rate of interest equal to three per cent (3%) higher than the Average Bank Rate.

Lapsing Date means the date that this Agreement terminates because the Recipient failed to submit a claim for payment or provide documentation with the claim satisfactory to the Agency.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Project Commencement Date means the date on which, in the opinion of the Agency, the first major commitment is made by the Recipient to implement the Project.

Project Completion Date means the date on which, in the opinion of the Agency, all Eligible Costs have been incurred and/or the work completed in accordance with Schedule 2 – Statement of Work.

Resulting Products means products that, at the sole determination of the Agency, are produced or result from the Project, incorporate results of the Project, or use a method, process, equipment or information resulting from the Project and, without restricting the generality of the foregoing, that include all inventions, works, foreground intellectual property, writings, designs, devices and adaptations together with all modifications or improvements.

2.0 Representations, Warranties and Undertakings

2.1 Representations, Warranties and Undertakings by the Recipient

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

GENERAL CONDITIONS**2.2 Power and Authority of Recipient**

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatories to the Agreement have been duly authorized to execute and deliver the Agreement.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that when executed and delivered, the Agreement will constitute a legal, valid and binding obligation enforceable in accordance with its terms.

2.5 No Pending Suits or Actions

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the Term of the Agreement.

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.8 Other Agreements

The Recipient represents and warrants that it has not entered and undertakes not to enter into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

GENERAL CONDITIONS

2.9 Intellectual Properties

The Recipient represents and warrants that:

- (a) it has taken appropriate steps to ensure that it either owns the Background Intellectual Property or holds sufficient rights in the same to permit the Project to be carried out and the Foreground Intellectual Property to be exploited;
- (b) the title to the Foreground Intellectual Property is to be vested and, unless otherwise agreed to in writing by the Agency, to remain exclusively with the Recipient;
- (c) it shall take appropriate steps to protect the Foreground Intellectual Property and shall, upon request, provide information to the Agency in that regard; and
- (d) it has obtained written permission from every author who will contribute to any Foreground Intellectual Property that may be subject to copyright protection and that will form part of the Project. The Agency may request that the Recipient provide it with a copy of the written waiver(s) of moral rights.

3.0 Other Financing

- 3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's other obligations under this Agreement.

4.0 Other Government Assistance

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance received or to be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency shall have the right to adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics5.1 Members of the Senate and House of Commons

No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.

5.2 Members of a Provincial or Territorial Legislature

Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict of interest guidelines in effect during the term of this Agreement.

SCHEDULE 1

GENERAL CONDITIONS

5.3 Conflict of Interest

The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for the Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

6.0 **Dispute Resolution**

- 6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

7.0 **Lobbying**

- 7.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement and to the Project is registered pursuant to the Act.

8.0 **Relationship with the Agency**

- 8.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

9.0 **Termination**

- 9.1 The Agreement will terminate at the end of the Control Period, when all amounts due from the Recipient to the Agency under this Agreement have been paid in full or until that obligation is otherwise discharged to the satisfaction of the Agency.

SCHEDULE 1**GENERAL CONDITIONS**

- 9.2 In the event that all of the Recipient's undertakings in regard to the Project have been completed and the Recipient has demonstrated to the satisfaction of the Agency it is no longer acquiring benefits from the Resulting Product(s), the Agency may terminate the Agreement. This does not affect any right of collection or recovery of the debt at any time in the future.
- 10.0 Force Majeure**
- 10.1 Event of Force Majeure
The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.
- 10.2 Definition of Force Majeure
Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control, and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.
- 11.0 Communications**
- 11.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the Agency logo or otherwise make reference to the Agency.
- 11.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. After official announcement of the Project by the Agency or sixty (60) calendar days after the Recipient's acceptance of this Agreement, whichever is earlier, information appearing in Schedule 5 – Project Fact Sheet, herein, will be considered to be in the public domain.
- 11.3 The Recipient will advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony shall be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 11.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.

SCHEDULE 1**GENERAL CONDITIONS**

11.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

12.0 Material Changes

12.1 No material changes will be made to the estimated total scope or nature of any element of the Project or element of the Recipient's operation which would affect the completion of the Project, without the prior written consent of the Agency. A material change includes, but is not limited to, ownership, control, management, financing, location, size of facilities, timing, expected results, or other government contributions with respect to the Project. With its request for consent, the Recipient will provide, in a timely manner, all documentation and information as may be required by the Agency.

13.0 Disposal of Assets

13.1 The Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the written consent of the Agency.

13.2 Any funds recovered by the Recipient pursuant to the sale or disposal of Project Assets shall be paid to the Agency, except where the Project Assets disposed of are immediately replaced by comparable assets of equal or greater value that are used for the Project.

13.3 If so directed by the Agency, the Recipient shall pay the Agency forthwith the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the:

- (a) proceeds of disposition of the Project Asset(s); or
- (b) fair market value of the Project Asset(s)

13.4 The total amount payable by the Recipient pursuant to, the Disposal of Assets, shall not exceed the amount of the Contribution.

14.0 Insurance Coverage

14.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

GENERAL CONDITIONS

15.0 Monitoring, Rights to Audit and Physical Access

- 15.1 During the term of the Agreement, the Recipient will provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.
- 15.2 The Recipient will provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.
- 15.3 The Recipient will, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to ensure compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary using the staff of the Agency, an independent firm or the Recipient's external auditors.
- 15.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.
- 15.5 The Recipient will assist the Agency with the monitoring of the Agreement and will facilitate access by the Agency to information from third parties and to the premises of third parties relating to the Agreement.

16.0 Overpayment**16.1 Where, for any reason:**

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient will repay to the Agency, promptly and no later than thirty (30) calendar days from the date of the notice from the Agency, the amount of the overpayment. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

SCHEDULE 1

GENERAL CONDITIONS

17.0 Right to Set-off

- 17.1 Without limiting the scope of set-off rights available to the Crown at Common Law, under the *Financial Administration Act* or otherwise, the Agency may:
- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
 - (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

18.0 Interest and Administrative Charges

18.1 Payments

When any payment is received from the Recipient on account of a prepayment of a repayment installment, an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance.

18.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate, in accordance with the *Interest and Administrative Charges Regulation*. The interest, calculated daily and compounded monthly, shall accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

18.3 Fee

An administrative fee shall be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulation* which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

19.0 Events of Default

19.1 The following constitute events of default:

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership, or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;

GENERAL CONDITIONS

- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;
- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with the Agency.

20.0 Remedies on Default

- 20.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:
 - (a) suspend or terminate any obligation by the Agency to contribute to the Eligible Costs, including any obligation to pay any amount owing prior to the date of such suspension or termination;
 - (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*. The interest, calculated daily and compounded monthly, shall accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.
- 20.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.

SCHEDULE 1**GENERAL CONDITIONS**

- 20.3** The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.
- 21.0 Annual Appropriations**
- 21.1 Parliamentary Allocation**
Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1st and ending on the following March 31st, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.
- 21.2 Lack of Appropriation**
In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.
- 22.0 Notice**
- 22.1** Any notice required to be given with respect to this Agreement shall be in writing and shall be effectively given if delivered or if sent by ordinary or registered mail, ACOA Direct, courier, telegram or fax, addressed to the party for whom the notice is intended. Any notice shall be deemed to have been received on delivery. Any notice sent by telegram, ACOA Direct or fax shall be deemed to have been received one (1) working day after being sent. Any notice sent by mail shall be deemed to have been received eight (8) calendar days after being sent.
- 23.0 No Assignment of Agreement**
- 23.1** The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.
- 24.0 Indemnity**
- 24.1** The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

SCHEDULE 1**GENERAL CONDITIONS****25.0 Cancellation of Agreement**

- 25.1 The Agency, by thirty (30) calendar days' notice duly given to the Recipient in accordance with, Notice, of these General Conditions, may cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

26.0 Access to Information Act and Privacy Act

- 26.1 All information obtained by the Agency from the Recipient pursuant to an application or during the course of this Agreement will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

27.0 Aboriginal Consultation

- 27.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

SCHEDULE 2

STATEMENT OF WORK

Project Description

Ubique Networks Inc. will undertake marketing and sales activities to commercialize its Swamin "lagless" gaming technology. The initial deployment of its technology will be based in Sri Lanka resulting from its first contract with a telecommunication company based in this region. The project will focus on securing the inventory (nodes) to be placed in market as well as marketing and sales initiatives to further commercialize in other jurisdictions.

Project Location

SYDNEY, Nova Scotia

Project Financing

<u>Project Costs</u>		\$	<u>Financing</u>	\$
Salaries/Wages (Product Development Costs)		\$625,000	ACOA Provisionally Repayable Contribution	\$468,750
Salaries/Wages/Consulting Fees (Commercialization Related)		\$250,000	NRC – IRAP	\$500,000
Working Capital		\$100,000	Shareholder Injection	\$231,250
Marketing Activities (direct sales, conferences, travel, advertising, etc)		\$125,000	InnovaCorp	\$150,000
Inventory		\$250,000		
Total		\$1,350,000	Total	\$1,350,000
<u>Eligible Costs</u>	<u>Assistance Rate %</u>	\$		
Salaries/Wages/Consulting Fees (Commercialization Related)	75%	\$250,000		
Marketing Activities (direct sales, conferences, travel, advertising, etc)	75%	\$125,000		
Inventory	75%	\$250,000		
Total		\$625,000		

SCHEDULE 2**STATEMENT OF WORK**

<u>Non-Eligible Costs</u>			
Salaries/Wages (Product Development Costs)	\$625,000		
Working Capital	\$100,000		
Total	\$725,000		

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

Expected Project Results

Gross annual sales of \$2,500,000

Means of Verification

Recipient submitted, review engagement, financial statements

CLAIMS AND COSTS PRINCIPLES

1.0 Claims

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Eligible Costs incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Eligible Costs being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) include a declaration of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient, in respect to Eligible Costs that have been incurred but not yet paid to suppliers, shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in Payments, of the Articles of Agreement, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for an examination by the Agency during or after any payment in accordance with Schedule 1 - General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall include a statement certified by a person authorized to sign on behalf of the Recipient attesting that the Eligible Costs for the entire Project have been incurred and paid.
- 1.5 Payments to the Recipient will be withheld if there are any outstanding reports, as required in Schedule 4 - Reporting Requirements.

2.0 Project Costs Principles

- 2.1 Total Eligible Costs of the Project
The total Eligible Costs of the Project, as listed in Schedule 2 - Statement of Work, shall be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.
- 2.2 Incremental Costs
Eligible Costs, as identified in Schedule 2 - Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional or costs that would not have otherwise been incurred if not for the implementation of the Project.

CLAIMS AND COSTS PRINCIPLES

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration shall be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project as they affect costs.

2.4 Travel Costs

Travel costs include transportation, accommodations and meals that are directly attributable to the Project and included in Schedule 2 – Statement of Work. The Agency will reimburse the Recipient's travel expenditures in accordance to the National Joint Council Directive (www.njc-cnm.gc.ca). While the Recipient may travel by any means that it deems appropriate and incur any related costs, the Agency will only reimburse those costs incurred up to the maximums for travel costs according to the principles, guidelines and rates prescribed by the Travel Directive.

2.5 General Administrative Costs

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.6 Salary Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

SCHEDULE 3

CLAIMS AND COSTS PRINCIPLES

When hourly rates are being charged for salaried personnel, the hourly rates shall be the periodic remuneration (e.g. annual, monthly, weekly), divided by the total paid hours in the period, including holidays, vacations, and paid sick leave.

When it has been authorized, salary costs may be claimed for the performance of an authorized and incremental role by qualified management personnel.

2.7 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project.

2.8 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible unless they are specified in Schedule 2 – Statement of Work as being Eligible costs. Non-eligible costs include, but are not necessarily restricted to, items such as:

- (a) the cost of land and goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;
- (c) fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation);
- (d) entertainment expenses (does not include networking receptions) and first-class airfare;
- (e) insurance, except if the cost is directly related to construction and is capitalized (in accordance with Generally Accepted Accounting Principles or International Financial Reporting Standards) as part of the Project;
- (f) dues and other membership fees;
- (g) severance pay;
- (h) interest costs, bond discounts, and other financing costs; and
- (i) any costs, such as amortization and in-kind, that would not necessitate an expenditure of cash by the Recipient.

SCHEDULE 3

CLAIMS AND COSTS PRINCIPLES

2.9 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit or the reimbursement of sales taxes paid by the Recipient for goods and services. These credits shall be taken into consideration in calculating Eligible Costs.

SCHEDULE 4**REPORTING REQUIREMENTS****1.0 General****1.0 Progress Report with Each Claim**

From the Project Commencement Date until the Project Completion Date, the Recipient shall submit a progress report with each claim for payment, detailing the progress and results of the Project. The progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual reviewed financial statements within one hundred and twenty (120) days after the end of each fiscal year. The Agency also reserves the right to request and to obtain internally prepared financial statements and/or audited year end financial statements, when deemed necessary, upon written requests.
- (b) The Recipient shall provide its annual financial statements or other above-requested information until the end of the Control Period.

1.3 Final Progress Report

Prior to the final payment, the Recipient shall submit a final progress report detailing the actual results of the Project as compared to the expected results and using the means of verification identified in Schedule 2 – Statement of Work. All deviations should be explained.

2.0 Other Reports

- 2.1 Prior to any payment exceeding ninety percent (90%) of the total Contribution, the Recipient shall provide a statement of the total funding from all sources for the Project, including total Canadian government funding received.

FACT SHEET FOR NEWS RELEASE

Program:
The Agency's Business Development
Program

Project No:
207960

Name and Address of Recipient:

Ubique Networks Inc.
37 Nepean Street
Suite 306
Sydney, Nova Scotia
B1P 6A7

Recipient Contact:

Name: Vijai Karthigesu
Title: CEO & Founder
Telephone: (902) 982-3580
Fax:

Project Location:

SYDNEY, Nova Scotia

Project Type:

Commercialization

Project Description:

Ubique Networks Inc. will undertake marketing and sales activities to commercialize its Swarmio "lagless" gaming technology. The initial deployment of its technology will be based in Sri Lanka resulting from its first contract with a telecommunication company based in this region. The project will focus on securing the inventory (nodes) to be placed in market as well as marketing and sales initiatives to further commercialize in other jurisdictions.

Total Project Costs:

\$1,350,000.00

Eligible Costs:

\$625,000.00

Authorized Assistance:

\$468,750.00

Total Government Funding:

\$968,750.00

Estimated Project Commencement Date: December 31, 2016

Estimated Project Completion Date: July 30, 2017



Atlantic Canada
Opportunities
Agency

Agence de
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du Canada Atlantique

Canada

IDENTIFICATION AND CERTIFICATION					
RECIPIENT NAME:			PROJECT NUMBER:		
CONTACT NAME:			PAYMENT NUMBER:		
PERIOD COVERED:	FROM:		IS THIS YOUR FINAL CLAIM? (IF YES, SUBMIT FINAL PAYMENT CERTIFICATE)	YES	NO
	TO:			☐	☐
CONTACT INFORMATION:	HAS YOUR MAILING ADDRESS, EMAIL, TELEPHONE NUMBER CHANGED? (IF YES, PLEASE PROVIDE NEW INFORMATION BELOW)			☐	☐
HST/GST REGISTRATION NUMBER:	DO YOU HAVE A HST/GST REGISTRATION NUMBER?			☐	☐
	IF YES, PLEASE PROVIDE THE REFUNDABLE HST/GST RATE APPLICABLE TO THE COSTS CLAIMED (100%, 87%, 50%, ETC.)				%
CERTIFICATION BY THE RECIPIENT					
I HEREBY CERTIFY THAT:				YES	NO
a) the costs being claimed have been incurred and are eligible				☐	☐
b) all goods and/or services for claimed costs have been received				☐	☐
c) the information provided is accurate and complete				☐	☐
d) the Recipient is in compliance with all terms and conditions of the Contribution Agreement				☐	☐
e) any payment received as a result of this and all previous claim will be applied to eligible costs				☐	☐
f) any funding received from federal, provincial and municipal governments is the same as stated on the Statement of Work of the Contribution Agreement				☐	☐
g) the costs being claimed are at arm's length (i.e. no common ownership, no family ties)				☐	☐
h) adjustments to costs previously claimed (e.g. returns, credits, rebates) have been reported in the Detailed Costs Claimed form				N/A ☐	☐
IF YOU HAVE CERTIFIED NO FOR ANY OF STATEMENTS A) TO H), PROVIDE DETAILS IN THE FOLLOWING SECTION: (IF MORE SPACE IS REQUIRED, PROVIDE ADDITIONAL DETAILS IN SEPARATE ATTACHMENT.)					
i) the Recipient has overdue amounts owed to the Crown (e.g. remittances for employee deductions, HST/GST, income tax) (If Yes, submit the Declaration of Overdue Amounts Owed to the Crown form)				☐	☐
j) the Recipient, a not-for-profit entity, has received an eligible non-cash contribution toward the project during this claim period (If Yes, submit the Non-cash Costs Certification form)				N/A ☐	☐
COSTS CLAIMED AND PAID BY THE RECIPIENT					
			CLAIMED TO AGENCY	PAID TO SUPPLIER / EMPLOYEE	
1) Total amount claimed in previous claim(s) (if first claim, enter \$0)					
2) Total amount claimed in this claim from the Detailed Costs Claimed form(s)			\$ 0.00		
3) Total amount claimed to date (1+2)			\$ 0.00	\$ 0.00	
I hereby solemnly declare that the responses above and on the Detailed Costs Claimed and Progress Report forms are true, knowing that this declaration is of the same force and effect as if made under oath and by virtue of the <i>Canada Evidence Act</i> .					
PERSON AUTHORIZED TO SIGN ON BEHALF OF THE RECIPIENT					
Signature:			Date:		
Print Name and Title:					



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PROGRESS REPORT

NOTE: For the Atlantic Innovation Fund (AIF) projects, please use the AIF Progress Report Form.

RECIPIENT NAME:	PROJECT NUMBER:
-----------------	-----------------

1. Is the project progressing in scope, time frame and budget as defined in the Statement of Work?	YES	NO
--	-----	----

Provide a short narrative (e.g. timing, costs incurred, tasks and activities undertaken, and any challenges encountered) on the status of the project.

NOTE: Please ensure that you have provided sufficient details to meet the reporting requirements specified in your Contribution Agreement. Attach a separate report if warranted.

2. Indicate the approximate timing and the estimated amount of your future claim(s).

MONTH	YEAR	ELIGIBLE COSTS

3. As described in your Statement of Work, please provide information on the Expected Project Results that have been achieved:

EXPECTED PROJECT RESULTS	PROGRESS TO DATE

Additional comments:

For Final Progress Report:

4. Is this your final progress report? (If yes, please ensure you fulfil any final reporting requirements as described in your Contribution Agreement. Attach a separate report if warranted.)	YES	NO
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Pre-authorized Debit (PAD) / Direct Deposit Authorization

Applicant Name: _____

ACOA Project Number: _____

A- Pre-authorized Debits - Please attach a voided cheque and complete the following:

Name of Account Holder(s) (If different from above)

If you are not providing a voided cheque, please have the following information completed and confirmed by your financial institution:

Branch No.: _____ Institution No.: _____

Account No.: _____

Name(s) of Account Holder(s): _____

Financial Institution: _____

Address: _____

Telephone No.: _____

Signature of Financial Institution Official

Date

All information obtained by the Atlantic Canada Opportunities Agency (the Agency) will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

B- Direct Deposit Authorization:

Progress and final payments of the contribution can be deposited directly in the above-mentioned bank account. Do you wish to take advantage of this service?

_____ No _____ Yes If yes, Email Address: _____



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I/We hereby authorize the Agency to debit the bank account identified above, as per the repayment terms of the contribution agreement(s) and any subsequent amendments. If I/we have checked YES for the Direct Deposit Service, I/we hereby authorize the Agency to credit the bank account identified above.

I/We hereby authorize the Agency to debit the bank account identified above with a service fee of \$15.00 if a PAD is returned due to insufficient funds.

I/We may revoke my/our authorization at any time, subject to providing written notification from me/us of its change or termination. This notification must be received by the 15th day of the month prior to the next scheduled payment. To obtain a sample cancellation form, or for more information on my/our right to cancel a PAD agreement I/we may contact my/our financial institution or visit www.cdnpay.ca. I/we acknowledge that this cancellation does not terminate any obligation that I/we may have with the Agency.

I/we acknowledge that I/we must continue to make payments according to the contribution agreement by a method acceptable to the Agency until the contribution is repaid in full. Should I/we stop making payments, I/we will be in default of the contribution agreement(s).

I/We have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement. To obtain more information on my/our recourse rights, I/we may contact my/our financial institution or visit www.cdnpay.ca.

Signature of Authorized Signing Officer(s)

Date

Signature of Authorized Signing Officer(s)

Date

ACOA Head Office

Blue Cross Centre, 3rd Floor

644 Main Street

PO Box 6031

Moncton, New Brunswick, Canada

E1C 9J8

(Courier Address: E1C 1E2)

General Enquiries: 506-851-2271

Toll Free (In Canada and the United States): 1-800-561-7862

Facsimile: 506-851-7403

Nova Scotia Regional Office

1201 Hollis Street, Suite 700

PO Box 2284 STN C

Halifax, Nova Scotia, Canada

B3J 3C8 (Courier Address: B3J 3N4)

General Enquiries: 902-426-8361

Facsimile: 902-426-2058

Toll Free: 1-800-565-1228

New Brunswick Regional Office

370 Queen Street, Suite 102

PO Box 578

Fredricton, New Brunswick, Canada

E3B 5A6

(Courier Address: E3B 6Z6)

General Enquiries: 506-452-5184

Facsimile: 506-452-3285

Toll Free: 1-800-561-4030

Newfoundland and Labrador Regional Office

John Cabot Building, 11th Floor

10 Barrie's Hill

PO Box 1060 STN C

St. John's,

Newfoundland and Labrador, Canada

A1C 5M5 (Courier Address: A1C 6M1)

General Enquiries: 709-772-2751

Facsimile: 709-772-2732

Toll Free: 1-800-668-1010

Prince Edward Island Regional Office

Royal Bank Building, 3rd floor

100 Sydney Street

PO Box 40

Charlottetown, Prince Edward Island, Canada

C1A 7K2 (Courier Address: C1A 1G3)

General Enquiries: 902-566-7492

Facsimile: 902-566-7098

Toll Free: 1-800-871-2596



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Canada

ACOA DIRECT CLIENT REGISTRATION

SECTION 1 – BUSINESS DETAILS	
Legal Business Name:	
Operating as:	
SECTION 2 – MAIN BUSINESS ADDRESS	
Address:	City:
Province:	Postal Code:
SECTION 3 – AUTHORIZED CLIENT ADMINISTRATOR	
First Name:	Last Name:
Title:	Telephone No.:
Email Address:	
SECTION 4 – AUTHORIZING AUTHORITY	
First Name:	Last Name:
Title:	Telephone No.:
Email Address:	
PLEASE CHECK OFF THE BOX THAT BEST DESCRIBES YOUR SITUATION ☐ SENIOR REPRESENTATIVE with signing authority (Must be a person with a higher level of authority than the Authorized Client Administrator) ☐ OWNER, CO-OWNER OR MAJORITY SHAREHOLDER (This person can also act as the Authorized Client Administrator) ☐ NON-PROFIT ORGANIZATION / ASSOCIATION (Must be either the president or the chair of the board of the non-profit organization/association) ☐ OTHER (please specify) _____ I, the Authorizing Authority named in section 4, assign the person identified in section 3 to act as the Authorized Client Administrator for the purpose of ACOA Direct and authorize this person to accept, on my behalf, the ACOA Direct Online Agreement and any subsequent amendment once this registration request has been approved by ACOA. I acknowledge having read the ACOA Direct Online Agreement (available for consultation here) prior to affixing my signature below. I further understand and agree that by accepting the ACOA Direct Online Agreement, the business identified in section 1 becomes the Client under the terms of the said agreement.	
SIGNATURE:	DATE:

Business Development Program - Productivity and Business Skills

Project Number: 210064

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY**

(hereinafter referred to as "the **Agency**")

AND:

Ubique Networks Inc., an organization duly incorporated under the laws of Canada, having its office located at:
37 Nepean Street
Suite 306
Sydney, Nova Scotia
B1P 6A7

(hereinafter collectively referred to as "the **Recipient**")

WHEREAS the Agency has established a program, the Business Development Program - Productivity and Business Skills, to increase opportunities for economic development in Atlantic Canada,

(hereinafter referred to as "the **Program**")

WHEREAS this Agreement sets out the terms and conditions under which the Agency shall provide a contribution to the Recipient,

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

- These Articles of Agreement
- Schedule 1 – General Conditions
- Schedule 2 – Statement of Work
- Schedule 3 – Claims and Costs Principles
- Schedule 4 – Reporting Requirements
- Schedule 5 – Project Fact Sheet for News Release

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient will carry out the Project as described in Schedule 2 – Statement of Work, will make claims in accordance with Schedule 3 – Claims and Costs Principles, will issue the reports required under Schedule 4 – Reporting Requirements and will fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before March 31, 2017 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before March 31, 2018 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency shall make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the assistance rate percentage of the Eligible Costs as stated on Schedule 2 – Statement of Work, and
 - (b) \$50,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on March 31, and there shall be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs incurred, as listed in Schedule 2 – Statement of Work, on the basis of itemized claims submitted in accordance with the procedures set out in Schedule 3 – Claims and Costs Principles.

ARTICLES OF AGREEMENT

- 5.2 The Agency will not contribute to any cost incurred by the Recipient prior to January 13, 2017. The Agency will not accept any cost incurred after the Project Completion Date, unless otherwise agreed to in writing, by the Agency.
- 5.3 Prior to the initial payment, the Recipient shall provide the Agency with the following information:
- (a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization (PAD)* form as provided by the Agency;
- 5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency, that all Eligible Costs that have been incurred and submitted for payment to the Agency have effectively been paid by the Recipient.
- 5.5 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Eligible Costs incurred.
- 5.6 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.
- 6.0 Special Condition(s)**
- 6.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency by three (3) months after the Project Commencement Date (“the **Lapsing Date**”), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.
- Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any outstanding balance of the Contribution that has not been fully claimed by three (3) months after the Project Completion Date (“the **End Date**”). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.
- 6.2 Prior to the first payment, the Recipient shall provide the Agency with confirmation of the qualifications of the expertise to be engaged, and it is agreed that the Agency will not contribute to any Project cost unless satisfied with the qualifications of the expertise engaged.
- 7.0 Official Languages**
- 7.1 The Recipient agrees that any public acknowledgment of the Agency's support for the Project will be expressed in both official languages.

ARTICLES OF AGREEMENT

7.2 The Recipient agrees:

- (a) that basic project information, such as project description, will be developed and made available to the public in both official languages;
- (b) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
- (c) that main signage components related to the Project will be in both official languages.

8.0 Project Financing

8.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work.

8.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than that described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient shall promptly inform the Agency of the receipt of such assistance as described in Schedule 1 – General Conditions, Other Government Assistance.

9.0 Environmental Requirements

9.1 The Parties agree that the *Canadian Environmental Assessment Act*, 2012, S.C. 2012, c. 19, s. 52 (CEAA, 2012) does not apply to the Project and that an environmental assessment (EA) or a determination under section 67 of CEAA, 2012 are not required for the Project.

9.2 If, as a result of changes to the Project or otherwise, the Agency is of the opinion that CEAA, 2012 applies to the Project, the Recipient agrees that construction of the Project, including site preparation, will not be undertaken or will be suspended and no funds or additional funds will become or will be payable by the Agency to the Recipient for the Project unless, and until:

- (a) in the case of an EA, a decision statement has been issued to the Recipient; or
- (b) in the case of a determination under section 67 of CEAA, 2012, the Agency determines that the Project is not likely to cause significant adverse environmental effects or is likely to cause significant adverse environmental effects that are justified in the circumstances.

ARTICLES OF AGREEMENT

9.3 For any EA or determination made under CEAA, 2012 as a result of changes to the Project or otherwise:

- (a) the Recipient will comply with, to the satisfaction of the Agency and at the Recipient's own expense, all conditions included in the decision statement issued under CEAA, 2012 or other conditions that the Agency may require in coming to a determination under section 67 of CEAA, 2012.
- (b) the Recipient will allow the Agency and its agents, employees, servants or contractors to access and enter at any time during reasonable hours upon any real property under the ownership or control of the Recipient for the purpose of ensuring that any conditions and mitigation measures are implemented for the Project.

10.0 Communications

10.1 The Recipient must consult with the Agency regarding communication activities relating to the Project in accordance with Schedule 1 – General Conditions, Communications.

11.0 Notice

11.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, shall be addressed to:

Atlantic Canada Opportunities Agency
70 Crescent Street
Sydney, Nova Scotia
B1S 2Z7

Attention: Steven Lane

or to such address as is designated by the Agency in writing.

11.2 Any notice or correspondence to the Recipient shall be addressed to:

Ubique Networks Inc.
37 Nepean Street, Suite 306
Sydney, Nova Scotia
B1P 6A7

Attention: Vijai Karthigesu

12.0 Entire Agreement

12.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments shall be made to the Agreement unless confirmed in writing.

ARTICLES OF AGREEMENT

13.0 Joint and Several Obligations

- 13.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the "Recipient" or "it" or "its" in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

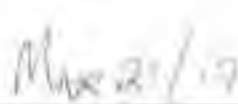
ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY



Joe Cashin, CPA, CA
Director, Enterprise Development



Date

Project No.: 210064

The agreement is hereby signed and accepted by the Recipient this _____ day of _____, 20____.

This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original, but such separate counterparts shall together constitute one and the same instrument. Execution of this Agreement may be communicated by facsimile transmission or by ACOA Direct of an originally-executed counterpart thereof.

Ubique Networks Inc.

Signature

Name : _____
(please print)

Title/Position : _____
(please print)

Name: _____
(please print)

Title/Position: _____
(please print)

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in all information of a scientific, technical or artistic nature, whether oral or recorded, that is required to carry out the Project or exploit the Foreground Intellectual Property.

Control Period means the period commencing on the Project Commencement Date and ending at the later of two years after the Project Completion Date or the end of any applicable repayment of the Contribution by the Recipient.

Costs Incurred means the costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for or has a legal obligation to pay in the future.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or, (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs that comply with the principles of Schedule 3 – Claims and Costs Principles, are necessary to carry out the Project and are listed in Schedule 2 – Statement of Work.

End Date means the date that any outstanding balance of the Contribution will be cancelled and no longer available for payment under this Agreement.

Foreground Intellectual Property means all information of a scientific, technical or artistic nature first conceived, developed or reduced to practise as part of the Project.

Interest Rate means the rate of interest equal to three percent (3%) higher than the Average Bank Rate.

Lapsing Date means the date that this Agreement terminates because the Recipient failed to submit a claim for payment or provide documentation with the claim satisfactory to the Agency.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

GENERAL CONDITIONS

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Project Commencement Date means the date on which, in the opinion of the Agency, the first major commitment is made by the Recipient to implement the Project.

Project Completion Date means the date on which, in the opinion of the Agency, all Eligible Costs have been incurred and/or the work completed in accordance with Schedule 2 – Statement of Work.

2.0 Representations, Warranties and Undertakings

2.1 Representations, Warranties and Undertakings by the Recipient

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatories to the Agreement have been duly authorized to execute and deliver the Agreement.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that when executed and delivered, the Agreement will constitute a legal, valid and binding obligation enforceable in accordance with its terms.

2.5 No Pending Suits or Actions

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the Term of the Agreement.

GENERAL CONDITIONS

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.8 Other Agreements

The Recipient represents and warrants that it has not entered, and undertakes not to enter, into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

2.9 Intellectual Properties

The Recipient represents and warrants that:

- (a) it has taken appropriate steps to ensure that it either owns the Background Intellectual Property or holds sufficient rights in the same to permit the Project to be carried out and the Foreground Intellectual Property to be exploited;
- (b) the title to the Foreground Intellectual Property is to be vested and, unless otherwise agreed to in writing by the Agency, to remain exclusively with the Recipient;
- (c) it shall take appropriate steps to protect the Foreground Intellectual Property and shall, upon request, provide information to the Agency in that regard; and
- (d) it has obtained written permission from every author who will contribute to any Foreground Intellectual Property that may be subject to copyright protection and that will form part of the Project. The Agency may request that the Recipient provide it with a copy of the written waiver(s) of moral rights.

3.0 Other Financing

- 3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's other obligations under this Agreement.

GENERAL CONDITIONS

4.0 Other Government Assistance

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance received or to be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency shall have the right to adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics

5.1 Members of the Senate and House of Commons

No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.

5.2 Members of a Provincial or Territorial Legislature

Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict-of-interest guidelines in effect during the term of this Agreement.

5.3 Conflict of Interest

The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

6.0 Dispute Resolution

- 6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act (Canada)* and all regulations made pursuant to that Act.

GENERAL CONDITIONS

7.0 Restrictions on Distributions

- 7.1 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined for the purpose of this Agreement as any payment to any shareholder, director, officer or associate company of the Recipient, including, without limitations, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

8.0 Lobbying

- 8.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement and to the Project is registered pursuant to the Act.

9.0 Relationship with the Agency

- 9.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

10.0 Termination

- 10.1 The Agreement will terminate at the end of the Control Period.

11.0 Force Majeure

11.1 Event of Force Majeure

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

11.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

GENERAL CONDITIONS

12.0 Communications

- 12.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the Agency logo or otherwise make reference to the Agency.
- 12.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. After official announcement of the Project by the Agency or sixty (60) calendar days after the Recipient's acceptance of this Agreement, whichever is earlier, information appearing in Schedule 5 – Project Fact Sheet, herein, will be considered to be in the public domain.
- 12.3 The Recipient will advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony shall be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 12.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.
- 12.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

13.0 Material Changes

- 13.1 No material changes will be made to the estimated total scope or nature of any element of the Project or element of the Recipient's operation which would affect the completion of the Project, without the prior written consent of the Agency. A material change includes, but is not limited to, ownership, control, management, financing, location, size of facilities, timing, expected results, or other government contributions with respect to the Project. With its request for consent, the Recipient will provide, in a timely manner, all documentation and information as may be required by the Agency.

GENERAL CONDITIONS**14.0 Disposal of Assets**

- 14.1 The Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the written consent of the Agency.
- 14.2 Any funds recovered by the Recipient pursuant to the sale or disposal of Project Assets shall be paid to the Agency, except where the Project Assets disposed of are immediately replaced by comparable assets of equal or greater value that are used for the Project.
- 14.3 If so directed by the Agency, the Recipient shall pay the Agency forthwith the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the
- (a) proceeds of disposition of the Project Asset(s); or
 - (b) fair market value of the Project Asset(s).
- 14.4 The total amount payable by the Recipient pursuant to, the Disposal of Assets, shall not exceed the amount of the Contribution.

15.0 Insurance Coverage

- 15.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

16.0 Monitoring, Rights to Audit and Physical Access

- 16.1 During the term of the Agreement, the Recipient will provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.
- 16.2 The Recipient will provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.

GENERAL CONDITIONS

- 16.3 The Recipient will, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to ensure compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency, and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary, using the staff of the Agency, an independent firm or the Recipient's external auditors.
- 16.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.
- 16.5 The Recipient will assist the Agency with the monitoring of the Agreement and will facilitate access by the Agency to information from third parties and to the premises of third parties relating to the Agreement.

17.0 Overpayment**17.1 Where, for any reason:**

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient will repay to the Agency, promptly and no later than thirty (30) calendar days from the date of the notice from the Agency, the amount of the overpayment. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

18.0 Right to Set-off**18.1 Without limiting the scope of set-off rights available to the Crown at Common Law, under the *Financial Administration Act* or otherwise, the Agency may:**

- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
- (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

GENERAL CONDITIONS**19.0 Interest and Administrative Charges****19.1 Payments**

When any payment is received from the Recipient on account of an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance.

19.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate in accordance with the *Interest and Administrative Charges Regulation*. The interest, calculated daily and compounded monthly, shall accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

19.3 Fee

An administrative fee shall be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulation*, which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

20.0 Events of Default**20.1 The following constitute events of default:**

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;

GENERAL CONDITIONS

- (ii) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with the Agency;

21.0 Remedies on Default

21.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:

- (a) suspend or terminate any obligation by the Agency to contribute to the Eligible Costs, including any obligation to pay any amount owing prior to the date of such suspension or termination;
- (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*. The interest, calculated daily and compounded monthly, shall accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.

21.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.

21.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.

22.0 Annual Appropriations**22.1 Parliamentary Allocation**

Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1 and ending on the following March 31, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.

GENERAL CONDITIONS**22.2 Lack of Appropriation**

In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.

23.0 Notice

- 23.1 Any notice required to be given with respect to this Agreement shall be in writing and shall be effectively given if delivered or if sent by ordinary or registered mail, ACOA Direct, courier, telegram or fax, addressed to the party for whom the notice is intended. Any notice shall be deemed to have been received on delivery. Any notice sent by telegram, ACOA Direct or fax shall be deemed to have been received one (1) working day after being sent. Any notice sent by mail shall be deemed to have been received eight (8) calendar days after being sent.

24.0 No Assignment of Agreement

- 24.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

25.0 Indemnity

- 25.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

26.0 Cancellation of Agreement

- 26.1 The Agency, by thirty (30) calendar days' notice duly given to the Recipient in accordance with, Notice, of these General Conditions, may cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

27.0 *Access to Information Act and Privacy Act*

- 27.1 All information obtained by the Agency from the Recipient pursuant to an application or during the course of this Agreement will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

GENERAL CONDITIONS

28.0 Aboriginal Consultation

- 28.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

STATEMENT OF WORK

Project Description

The Recipient has requested financial assistance to hire a Chief Revenue Officer. This position will be responsible for all activities that have potential to directly and positively impact the business's revenue stream including pricing strategies, oversee the sales team, and measure the effectiveness of the current sales and marketing strategies.

Project Location

SYDNEY, Nova Scotia

Project Financing

<u>Project Costs</u>		\$		<u>Financing</u>	\$
Salaries/Wages		\$150,000		ACOA Contribution	\$50,000
Chief Revenue Officer				Cashflow from Operations	\$100,000
Total		\$150,000		Total	\$150,000
<u>Eligible Costs</u>	<u>Assistance Rate</u> 33.3%	\$			
Salaries/Wages	33.3	150,000			
Chief Revenue Officer					
Total		\$150,000			
<u>Non-Eligible Costs</u>					

STATEMENT OF WORK

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

Expected Project Results

To grow gross revenues to \$1.2M annually for the year ended 2018.

Means of Verification

Financial Statements

CLAIMS AND COSTS PRINCIPLES

1.0 Claims

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Eligible Costs incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Eligible Costs being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) include a declaration of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient in respect to Eligible Costs that have been incurred but not yet paid to suppliers shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in, Payments, of the Articles of Agreement, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall include a statement certified by a person authorized to sign on behalf of the Recipient attesting that the Eligible Costs for the entire Project have been incurred and paid.
- 1.5 Payments to the Recipient will be withheld if there are any outstanding reports as required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles

2.1 Total Eligible Costs of the Project

The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, shall be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

2.2 Incremental Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional, or costs that would not have otherwise been incurred if not for the implementation of the Project.

CLAIMS AND COSTS PRINCIPLES

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration shall be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project as they affect costs.

2.4 Travel Costs

Travel costs include transportation, accommodations and meals that are directly attributable to the Project and included in Schedule 2 – Statement of Work. The Agency will reimburse the Recipient's travel expenditures in accordance to the National Joint Council Directive (www.njc-enm.gc.ca). While the Recipient may travel by any means that it deems appropriate and incur any related costs, the Agency will only reimburse those costs incurred up to the maximums for travel costs according to the principles, guidelines and rates prescribed by the Travel Directive.

2.5 General Administrative Costs

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.6 Salary Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

CLAIMS AND COSTS PRINCIPLES

When hourly rates are being charged for salaried personnel, the hourly rates shall be the periodic remuneration (e.g. annual, monthly, weekly), divided by the total paid hours in the period, including holidays, vacations and paid sick leave.

When it has been authorized, salary costs may be claimed for the performance of an authorized and incremental role by qualified management personnel.

2.7 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project.

2.8 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible unless they are specified in Schedule 2 – Statement of Work as being Eligible costs. Non-eligible costs may include, but are not necessarily restricted to, items such as:

- (a) the cost of land and goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;
- (c) fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation);
- (d) entertainment expenses (does not include networking receptions) and first-class airfare;
- (e) insurance, except if the cost is directly related to construction and is capitalized (in accordance with Generally Accepted Accounting Principles or International Financial Reporting Standards) as part of the Project;
- (f) dues and other membership fees;
- (g) severance pay;
- (h) interest costs, bond discounts, and other financing costs; and
- (i) any costs, such as amortization and in-kind, that would not necessitate an expenditure of cash by the Recipient.

CLAIMS AND COSTS PRINCIPLES**2.9 Credits**

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit or the reimbursement of sales taxes paid by the Recipient for goods and services. These credits shall be taken into consideration in calculating Eligible Costs.

REPORTING REQUIREMENTS**1.0 General****1.1 Progress Report with Each Claim**

From the Project Commencement Date until the Project Completion Date, the Recipient shall submit a progress report with each claim for payment, detailing the progress and results of the Project. The progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year if, any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual reviewed financial statements within one hundred and twenty (120) days of the end of each fiscal year. The Agency also reserves the right to request and to obtain internally prepared financial statements, when deemed necessary, upon written requests.

1.3 Final Progress Report

Prior to the final payment, the Recipient shall submit a final progress report detailing the actual results of the Project as compared to the expected results and using the means of verification identified in Schedule 2 – Statement of Work. All deviations should be explained.

FACT SHEET FOR NEWS RELEASE

Program:
The Agency's Business Development
Program - Productivity and Business Skills

Project No:
210064

Name and Address of Recipient:

Ubique Networks Inc.
37 Nepean Street
Suite 306
Sydney, Nova Scotia
B1P 6A7

Recipient Contact:

Name: Vijai Karthigesu
Title: CEO & Founder
Telephone: (902) 982-3580
Fax:

Project Location:

SYDNEY, Nova Scotia

Project Type:

Human Resources Development (HRD)

Project Description:

The Recipient has requested financial assistance to hire a Chief Revenue Officer. This position will be responsible for all activities that have potential to directly and positively impact the business's revenue stream including pricing strategies, oversee the sales team, and measure the effectiveness of the current sales and marketing strategies.

Total Project Costs:

\$150,000.00

Eligible Costs:

\$150,000.00

Authorized Assistance:

\$50,000.00

Total Government Funding:

\$50,000.00

Estimated Project Commencement Date: March 31, 2017

Estimated Project Completion Date: March 31, 2018



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Cape Breton Office
70 Crescent Street
Sydney, N.S.
B1S 2Z7

Bureau du Cap-Breton
70, rue Crescent
Sydney (N.-É.)
B1S 2Z7

Project No.: 211667

Ubique Networks Inc.
295 George Street, Suite 102
Sydney, Nova Scotia
B1P 1J7

APR - 4 2018

Attention: Mr. Vijai Karthigesu

Dear Mr. Karthigesu

RE: Offer of Assistance under the Business Development Program

Please find attached a contribution agreement for funding under the Business Development Program for your review and signature. **This agreement is open for acceptance for sixty (60) calendar days from the date that appears on this letter.**

We have also included a Pre-authorized Debit/Direct Deposit Authorization (PAD) form for your completion and signature. Please return one signed copy of the contribution agreement and the completed PAD form.

Once we receive the signed forms, we will provide you with information on how to submit claims under the project. We recommend using ACOA Direct, the Agency's web-based client portal, where you can submit claims online, share documents, collaborate with members of the secure site and access your ACOA account 24 hours a day, 7 days a week. ACOA Direct is the most effective way for you to submit claims. Included with this letter is an ACOA Direct Client Registration form for your convenience. You can use it to enroll or to make changes if you are already enrolled.

If you have any questions, please contact Steven Lane, the Program Officer assigned to your project, at (800) 705-3926 or (902) 564-7325, or via e-mail at steven.lane@canada.ca.

Yours truly,

Joe Cashin, CPA, CA
Director, Enterprise Development

Attachments

Canada

Business Development Program

Project Number: 211667

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY,**
having an office in Nova Scotia

(hereinafter referred to as "the **Agency**")

AND:

Ubique Networks Inc., an organization duly incorporated
under the laws of Canada, having its office located at:
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

(hereinafter referred to as "the **Recipient**")

WHEREAS the Agency has established a program, the Business Development Program, to
increase opportunities for economic development in Atlantic Canada,

(hereinafter referred to as "the **Program**")

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

WHEREAS this Agreement sets out the terms and conditions under which the Agency agrees to
provide a contribution to the Recipient,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as
follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Schedule 3 – Claims and Costs Principles
Schedule 4 – Reporting Requirements
Schedule 5 – Project Fact Sheet for News Release

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient will carry out the Project as described in Schedule 2 – Statement of Work, will make claims in accordance with Schedule 3 – Claims and Costs Principles, will issue the reports required under Schedule 4 – Reporting Requirements, and will fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before May 1, 2018 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before March 31, 2019 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency shall make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the assistance rate percentage of the Eligible Costs as stated on Schedule 2 – Statement of Work; and
 - (b) \$500,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on March 31, and there shall be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs that are Costs Incurred as defined in Schedule 1, on the basis of itemized claims submitted in accordance with Schedule 3 – Claims and Costs Principles.
- 5.2 The Agency will not contribute to any Cost Incurred by the Recipient prior to February 20, 2018. The Agency will not accept any Cost Incurred after the Project Completion Date, unless otherwise agreed to in writing, by the Agency.

ARTICLES OF AGREEMENT

- 5.3 Prior to the initial payment, the Recipient shall provide the Agency with the following information:
- (a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization (PAD)* form as provided by the Agency; and
- 5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency, that all Costs Incurred that have been submitted for payment to the Agency have effectively been paid by the Recipient by monetary payment.
- 5.5 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Costs Incurred.
- 5.6 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.

6.0 Repayment

- 6.1 Provided that Project Success as specified below has been achieved, the Recipient shall repay the Contribution to the Agency in monthly instalments calculated as a percentage of Gross Annual Sales of the Recipient.
- 6.2 These amounts are calculated to repay the outstanding balance of the Contribution; however, the last instalment may be adjusted to include all sums owing.
- 6.3 The annual amount due to the Agency shall be calculated as five percent (5%) of Gross Annual Sales of the Recipient generated in the Recipient's fiscal year immediately preceding the due date of the first repayment of the year. The annual amount will then be divided, as required, to determine the monthly instalments.
- 6.4 The first repayment instalment is due and payable six (6) months after the end of the month in which Project Success has been achieved and subsequent repayments are due monthly until the Contribution has been repaid in full.
- 6.5 Project Success occurs when Cumulative Gross Sales of the Recipient amounting to one dollar (\$1) have been achieved, or any other event that the Agency deems to be sufficient evidence that the Project has been successful.
- 6.6 The Recipient shall notify the Agency promptly in writing as soon as Project Success has been achieved,

ARTICLES OF AGREEMENT

6.7 The Recipient agrees that all sales of Resulting Product(s) shall be at fair market value unless otherwise approved in writing by the Agency.

6.8 The Agency may engage a mutually-agreeable, independent qualified third party to verify Project Success. The third party costs shall be shared equally between the Agency and the Recipient. Both the Agency and the Recipient agree that the third party's findings will be a final determination of Project Success and agree to abide by the third party's verification.

7.0 Special Condition(s)

7.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency within six (6) months from the date of execution of this Agreement by the Recipient ("the **Lapsing Date**"), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.

Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any outstanding balance of the Contribution that has not been fully claimed within six (6) months from the Project Completion Date ("the **End Date**"). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.

8.0 Official Languages

8.1 The Recipient agrees that any public acknowledgment of the Agency's support for the Project will be expressed in both official languages.

8.2 The Recipient agrees:

- (a) that basic project information, such as project description, will be developed and made available to the public in both official languages;
- (b) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
- (c) that main signage components related to the Project will be in both official languages.

9.0 Project Financing

9.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work. These commitment letters shall be satisfactory to the Agency at its sole discretion.

ARTICLES OF AGREEMENT

The following table sets out the details and the time frame for the confirmation of the Project financing:

Financing Source	Amount	Confirmation Date
Private equity, convertible debenture or acceptable alternative	\$3,000,000	Prior to first payment

- 9.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than that described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient shall promptly inform the Agency of the receipt of such assistance as described in Schedule 1 – General Conditions, Other Government Assistance.

10.0 Commercialization

10.1 Work in Atlantic Canada

Unless otherwise agreed to in writing by the Agency, the Recipient will ensure that the Resulting Product(s) are exploited through their production in Atlantic Canada until the end of the Control Period.

10.2 Licensing Agreement

In the event the Recipient enters into a licensing agreement, which the Agency shall approve to fulfill the obligations set out in Project Financing above, the Recipient shall provide the Agency with a copy of the licensing agreement when it is executed with evidence to satisfy the Agency that the transaction was completed at fair market value.

11.0 Equity

11.1 Equity is to be calculated as the aggregate of:

- (a) the Recipient's share capital (incorporated company), the partner's capital accounts (incorporated partnerships), the Recipient's net worth (individual);
- (b) contributed surplus and other surplus accounts;
- (c) retained earnings (added) or accumulated deficit (subtracted);
- (d) subordinated shareholder(s)' loan(s) or partner(s)' loan(s). In order to be considered in this calculation, a duly signed Subordination Agreement must be on file; and

ARTICLES OF AGREEMENT

- (e) loans from other parties that are subordinated (reduced in priority of payment) to all other liabilities for a certain period, at the satisfaction of the Agency. In order to be considered in this calculation, a duly signed Subordination Agreement must be on file.

LESS:

- (f) advances to shareholders; and
- (g) any other asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's Equity.

- 11.2 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined, for the purpose of this Agreement, as any payments to any shareholder, director, officer or associate company of the Recipient, including, without limitation, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

12.0 Environmental Requirements

- 12.1 The Parties agree that the *Canadian Environmental Assessment Act*, 2012, S.C. 2012, c. 19, s. 52 (CEAA, 2012) does not apply to the Project and that an environmental assessment (EA) or a determination under section 67 of CEAA, 2012 are not required for the Project.

13.0 Communications

- 13.1 The Recipient must consult with the Agency regarding communication activities relating to the Project, in accordance with Schedule 1 - General Conditions, Communications.

14.0 Notice

- 14.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, shall be addressed to:

Atlantic Canada Opportunities Agency
70 Crescent Street
Sydney, Nova Scotia
B1S 2Z7

Attention: Steven Lane

or to such address as is designated by the Agency in writing.

ARTICLES OF AGREEMENT

14.2 Any notice or correspondence to the Recipient shall be addressed to:

Ubique Networks Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Attention: Vijai Karthigesu

15.0 Entire Agreement

15.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments shall be made to the Agreement unless confirmed in writing.

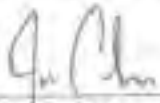
16.0 Joint and Several Obligations

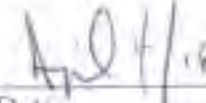
16.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the "Recipient" or "it" or "its" in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY


 Joe Cashin, CPA, CA
 Director, Enterprise Development


 Date

Project No.: 211667

The agreement is hereby signed and accepted by the Recipient this 18 day of April, 2018.

This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original, and such separate counterparts shall together constitute one and the same instrument. The executed Agreement may be communicated to the Agency by facsimile transmission, by ACOA Direct, or as otherwise agreed to by the Agency and such will be deemed to be an original for all purposes.

Ubique Networks Inc.


 Signature

Name: Vijai Koo Thigesu
(please print)

Title/Position: CEO
(please print)

Signature

Name: _____
(please print)

Title/Position: _____
(please print)

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in all information of a scientific, technical or artistic nature, whether oral or recorded, that is required to carry out the Project or exploit the Foreground Intellectual Property.

Control Period means the period commencing on the Project Commencement Date and ending at the later of the end of any applicable repayment of the Contribution by the Recipient or fifteen (15) years after the Project Completion Date if no repayment amount has become due to the Agency.

Costs Incurred means the Eligible Costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for by monetary payment or has a legal obligation to pay for by monetary payment in the future. Any Eligible Costs received that have been paid or will be paid for by means other than monetary payment, including, without limitations, in-kind and non-cash transactions, do not qualify as Costs Incurred for which the Agency can pay the Contribution.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or, (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs listed in Schedule 2 – Statement of Work, that comply with the principles of Schedule 3 – Claims and Costs Principles and that are necessary to carry out the Project.

Equity means the ownership interest or value in the assets of a business, net of all debts, claims and any asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's net worth (i.e. assets minus liabilities equals Equity). Negative Equity exists when the value of the total assets is less than the total liabilities. The Recipient's Equity will be calculated as stated in Equity, in the Articles of Agreement.

Foreground Intellectual Property means all information of a scientific, technical or artistic nature first conceived, developed or reduced to practise as part of the Project.

Gross Annual Sales means the annual revenue, which includes but shall not be limited to, sales of the Recipient's products, royalties, licensing revenues, advertising revenues, and all other operating revenues, before making any deductions for discounts, returns or allowances. It is calculated simply by adding all sales invoices and not including operating expenses, cost of goods sold, payment of taxes or any other charges.

GENERAL CONDITIONS

Gross Annual Sales of Resulting Product(s) means the annual revenue derived from the sale of Resulting Product(s) before making any deductions for discounts, returns or allowances. Calculated simply by adding all sales invoices for Resulting Product(s) and not including operating expenses, cost of goods sold, payment of taxes or any other charges.

Interest Rate means the rate of interest equal to three per-cent (3%) higher than the Average Bank Rate.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Project Commencement Date means the date on which, in the opinion of the Agency, the first major commitment is made by the Recipient to implement the Project.

Project Completion Date means the date on which, in the opinion of the Agency, all Eligible Costs have been incurred and/or the work completed in accordance with Schedule 2 – Statement of Work.

Resulting Products means products that, at the sole determination of the Agency, are produced or result from the Project, incorporate results of the Project, or use a method, process, equipment or information resulting from the Project and, without restricting the generality of the foregoing, that include all inventions, works, foreground intellectual property, writings, designs, devices and adaptations together with all modifications or improvements.

2.0 Representations, Warranties and Undertakings

2.1 Representations, Warranties and Undertakings by the Recipient

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

GENERAL CONDITIONS**2.3 Authorized Signatories**

The Recipient represents and warrants that the signatories to the Agreement have been duly authorized to execute and deliver the Agreement.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that when executed and delivered, the Agreement will constitute a legal, valid and binding obligation enforceable in accordance with its terms.

2.5 No Pending Suits or Actions

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the term of the Agreement.

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.8 Other Agreements

The Recipient represents and warrants that it has not entered and undertakes not to enter into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

2.9 Intellectual Properties

The Recipient represents and warrants that:

- (a) it has taken appropriate steps to ensure that it either owns the Background Intellectual Property or holds sufficient rights in the same to permit the Project to be carried out and the Foreground Intellectual Property to be exploited;
- (b) the title to the Foreground Intellectual Property is to be vested and, unless otherwise agreed to in writing by the Agency, to remain exclusively with the Recipient;

GENERAL CONDITIONS

- (c) it shall take appropriate steps to protect the Foreground Intellectual Property and shall, upon request, provide information to the Agency in that regard; and
- (d) it has obtained written permission from every author who will contribute to any Foreground Intellectual Property that may be subject to copyright protection and that will form part of the Project. The Agency may request that the Recipient provide it with a copy of the written waiver(s) of moral rights.

3.0 Other Financing

- 3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's other obligations under this Agreement.

4.0 Other Government Assistance

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance received or to be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency shall have the right to adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics**5.1 Members of the Senate and House of Commons**

No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.

5.2 Members of a Provincial or Territorial Legislature

Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict of interest guidelines in effect during the term of this Agreement.

5.3 Conflict of Interest

The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for the Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

GENERAL CONDITIONS**6.0 Dispute Resolution**

- 6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

7.0 Lobbying

- 7.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement and to the Project is registered pursuant to the Act.

8.0 Relationship with the Agency

- 8.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

9.0 Termination

- 9.1 The Agreement will terminate at the end of the Control Period, when all amounts due from the Recipient to the Agency under this Agreement have been paid in full or until that obligation is otherwise discharged to the satisfaction of the Agency.
- 9.2 In the event that all of the Recipient's undertakings in regard to the Project have been completed and the Recipient has demonstrated to the satisfaction of the Agency it is no longer acquiring benefits from the Resulting Product(s), the Agency may terminate the Agreement. This does not affect any right of collection or recovery of the debt at any time in the future.

10.0 Force Majeure**10.1 Event of Force Majeure**

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

GENERAL CONDITIONS

10.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control, and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

11.0 **Communications**

- 11.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the Agency logo or otherwise make reference to the Agency.
- 11.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. After official announcement of the Project by the Agency or sixty (60) calendar days after the Recipient's acceptance of this Agreement, whichever is earlier, information appearing in Schedule 5 – Project Fact Sheet, herein, will be considered to be in the public domain.
- 11.3 The Recipient will advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony shall be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 11.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.
- 11.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

GENERAL CONDITIONS**12.0 Material Changes**

- 12.1 No material changes will be made to the estimated total scope, the nature or any element of the Project or to any element of the Recipient's operation without the prior written consent of the Agency. A material change includes, but is not limited to, changes in the ownership or control of the Recipient or the assets, management, financing, location of the Project or facilities, size of the facilities, timing, expected results, or other government contributions. When consent is requested from the Agency in regard to any material change the Recipient will provide, in a timely manner, all documentation and information as may be required by the Agency, at its discretion.

13.0 Disposal of Assets

- 13.1 The Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the written consent of the Agency.
- 13.2 Any funds recovered by the Recipient pursuant to the sale or disposal of Project Assets shall be paid to the Agency, except where the Project Assets disposed of are immediately replaced by comparable assets of equal or greater value that are used for the Project.
- 13.3 If so directed by the Agency, the Recipient shall pay the Agency forthwith the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the:
- (a) proceeds of disposition of the Project Asset(s); or
 - (b) fair market value of the Project Asset(s).
- 13.4 The total amount payable by the Recipient pursuant to, the Disposal of Assets, shall not exceed the amount of the Contribution.

14.0 Insurance Coverage

- 14.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

15.0 Monitoring, Rights to Audit and Physical Access

- 15.1 During the term of the Agreement, the Recipient will provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.

GENERAL CONDITIONS

- 15.2 The Recipient will provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.
- 15.3 The Recipient will, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to ensure compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary, using the staff of the Agency, an independent firm or the Recipient's external auditors.
- 15.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.
- 15.5 The Recipient will assist the Agency with the monitoring of the Agreement and will facilitate access by the Agency to information from third parties and to the premises of third parties relating to the Agreement.

16.0 Overpayment**16.1 Where, for any reason:**

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient will repay to the Agency, promptly and no later than thirty (30) calendar days from the date of the notice from the Agency, the amount of the overpayment. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

17.0 Right to Set-off**17.1 Without limiting the scope of set-off rights available to the Crown at Common Law, under the *Financial Administration Act* or otherwise, the Agency may:**

- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and

GENERAL CONDITIONS

- (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

18.0 Interest and Administrative Charges**18.1 Payments**

When any payment is received from the Recipient on account of a prepayment of a repayment instalment, an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance.

18.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate, in accordance with the *Interest and Administrative Charges Regulation*. The interest, calculated daily and compounded monthly, shall accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

18.3 Fee

An administrative fee shall be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulation* which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

19.0 Events of Default**19.1 The following constitute events of default:**

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership, or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;

GENERAL CONDITIONS

- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;
- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with the Agency.

20.0 Remedies on Default

- 20.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:
- (a) suspend or terminate any obligation by the Agency to contribute to the Costs Incurred, including any obligation to pay any amount owing prior to the date of such suspension or termination;
 - (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*. The interest, calculated daily and compounded monthly, shall accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.
- 20.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.
- 20.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.

GENERAL CONDITIONS**21.0 Annual Appropriations****21.1 Parliamentary Allocation**

Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1 and ending on the following March 31, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.

21.2 Lack of Appropriation

In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.

22.0 Notice

22.1 Any notice required to be given with respect to this Agreement shall be in writing and shall be effectively given if delivered or if sent by ordinary or registered mail, ACOA Direct, courier or fax, addressed to the party for whom the notice is intended. Any notice shall be deemed to have been received on delivery. Any notice sent by ACOA Direct or fax shall be deemed to have been received one (1) working day after being sent. Any notice sent by mail shall be deemed to have been received eight (8) calendar days after being sent.

23.0 No Assignment of Agreement

23.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

24.0 Indemnity

24.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

GENERAL CONDITIONS**25.0 Cancellation of Agreement**

- 25.1 The Agency, by thirty (30) calendar days' notice duly given to the Recipient in accordance with, Notice, of these General Conditions, may cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

26.0 Access to Information Act and Privacy Act

- 26.1 All information obtained by the Agency from the Recipient pursuant to an application or during the course of this Agreement will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

27.0 Aboriginal Consultation

- 27.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

28.0 Applicable Law

- 28.1 The Agreement shall be interpreted in accordance with the laws in force in the province in which the office of the Agency is located.

STATEMENT OF WORK

Project Description

The Recipient will execute its go to market strategy by expanding its sales and marketing team, upgrading its data center services, purchase necessary hardware to service its new markets, and participating in conferences, trade shows and direct travel to key customers.

Project Location

SYDNEY, NOVA SCOTIA

Project Financing

<u>Project Costs</u>		\$	<u>Financing</u>	\$
Marketing Activities (Direct travel to customers, conferences, trade shows, advertising, sponsorship)		\$75,000	ACOA Conditionally Repayable Contribution	\$500,000
Salaries/Wages (Marketing and Sales Staff)		\$400,000	Innovacorp equity/ convertible debenture, or acceptable alternative	\$1,000,000
Equipment		\$50,000		
Sub-Contracting (Services related to servers, switches, data processing, etc)		\$150,000	Private equity/ convertible debenture, or acceptable alternative	\$2,000,000
Working Capital		\$1,275,000		
General Office Expenses		\$750,000		
Research and Development Costs		\$800,000		
Total		3,500,000	Total	3,500,000
<u>Eligible Costs</u>	<u>Assistance Rate 9,000%</u>	\$		
Marketing Activities (Direct travel to customers, conferences, trade shows, advertising, sponsorship)	66.7%	\$75,000		
Salaries/Wages (Marketing and Sales Staff)	75%	\$400,000		
Equipment	75%	\$50,000		
Sub-Contracting (Services related to servers, switches, data processing, etc)	75%	\$150,000		
Total		\$675,000		

SCHEDULE 2**STATEMENT OF WORK**

<u>Non-Eligible Costs</u>				
Working Capital	\$1,275,000			
General Office Expenses	\$750,000			
Research and Development Costs	\$800,000			

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

Expected Project Results

Total gross revenue for the year ended 2019 of \$11,500,000.

Means of Verification

Recipient to provide year end, reviewed, annual financial statements.

CLAIMS AND COSTS PRINCIPLES**1.0 Claims**

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Costs Incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Costs Incurred being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) if applicable include a declaration of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient, in respect to Costs Incurred but not yet paid to suppliers, shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in the Articles of Agreement – Payments, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for an examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall submit a final payment certificate, on a form provided by the Agency for that purpose attesting that the Costs Incurred for the entire Project have been paid to the suppliers. The term “paid” herein and in the certification means paid by monetary payment. This certificate shall be certified by a person authorized to sign on behalf of the Recipient.
- 1.5 Payments to the Recipient will be withheld if there are any outstanding reports, as required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles**2.1 Total Eligible Costs of the Project**

The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, shall be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

CLAIMS AND COSTS PRINCIPLES

2.2 Incremental Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional or costs that would not have otherwise been incurred if not for the implementation of the Project.

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration shall be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project as they affect costs.

2.4 Travel Costs

Travel costs include transportation, accommodations and meals that are directly attributable to the Project and included in Schedule 2 – Statement of Work. The Agency will reimburse the Recipient's travel costs incurred up to the maximum applicable to such travel costs according to the principles, guidelines and rates prescribed by the National Joint Council Directive (www.njc-cnm.gc.ca), as may be amended from time to time. Without limiting the generality of the foregoing, meal costs incurred by the Recipient during eligible travel will be reimbursed by way of meal allowances at the applicable per diem rates set forth in the Directive. No allowance will be allocated for any meals provided to the traveler at no cost or as part of other costs (i.e. accommodation, conference, etc.).

CLAIMS AND COSTS PRINCIPLES

2.5 General Administrative Costs

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.6 Salary and Wages Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

Salary and wages costs must be claimed on the same basis as they are incurred and paid to employees (i.e. weekly, bi-weekly, monthly), as supported by payroll records.

In certain cases a salaried employee may not work exclusively on one Project. In those instances, only the proportion of their salary based on the time actually spent on that Project, as supported by timesheets or other satisfactory form of time recording may be considered as an Eligible Costs of the Project. In order to determine the proportion of the employee salary for the time spent on the Project (a daily or hourly rate), the total amount of work days during the salary year can be reduced by the number of vacation days and statutory holidays to which the employee is entitled during that year, as applicable. No other deduction or mechanisms for increasing the proportion of the time spent on the Project will be allowed without the prior consent of the Agency.

When it has been included in Schedule 2 – Statement of Work, salary costs for the performance of an authorized and incremental role of qualified management personnel may be claimed in accordance with this Schedule.

2.7 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project. The Recipient can claim a rate of fifteen per cent (15%) of salaries and wages for the payroll burden.

2.8 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible. These may include, but are not necessarily restricted to, items such as:

- (a) the cost of land and goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;

CLAIMS AND COSTS PRINCIPLES

- (c) fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation);
- (d) entertainment expenses (does not include networking receptions) and first-class airfare;
- (e) insurance, except if the cost is directly related to construction and is capitalized (in accordance with Generally Accepted Accounting Principles or International Financial Reporting Standards) as part of the Project;
- (f) dues and other membership fees;
- (g) severance pay, cash-out of unused vacation, bonuses, overtime premium for salaried employees and commissions;
- (h) interest costs, bond discounts, and other financing costs; and
- (i) any costs, such as amortization and in-kind, that would not necessitate an expenditure of cash by the Recipient.

2.9 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit or the reimbursement of sales taxes paid by the Recipient for goods and services. These credits shall be taken into consideration in calculating Eligible Costs.

REPORTING REQUIREMENTS**1.0 General****1.0 Progress Report with Each Claim**

The Recipient shall submit a progress report with each claim for payment, on a form provided by the Agency for that purpose, detailing the progress and results of the Project. Each progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual review engagement financial statements within one hundred and eighty (180) days after the end of each fiscal year. The Agency reserves the right to request audited year-end financial statements, when deemed necessary by the Agency, and the Recipient shall provide them, upon written requests.
- (b) The Recipient shall provide its annual financial statements or other above requested information until the end of the Control Period.

1.3 Internal Financial Statements

The Agency may request the Recipient to provide a copy of its internally prepared financial statements, when deemed necessary by the Agency and the Recipient shall provide them, upon written request.

1.4 Report on Project Results

After the final payment of the Contribution by the Agency and until the end of the Control Period, the Recipient shall submit, upon request by the Agency, a report detailing the actual results of the Project as compared to the expected results in Schedule 2 – Statement of Work, using the means of verification identified therein. All deviations should be explained. The report must be satisfactory to the Agency, at its sole discretion. The Agency may request independent third-party verification of this report or of the project results, and the Recipient shall provide such independent verification upon written request and at its own expense.

REPORTING REQUIREMENTS

2.0 Other Reports

- 2.1 Prior to any payment exceeding ninety percent (90%) of the total Contribution, the Recipient shall provide a statement of the total funding from all sources for the Project, including total Canadian government funding received.

FACT SHEET FOR NEWS RELEASE

Program:
The Agency's Business Development
Program

Project No:
211667

Name and Address of Recipient:

Ubique Networks Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Recipient Contact:

Name: Vijai Karthigesu
Title: CEO & Founder
Telephone: (902) 982-3580
Fax:

Project Location:

SYDNEY, NOVA SCOTIA

Project Type:

Commercialization

Project Description:

The Recipient will execute its go to market strategy by expanding its sales and marketing team, upgrading its data center services, purchase necessary hardware to service its new markets, and participating in conferences, trade shows and direct travel to key customers.

Total Project Costs:

\$3,500,000.00

Eligible Costs:

\$675,000.00

Authorized Assistance:

\$500,000.00

Total Government Funding:

\$500,000.00

Estimated Project Commencement Date: May 1, 2018

Estimated Project Completion Date: March 31, 2019

ACOA DIRECT CLIENT REGISTRATION

SECTION 1 – BUSINESS DETAILS

Legal Business Name:

Operating as:

SECTION 2 – MAIN BUSINESS ADDRESS

Address:

City:

Province:

Postal Code:

SECTION 3 – AUTHORIZED CLIENT ADMINISTRATOR

First Name:

Last Name:

Title:

Telephone No.:

Email Address:

SECTION 4 – AUTHORIZING AUTHORITY

First Name:

Last Name:

Title:

Telephone No.:

Email Address:

PLEASE CHECK OFF THE BOX THAT BEST DESCRIBES YOUR SITUATION

- ☐ **SENIOR REPRESENTATIVE** with signing authority
(Must be a person with a higher level of authority than the Authorized Client Administrator)
- ☐ **OWNER, CO-OWNER OR MAJORITY SHAREHOLDER**
(This person can also act as the Authorized Client Administrator)
- ☐ **NON-PROFIT ORGANIZATION / ASSOCIATION**
(Must be either the president or the chair of the board of the non-profit organization/association)
- ☐ **OTHER** (please specify) _____

I, the Authorizing Authority named in section 4, assign the person identified in section 3 to act as the Authorized Client Administrator for the purpose of ACOA Direct and authorize this person to accept, on my behalf, the ACOA Direct Online Agreement and any subsequent amendment once this registration request has been approved by ACOA. I acknowledge having read the ACOA Direct Online Agreement (available for consultation [here](#)) prior to affixing my signature below. I further understand and agree that by accepting the ACOA Direct Online Agreement, the business identified in section 1 becomes the Client under the terms of the said agreement.

SIGNATURE:

DATE:



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

Pre-authorized Debit (PAD) / Direct Deposit Authorization

Applicant Name: Ubique Networks Inc.
ACOA Project Number: 211667

A- Pre-authorized Debits - Please attach a voided cheque and complete the following:

Name of Account Holder(s) (If different from above)

If you are not providing a voided cheque, please have the following information completed and confirmed by your financial institution:

Branch No.: _____ Institution No.: _____
Account No.: _____
Name(s) of Account Holder(s): _____
Financial Institution: _____
Address: _____
Telephone No.: _____

Signature of Financial Institution Official

Date

All information obtained by the Atlantic Canada Opportunities Agency (the Agency) will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

B- Direct Deposit Authorization:

Progress and final payments of the contribution can be deposited directly in the above-mentioned bank account. Do you wish to take advantage of this service?

☐ No ☒ Yes

If yes, Email Address: Accounting@ubiquenet.com

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Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Cape Breton Office
70 Crescent Street
Sydney, N.S.
B1S 2Z7

Bureau du Cap-Breton
70, rue Crescent
Sydney (N.-É.)
B1S 2Z7

Project No.: 212321

Ubique Networks Inc.
295 George Street, Suite 102
Sydney, Nova Scotia
B1P 1J7

OCT 19 2018

Attention: Mr. Vijai Karthigesu

Dear Mr. Karthigesu:

RE: Offer of Assistance under the Business Development Program - Productivity and Business Skills

Please find attached a contribution agreement for funding under the Business Development Program - Productivity and Business Skills for your review and signature. **This agreement is open for acceptance for sixty (60) calendar days from the date that appears on this letter.**

We have also included a Pre-authorized Debit/Direct Deposit Authorization (PAD) form for your completion and signature. Please return one signed copy of the contribution agreement and the completed PAD form.

Once we receive the signed forms, we will provide you with information on how to submit claims under the project. We recommend using ACOA Direct, the Agency's web-based client portal, where you can submit claims online, share documents, collaborate with members of the secure site and access your ACOA account 24 hours a day, 7 days a week. ACOA Direct is the most effective way for you to submit claims. Included with this letter is an ACOA Direct Client Registration form for your convenience. You can use it to enroll or to make changes if you are already enrolled.

If you have any questions, please contact Steven Lane, the Program Officer assigned to your project, at (800) 705-3926 or (902) 564-7325, or via e-mail at steven.lane@canada.ca.

Yours truly,

Joe Cashin, CPA, CA
Director, Enterprise Development

Attachments

Canada

Business Development Program - Productivity and Business Skills

Project Number: 212321

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY,**
having an office in Nova Scotia

(hereinafter referred to as “the **Agency**”)

AND: **Ubique Networks Inc.,** an organization duly incorporated
under the laws of Canada, having its office located at:
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

(hereinafter referred to as “the **Recipient**”)

WHEREAS the Agency has established a program, the Business Development Program -
Productivity and Business Skills, to increase opportunities for economic development in Atlantic
Canada,

(hereinafter referred to as “the **Program**”)

WHEREAS the Recipient submitted an application for assistance pursuant to the Program.

WHEREAS this Agreement sets out the terms and conditions under which the Agency agrees to
provide a contribution to the Recipient,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as
follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Schedule 3 – Claims and Costs Principles
Schedule 4 – Reporting Requirements
Schedule 5 – Project Fact Sheet for News Release

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient will carry out the Project as described in Schedule 2 – Statement of Work, will make claims in accordance with Schedule 3 – Claims and Costs Principles, will issue the reports required under Schedule 4 – Reporting Requirements and will fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before November 1, 2018 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before October 30, 2019 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency shall make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the assistance rate percentage of the Eligible Costs as stated on Schedule 2 – Statement of Work; and
 - (b) \$50,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on March 31, and there shall be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs that are Costs Incurred as defined in Schedule 1, on the basis of itemized claims submitted in accordance with Schedule 3 – Claims and Costs Principles.

ARTICLES OF AGREEMENT

- 5.2 The Agency will not contribute to any Cost Incurred by the Recipient prior to July 18, 2018. The Agency will not accept any Cost Incurred after the Project Completion Date, unless otherwise agreed to in writing, by the Agency.
- 5.3 Prior to the initial payment, the Recipient shall provide the Agency with the following information:
- (a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization (PAD)* form as provided by the Agency;
- 5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency, that all Costs Incurred that have been submitted for payment to the Agency have effectively been paid by the Recipient by monetary payment.
- 5.5 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Costs Incurred.
- 5.6 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.
- 6.0 Special Condition(s)**
- 6.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency within six (6) months from the date of execution of this Agreement by the Recipient (“the **Lapsing Date**”), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.
- Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any outstanding balance of the Contribution that has not been fully claimed within six (6) months from the Project Completion Date (“the **End Date**”). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.
- 6.2 Prior to the initial payment, the Recipient shall provide the Agency with confirmation of the qualifications of the expertise to be engaged, and it is agreed that the Agency will not contribute to any Project cost unless satisfied with the qualifications of the expertise engaged.
- 7.0 Official Languages**
- 7.1 The Recipient agrees that any public acknowledgment of the Agency’s support for the Project will be expressed in both official languages.

ARTICLES OF AGREEMENT

7.2 The Recipient agrees:

- (a) that basic project information, such as project description, will be developed and made available to the public in both official languages;
- (b) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
- (c) that main signage components related to the Project will be in both official languages.

8.0 Project Financing

- 8.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work. The commitment letters shall be satisfactory to the Agency at its sole discretion.
- 8.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than that described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient shall promptly inform the Agency of the receipt of such assistance as described in Schedule 1 – General Conditions, Other Government Assistance.

9.0 Environmental Requirements

- 9.1 The Parties agree that the *Canadian Environmental Assessment Act*, 2012, S.C. 2012, c. 19, s. 52 (CEAA, 2012) does not apply to the Project and that an environmental assessment (EA) or a determination under section 67 of CEAA, 2012 are not required for the Project.

10.0 Communications

- 10.1 The Recipient must consult with the Agency regarding communication activities relating to the Project in accordance with Schedule 1 – General Conditions, Communications.

ARTICLES OF AGREEMENT

11.0 Notice

- 11.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, shall be addressed to:

Atlantic Canada Opportunities Agency
70 Crescent Street
Sydney, Nova Scotia
B1S 2Z7

Attention: Steven Lane

or to such address as is designated by the Agency in writing.

- 11.2 Any notice or correspondence to the Recipient shall be addressed to:

Ubique Networks Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Attention: Vijai Karthigesu

12.0 Entire Agreement

- 12.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments shall be made to the Agreement unless confirmed in writing.

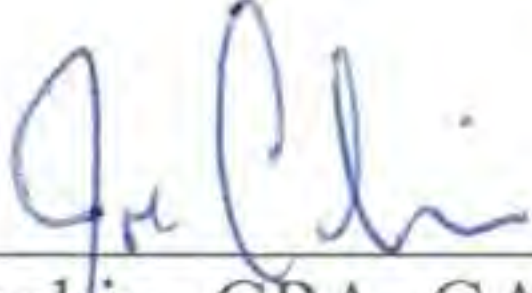
13.0 Joint and Several Obligations

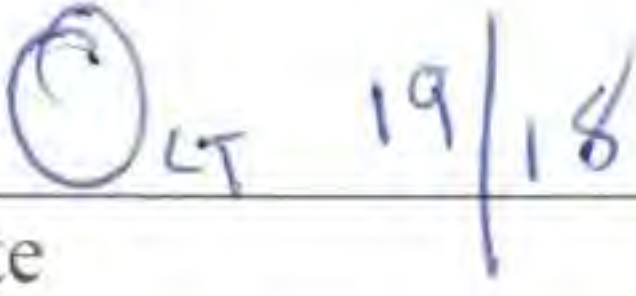
- 13.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the "Recipient" or "it" or "its" in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY


Joe Cashin, CPA, CA Director, Enterprise Development


Date

Project No.: 212321

The agreement is hereby signed and accepted by the Recipient this 25 day of October, 2018.

This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original, and such separate counterparts shall together constitute one and the same instrument. The executed Agreement may be communicated to the Agency by facsimile transmission, by ACOA Direct, or as otherwise agreed to by the Agency and such will be deemed to be an original for all purposes.

Ubique Networks Inc.


Signature

Name : Vijai Karthigesu
(please print)

Title/Position : CEO
(please print)

Signature

Name: _____
(please print)

Title/Position: _____
(please print)

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in all information of a scientific, technical or artistic nature, whether oral or recorded, that is required to carry out the Project or exploit the Foreground Intellectual Property.

Control Period means the period commencing on the Project Commencement Date and ending at the later of two years after the Project Completion Date or the end of any applicable repayment of the Contribution by the Recipient.

Costs Incurred means the Eligible Costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for by monetary payment or has a legal obligation to pay for by monetary payment in the future. Any Eligible Costs received that have been paid or will be paid for by means other than monetary payment, including, without limitations, in-kind and non-cash transactions, do not qualify as Costs Incurred for which the Agency can pay the Contribution.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or, (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs listed in Schedule 2 – Statement of Work, that comply with the principles of Schedule 3 – Claims and Costs Principles and that are necessary to carry out the Project.

Foreground Intellectual Property means all information of a scientific, technical or artistic nature first conceived, developed or reduced to practise as part of the Project.

Interest Rate means the rate of interest equal to three percent (3%) higher than the Average Bank Rate.

Lapsing Date means the date that this Agreement terminates because the Recipient failed to submit a claim for payment or provide documentation with the claim satisfactory to the Agency.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

GENERAL CONDITIONS

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Project Commencement Date means the date on which, in the opinion of the Agency, the first major commitment is made by the Recipient to implement the Project.

Project Completion Date means the date on which, in the opinion of the Agency, all Eligible Costs have been incurred and/or the work completed in accordance with Schedule 2 – Statement of Work.

2.0 Representations, Warranties and Undertakings**2.1 Representations, Warranties and Undertakings by the Recipient**

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatories to the Agreement have been duly authorized to execute and deliver the Agreement.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that when executed and delivered, the Agreement will constitute a legal, valid and binding obligation enforceable in accordance with its terms.

2.5 No Pending Suits or Actions

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the Term of the Agreement.

GENERAL CONDITIONS

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.8 Other Agreements

The Recipient represents and warrants that it has not entered, and undertakes not to enter, into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

2.9 Intellectual Properties

The Recipient represents and warrants that:

- (a) it has taken appropriate steps to ensure that it either owns the Background Intellectual Property or holds sufficient rights in the same to permit the Project to be carried out and the Foreground Intellectual Property to be exploited;
- (b) the title to the Foreground Intellectual Property is to be vested and, unless otherwise agreed to in writing by the Agency, to remain exclusively with the Recipient;
- (c) it shall take appropriate steps to protect the Foreground Intellectual Property and shall, upon request, provide information to the Agency in that regard; and
- (d) it has obtained written permission from every author who will contribute to any Foreground Intellectual Property that may be subject to copyright protection and that will form part of the Project. The Agency may request that the Recipient provide it with a copy of the written waiver(s) of moral rights.

3.0 **Other Financing**

- 3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's other obligations under this Agreement.

GENERAL CONDITIONS

4.0 Other Government Assistance

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance received or to be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency shall have the right to adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics**5.1 Members of the Senate and House of Commons**

No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.

5.2 Members of a Provincial or Territorial Legislature

Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict-of-interest guidelines in effect during the term of this Agreement.

5.3 Conflict of Interest

The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

6.0 Dispute Resolution

- 6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

GENERAL CONDITIONS**7.0 Restrictions on Distributions**

- 7.1 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined for the purpose of this Agreement as any payment to any shareholder, director, officer or associate company of the Recipient, including, without limitations, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

8.0 Lobbying

- 8.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement and to the Project is registered pursuant to the Act.

9.0 Relationship with the Agency

- 9.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

10.0 Termination

- 10.1 The Agreement will terminate at the end of the Control Period.

11.0 Force Majeure**11.1 Event of Force Majeure**

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

11.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

GENERAL CONDITIONS**12.0 Communications**

- 12.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the Agency logo or otherwise make reference to the Agency.
- 12.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. After official announcement of the Project by the Agency or sixty (60) calendar days after the Recipient's acceptance of this Agreement, whichever is earlier, information appearing in Schedule 5 – Project Fact Sheet, herein, will be considered to be in the public domain.
- 12.3 The Recipient will advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony shall be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 12.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.
- 12.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

13.0 Material Changes

- 13.1 No material changes shall be made to the estimated total scope, the nature or any element of the Project or to any element of the Recipient's operation without the prior written consent of the Agency. A material change includes, but is not limited to, change in the ownership or control of the Recipient or the assets, management, financing, location of the Project or facilities, size of the facilities, timing, expected results, or other government contributions. When consent is requested from the Agency in regard to any material change the Recipient shall provide, in a timely manner, all documentation and information as may be required by the Agency, at its discretion.

GENERAL CONDITIONS

14.0 Disposal of Assets

- 14.1 The Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the written consent of the Agency.
- 14.2 Any funds recovered by the Recipient pursuant to the sale or disposal of Project Assets shall be paid to the Agency, except where the Project Assets disposed of are immediately replaced by comparable assets of equal or greater value that are used for the Project.
- 14.3 If so directed by the Agency, the Recipient shall pay the Agency forthwith the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the:
 - (a) proceeds of disposition of the Project Asset(s); or
 - (b) fair market value of the Project Asset(s).
- 14.4 The total amount payable by the Recipient pursuant to, the Disposal of Assets, shall not exceed the amount of the Contribution.

15.0 Insurance Coverage

- 15.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

16.0 Monitoring, Rights to Audit and Physical Access

- 16.1 During the term of the Agreement, the Recipient will provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.
- 16.2 The Recipient will provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.

GENERAL CONDITIONS

- 16.3 The Recipient will, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to ensure compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency, and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary, using the staff of the Agency, an independent firm or the Recipient's external auditors.
- 16.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.
- 16.5 The Recipient will assist the Agency with the monitoring of the Agreement and will facilitate access by the Agency to information from third parties and to the premises of third parties relating to the Agreement.

17.0 Overpayment

- 17.1 Where, for any reason:

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient will repay to the Agency, promptly and no later than thirty (30) calendar days from the date of the notice from the Agency, the amount of the overpayment. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

18.0 Right to Set-off

- 18.1 Without limiting the scope of set-off rights available to the Crown at Common Law, under the *Financial Administration Act* or otherwise, the Agency may:
- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
 - (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

GENERAL CONDITIONS**19.0 Interest and Administrative Charges****19.1 Payments**

When any payment is received from the Recipient on account of an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance.

19.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate in accordance with the *Interest and Administrative Charges Regulation*. The interest, calculated daily and compounded monthly, shall accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

19.3 Fee

An administrative fee shall be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulation*, which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

20.0 Events of Default**20.1 The following constitute events of default:**

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;

GENERAL CONDITIONS

- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with the Agency.

21.0 Remedies on Default

21.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:

- (a) suspend or terminate any obligation by the Agency to contribute to the Costs Incurred, including any obligation to pay any amount owing prior to the date of such suspension or termination;
- (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*. The interest, calculated daily and compounded monthly, shall accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.

21.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.

21.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.

22.0 Annual Appropriations

22.1 Parliamentary Allocation

Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1 and ending on the following March 31, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.

GENERAL CONDITIONS

22.2 Lack of Appropriation

In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.

23.0 **Notice**

23.1 Any notice required to be given with respect to this Agreement shall be in writing and shall be effectively given if delivered or if sent by ordinary or registered mail, ACOA Direct, courier or fax, addressed to the party for whom the notice is intended. Any notice shall be deemed to have been received on delivery. Any notice sent by ACOA Direct or fax shall be deemed to have been received one (1) working day after being sent. Any notice sent by mail shall be deemed to have been received eight (8) calendar days after being sent.

24.0 **No Assignment of Agreement**

24.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

25.0 **Indemnity**

25.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

26.0 **Cancellation of Agreement**

26.1 The Agency, by thirty (30) calendar days' notice duly given to the Recipient in accordance with, Notice, of these General Conditions, may cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

27.0 ***Access to Information Act and Privacy Act***

27.1 All information obtained by the Agency from the Recipient pursuant to an application or during the course of this Agreement will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

GENERAL CONDITIONS

28.0 Aboriginal Consultation

- 28.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

29.0 Applicable Law

- 29.1 This Agreement shall be interpreted in accordance with the laws in force in the province in which the office of the Agency is located.

STATEMENT OF WORK

Project Description

The Recipient will hire a financial controller to streamline financial planning, ensure adherence to regulatory bodies, and implementation of commercialization activities are successful.

Project Location

SYDNEY, NOVA SCOTIA

Project Financing

<u>Project Costs</u>		\$		<u>Financing</u>	\$
Salaries/Wages		\$75,000		ACOA Non-Repayable Contribution	\$50,000
				Existing working capital	\$25,000
Total		\$75,000		Total	\$75,000
<u>Eligible Costs</u>	<u>Assistance Rate</u> 0.000%	\$			
Salaries/Wages	66.67%	\$75,000			
Total	66.67%	\$75,000			
<u>Non-Eligible Costs</u>					

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

Expected Project Results

Hiring a financial controller

Means of Verification

Documentation, acceptable to the Agency, that the financial controller has been hired.

CLAIMS AND COSTS PRINCIPLES

1.0 Claims

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Costs Incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Costs Incurred being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) if applicable include a declaration, of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient in respect to Costs Incurred but not yet paid to suppliers shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in the Articles of Agreement – Payments, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall submit a final payment certificate, on a form provided by the Agency for that purpose attesting that the Costs Incurred for the entire Project have been paid to the suppliers. The term “paid” herein and in the certification means paid by monetary payment. This certificate shall be certified by a person authorized to sign on behalf of the Recipient.
- 1.5 Payments to the Recipient will be withheld if there are any outstanding reports as required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles

- 2.1 Total Eligible Costs of the Project
The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, shall be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

CLAIMS AND COSTS PRINCIPLES

2.2 Incremental Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional or costs that would not have otherwise been incurred if not for the implementation of the Project.

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration shall be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project as they affect costs.

2.4 Travel Costs

Travel costs include transportation, accommodations and meals that are directly attributable to the Project and included in Schedule 2 – Statement of Work. The Agency will reimburse the Recipient's travel costs incurred up to the maximum applicable to such travel costs according to the principles, guidelines and rates prescribed by the National Joint Council Directive (the Directive) (www.njc-cnm.gc.ca), as may be amended from time to time. Without limiting the generality of the foregoing, meal costs incurred by the Recipient during eligible travel will be reimbursed by way of meal allowances at the applicable per diem rates set forth in Appendix C or D of the Directive. No allowance will be allocated for any meals provided to the traveler at no cost or as part of other costs (i.e. accommodation, conference, etc.).

CLAIMS AND COSTS PRINCIPLES

2.5 Hospitality Costs

Hospitality costs include the provision of food and beverage for meals, coffee breaks, and networking events such as receptions that are directly attributable to the Project and included in Schedule 2 – Statement of Work. The Agency will reimburse the Recipient's hospitality expenditures incurred up to the maximums applicable to such hospitality costs according to the principles, guidelines and rates prescribed in Appendix B of the Treasury Board of Canada's Directive on Hospitality (<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=27228>), as may be amended from time to time.

2.6 General Administrative Costs

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.7 Salary and Wages Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

Salary and wages costs must be claimed on the same basis as they are incurred and paid to employees (i.e. weekly, bi-weekly, monthly), as supported by payroll records.

In certain cases, a salaried employee may not work exclusively on one Project. In those instances, only the proportion of the salary based on the actual time spent on the Project, as supported by timesheets or other satisfactory form of time recording may be considered as an Eligible Cost of the Project. In order to determine the proportion of the employee salary for the time spent on the Project (a daily or hourly pay rate), the total amount of the work days during a salary year can be reduced by the number of vacation days and statutory holidays to which the employee is entitled during that year, as applicable. No other deduction or mechanisms for increasing the proportion of the time spent on the Project will be allowed without the prior consent of the Agency.

When it has been expressly included in Schedule 2 – Statement of Work, salary costs for the performance of an authorized and incremental role of qualified management personnel may be claimed in accordance with this Schedule.

CLAIMS AND COSTS PRINCIPLES

2.8 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project. The Recipient can claim a rate of fifteen per cent (15%) of salaries and wages for the payroll burden.

2.9 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible. These may include, but are not necessarily restricted to, items such as:

- (a) the cost of land and goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;
- (c) fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation);
- (d) entertainment expenses (does not include networking receptions) and first-class airfare;
- (e) insurance, except if the cost is directly related to construction and is capitalized (in accordance with Generally Accepted Accounting Principles or International Financial Reporting Standards) as part of the Project;
- (f) dues and other membership fees;
- (g) severance pay, cash-out of unused vacation, bonuses, overtime premium for salaried employees and commissions;
- (h) interest costs, bond discounts, and other financing costs; and
- (i) any costs, such as amortization and in-kind, that would not necessitate an expenditure of cash by the Recipient.

2.10 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit or the reimbursement of sales taxes paid by the Recipient for goods and services. These credits shall be taken into consideration in calculating Eligible Costs.

REPORTING REQUIREMENTS

1.0 General

1.1 Progress Report with Each Claim

The Recipient shall submit a progress report with each claim for payment, on a form provided by the Agency for that purpose, detailing the progress and results of the Project. Each progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual review engagement financial statements within one hundred and eighty (180) days after the end of each fiscal year. The Agency reserves the right to request audited year-end financial statements, when deemed necessary by the Agency and the Recipient shall provide them, upon written requests.
- (b) The Recipient shall provide its annual financial statements or other above requested information until the end of the Control Period.

1.3 Internal Financial Statements

The Agency may request the Recipient to provide a copy of its internally prepared financial statements, when deemed necessary by the Agency and the Recipient shall provide them, upon written request.

1.4 Report on Project Results

After the final payment of the Contribution by the Agency and until the end of the Control Period, the Recipient shall submit upon request by the Agency, a report detailing the actual results of the Project as compared to the expected results in Schedule 2 – Statement of Work, using the means of verification identified therein. All deviations should be explained. The report must be satisfactory to the Agency, at its sole discretion. The Agency may request independent third-party verification of this report or of the Project results, and the Recipient shall provide independent verification upon written request and at its own expense.

FACT SHEET FOR NEWS RELEASE**Program:**

The Agency's Business Development
Program - Productivity and Business Skills

Project No:

212321

Name and Address of Recipient:

Ubique Networks Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Recipient Contact:

Name: Vijai Karthigesu
Title: CEO & Founder
Telephone: (902) 982-3580
Fax:

Project Location:

SYDNEY, NOVA SCOTIA

Project Type:

Productivity and Business Skills

Project Description:

The Recipient will hire a financial controller to streamline financial planning, ensure adherence to regulatory bodies, and implementation of commercialization activities are successful.

Total Project Costs:

\$75,000.00

Eligible Costs:

\$75,000.00

Authorized Assistance:

\$50,000.00

Total Government Funding:

\$50,000.00

Estimated Project Commencement Date: November 1, 2018

Estimated Project Completion Date: October 30, 2019



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

Pre-authorized Debit (PAD) / Direct Deposit Authorization

Applicant Name: _____

ACOA Project Number: _____

A- Pre-authorized Debits - Please attach a voided cheque and complete the following:

Name of Account Holder(s) (If different from above)

If you are not providing a voided cheque, please have the following information completed and confirmed by your financial institution:

Branch No.: _____ Institution No.: _____

Account No.: _____

Name(s) of Account Holder(s): _____

Financial Institution: _____

Address: _____

Telephone No.: _____

Signature of Financial Institution Official

Date

All information obtained by the Atlantic Canada Opportunities Agency (the Agency) will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

B- Direct Deposit Authorization:

Progress and final payments of the contribution can be deposited directly in the above-mentioned bank account. Do you wish to take advantage of this service?

_____ No _____ Yes If yes, Email Address: _____



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du Canada atlantique

Canada

I/We hereby authorize the Agency to debit the bank account identified above, as per the repayment terms of the contribution agreement(s) and any subsequent amendments. If I/we have checked YES for the Direct Deposit Service, I/we hereby authorize the Agency to credit the bank account identified above.

I/We hereby authorize the Agency to debit the bank account identified above with a service fee of \$15.00 if a PAD is returned due to insufficient funds.

I/We may revoke my/our authorization at any time, subject to providing written notification from me/us of its change or termination. This notification must be received by the 15th day of the month prior to the next scheduled payment. To obtain a sample cancellation form, or for more information on my/our right to cancel a PAD agreement I/we may contact my/our financial institution or visit www.cdnpay.ca. I/we acknowledge that this cancellation does not terminate any obligation that I/we may have with the Agency.

I/we acknowledge that I/we must continue to make payments according to the contribution agreement by a method acceptable to the Agency until the contribution is repaid in full. Should I/we stop making payments, I/we will be in default of the contribution agreement(s).

I/We have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement. To obtain more information on my/our recourse rights, I/we may contact my/our financial institution or visit www.cdnpay.ca.

Signature of Authorized Signing Officer(s)

Date

Signature of Authorized Signing Officer(s)

Date

ACOA Head Office

Blue Cross Centre, 3rd Floor
644 Main Street
PO Box 6051
Moncton, New Brunswick, Canada
E1C 9J8
(Courier Address: E1C 1E2)
General Enquiries: 506-851-2271
Toll Free (In Canada and the United States): 1-800-561-7862
Facsimile: 506-851-7403

Nova Scotia Regional Office

1801 Hollis Street, Suite 700
PO Box 2284 STN C
Halifax, Nova Scotia, Canada
B3J 3C8 (Courier Address: B3J 3N4)
General Enquiries: 902-426-8361
Facsimile: 902-426-2054
Toll Free: 1-800-565-1228

New Brunswick Regional Office

570 Queen Street, Suite 102
PO Box 578
Fredericton, New Brunswick, Canada
E3B 5A6
(Courier Address: E3B 6Z6)
General Enquiries: 506-452-3184
Facsimile: 506-452-3285
Toll Free: 1-800-561-4030

Newfoundland and Labrador Regional Office

John Cabot Building, 11th Floor
10 Barter's Hill
PO Box 1060 STN C
St. John's,
Newfoundland and Labrador, Canada
A1C 5M5 (Courier Address: A1C 6M1)
General Enquiries: 709-772-2751
Facsimile: 709-772-2712
Toll Free: 1-800-668-1010

Prince Edward Island Regional Office

Royal Bank Building, 3rd floor
100 Sydney Street
PO Box 40
Charlottetown, Prince Edward Island, Canada
C1A 7K2 (Courier Address: C1A 1G3)
General Enquiries: 902-566-7492
Facsimile: 902-566-7098
Toll Free: 1-800-871-2596



Atlantic Canada
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Canada

ACOA DIRECT CLIENT REGISTRATION

SECTION 1 – BUSINESS DETAILS	
Legal Business Name:	
Operating as:	
SECTION 2 – MAIN BUSINESS ADDRESS	
Address:	City:
Province:	Postal Code:
SECTION 3 – AUTHORIZED CLIENT ADMINISTRATOR	
First Name:	Last Name:
Title:	Telephone No.:
Email Address:	
SECTION 4 – AUTHORIZING AUTHORITY	
First Name:	Last Name:
Title:	Telephone No.:
Email Address:	
PLEASE CHECK OFF THE BOX THAT BEST DESCRIBES YOUR SITUATION ☐ SENIOR REPRESENTATIVE with signing authority (Must be a person with a higher level of authority than the Authorized Client Administrator) ☐ OWNER, CO-OWNER OR MAJORITY SHAREHOLDER (This person can also act as the Authorized Client Administrator) ☐ NON-PROFIT ORGANIZATION / ASSOCIATION (Must be either the president or the chair of the board of the non-profit organization/association) ☐ OTHER (please specify) _____ I, the Authorizing Authority named in section 4, assign the person identified in section 3 to act as the Authorized Client Administrator for the purpose of ACOA Direct and authorize this person to accept, on my behalf, the ACOA Direct Online Agreement and any subsequent amendment once this registration request has been approved by ACOA. I acknowledge having read the ACOA Direct Online Agreement (available for consultation here) prior to affixing my signature below. I further understand and agree that by accepting the ACOA Direct Online Agreement, the business identified in section 1 becomes the Client under the terms of the said agreement.	
SIGNATURE:	DATE:

**Regional Economic Growth through Innovation -
Business Scale-Up and Productivity**

Project Number: 214209

This Contribution Agreement

BETWEEN:

**ATLANTIC CANADA OPPORTUNITIES AGENCY,
having an office in Nova Scotia**

(hereinafter referred to as "the **Agency**")

AND:

Swarmio Inc., an organization duly incorporated under the
laws of Canada, having its office located at:
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

(hereinafter referred to as "the **Recipient**")

WHEREAS the Regional Economic Growth through Innovation - Business Scale-Up and Productivity, is a national innovation program that was established to provide support to business productivity and scale-up,

(hereinafter referred to as "the **Program**")

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

WHEREAS this Agreement sets out the terms and conditions under which the Agency agrees to provide a contribution to the Recipient,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Schedule 3 – Claims and Costs Principles
Schedule 4 – Reporting Requirements
Schedule 5 – Project Fact Sheet for News Release
Schedule 6 – Repayment Schedule

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient shall carry out the Project as described in Schedule 2 – Statement of Work, shall make claims in accordance with Schedule 3 – Claims and Costs Principles, shall issue the reports required under Schedule 4 – Reporting Requirements, shall make repayments in accordance with Schedule 6 – Repayment Schedule, and shall fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before November 1, 2019 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before August 31, 2020 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency will make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the amount equal to the assistance rate (%) of the Eligible Costs as stated on Schedule 2 – Statement of Work; and
 - (b) \$250,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on March 31, and there must be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs that are Costs Incurred, as defined in Schedule 1, on the basis of itemized claims submitted in accordance with Schedule 3 – Claims and Costs Principles.

ARTICLES OF AGREEMENT

5.2 The Agency will not contribute to any Costs Incurred by the Recipient prior to July 17, 2019. The Agency will not accept any Cost Incurred after the Project Completion Date, unless otherwise agreed to in writing by the Agency.

5.3 Prior to the initial payment, the Recipient must provide the Agency with the following information, at the satisfaction of the Agency:

(a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization* (PAD) form as provided by the Agency;

5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency and to the Agency's satisfaction, that all Costs Incurred that have been submitted for payment to the Agency have effectively been paid by the Recipient by monetary payment.

5.5 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Costs Incurred.

5.6 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.

6.0 Repayment

6.1 The Recipient shall repay the Contribution to the Agency in accordance with Schedule 6 – Repayment Schedule.

The amounts set out in the Repayment Schedule are calculated to repay the entire balance of the Contribution; however, the last installment of the Repayment Schedule may be adjusted to include all sums owing under this Agreement. Notwithstanding the foregoing, if any amounts due under this Agreement remain unpaid fifteen (15) years from the Project Completion Date, those amounts will immediately become fully due and payable to the Agency.

7.0 Special Condition(s)

7.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency within six (6) months from the Effective Date of this Agreement ("the **Lapsing Date**"), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.

ARTICLES OF AGREEMENT

Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any balance of the Contribution that has not been claimed within six (6) months from the Project Completion Date ("the **End Date**"). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.

8.0 Official Languages

8.1 The Recipient agrees:

- (a) that all public acknowledgments of the Agency's support for the Project will be expressed in both official languages;
- (b) that basic project information, such as project description, will be developed and made available to the public in both official languages;
- (c) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
- (d) that main signage components related to the Project will be in both official languages.

9.0 Project Financing

- 9.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work. These commitment letters must be satisfactory to the Agency at its sole discretion.

The following table sets out the details and the time frame for the confirmation of the Project financing:

Financing Source	Amount	Confirmation Date
Shareholder Injection	\$1,550,000	Prior to initial payment
InnovaCorp, or acceptable alternative	\$200,000	Prior to initial payment

- 9.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than the government assistance specifically described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient must also, until the end of the Control Period, promptly inform the Agency of any changes to such assistance, in accordance with Schedule 1 – General Conditions, Other Government Assistance.

ARTICLES OF AGREEMENT

10.0 Equity

10.1 Equity is to be calculated as the aggregate of:

- (a) the Recipient's share capital (incorporated company), the partner's capital accounts (incorporated partnerships), the Recipient's net worth (individual);
- (b) contributed surplus and other surplus accounts;
- (c) retained earnings (added) or accumulated deficit (subtracted);
- (d) subordinated shareholder(s)' loan(s) or partner(s)' loan(s). In order to be considered in this calculation, a duly signed Subordination Agreement must be on file;
- (e) loans from other parties that are subordinated (reduced in priority of payment) to all other liabilities for a certain period, at the satisfaction of the Agency. In order to be considered in this calculation, a duly signed Subordination Agreement must be on file; and
- (f) where applicable, for any fiscal year subsequent to the fiscal year during which initial disbursement is made under this Agreement, normal operating losses, as determined at the discretion of the Agency, based on the Recipient's year-end financial statements and/or any other document and information deemed relevant by the Agency;

LESS:

- (g) advances to shareholders; and
- (h) any other asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's Equity.

11.0 Environmental Requirements

11.1 The Recipient represents that the Project is not a "designated project" as defined in the *Canadian Environmental Assessment Act*, 2012, S.C. 2012, c. 19, s. 52 (CEAA, 2012) and that an environmental assessment (EA) or a determination under section 67 of CEAA, 2012 are not required for the Project.

12.0 Commercialization

12.1 Work in Atlantic Canada

- (a) Unless otherwise agreed to in writing by the Agency, the Recipient will ensure that the Resulting Products are exploited through their production in Atlantic Canada until the end of the Control Period.

ARTICLES OF AGREEMENT

- (a) If the Project provides for the Foreground Intellectual Property to be owned in whole or in part by the Recipient's employees, the Key Project Collaborator(s) and/or the employees of the Key Project Collaborator(s), the Recipient must ensure that its agreements with these parties contain provisions that ensure that the obligations in paragraph (a) above are fulfilled. The Recipient must have all such agreements in place and provide a copy to the Agency, prior to the initial payment.

12.2 Licensing Agreement

In the event the Recipient intends to enter into a licensing agreement to fulfill its obligations set out in Commercialization above, the Recipient shall obtain the Agency's prior confirmation that the licensing agreement is satisfactory to the Agency for the purposes of the Project and, if so, shall provide the Agency with a copy of the duly executed licensing agreement and evidence to satisfy the Agency that the transaction and any payments thereunder have been or will be completed at fair market value. Without limiting the foregoing, the Recipient must ensure that any such license will contain provisions to enable the Recipient to obtain audit certificates from the licensee's accounts and records in respect to the amounts used by the Recipient to calculate payments due to the Agency under this Agreement.

12.3 Intellectual Property

In the event the Project involves intellectual property, the Recipient shall provide the Agency with information regarding its intellectual property strategy related to the Project as may be requested by the Agency from time to time.

13.0 **Communications**

- 13.1 The Recipient must consult with the Agency regarding communication activities relating to the Project in accordance with Schedule 1 – General Conditions, Communications.

14.0 **Notice**

- 14.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, must be addressed to:

Atlantic Canada Opportunities Agency
70 Crescent Street
Sydney, Nova Scotia
B1S 2Z7

Attention: Steven Lane

or to such address as is designated by the Agency in writing.

ARTICLES OF AGREEMENT

14.2 Any notice or correspondence to the Recipient must be addressed to:

Swarmio Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Attention: Vijai Karthigesu

15.0 Entire Agreement

15.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments will be made to the Agreement unless agreed upon in writing by both parties.

16.0 Joint and Several Obligations

16.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the "Recipient" or "it" or "its" in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

17.0 Effective Date

17.1 This Agreement will come into effect on the date of last signature by the parties (the "Effective Date"). In the event a party has failed to date a signature, the Effective Date will be the date the Agency receives the Agreement signed by all parties.

ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY



Joe Cashin, CPA, CA
Director, Enterprise Development

Sept 30/19
Date

Project No.: 214209

This Agreement may be executed in separate counterparts, each of which will be deemed to be an original, and such separate counterparts will together constitute one and the same instrument. The executed Agreement may be communicated to the Agency by facsimile transmission, by ACOA Direct, or as otherwise agreed to by the Agency and such will be deemed to be an original for all purposes.

Swarmio Inc.

Date: Oct 9, 2019
(Insert date of signature)

Signature



Name:

Vijai Karthigesu
(please print)

Title/Position:

CEO
(please print)

Date: _____, 20____
(Insert date of signature)

Signature

Name:

(please print)

Title/Position:

(please print)

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in the technology developed prior to the beginning of the Project and required for the carrying out of the Project or the exploitation of the Foreground Intellectual Property.

Control Period means the period commencing on the Effective Date and ending on the date when all amounts due by the Recipient to the Agency under this Agreement have been paid in full or otherwise discharged to the satisfaction of the Agency.

Costs Incurred means the Eligible Costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for by monetary payment or has a legal obligation to pay for by monetary payment in the future. Any Eligible Costs received that have been paid or will be paid for by means other than monetary payment, including, without limitations, in-kind and non-cash transactions, do not qualify as Costs Incurred for which the Agency can pay the Contribution.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs listed in Schedule 2 – Statement of Work, that comply with the principles of Schedule 3 – Claims and Costs Principles and that are necessary to carry out the Project.

Equity means the ownership interest or value in the assets of a business, net of all debts, claims and any asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's net worth (i.e. assets minus liabilities equals Equity). Negative Equity exists when the value of the total assets is less than the total liabilities. The Recipient's Equity will be calculated as stated in Equity in the Articles of Agreement.

Foreground Intellectual Property means all technical data, including without limitation, all designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods, applicable special equipment and related technology, processes or other information or know-how conceived, produced, developed or reduced to practice in carrying out the Project, and all rights therein, including without limitation, patents, copyrights, industrial designs, trademarks, and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being treated by the Recipient as trade secrets or confidential information.

GENERAL CONDITIONS

Interest Rate means the rate of interest equal to three percent (3%) higher than the Average Bank Rate.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Resulting Products means the Foreground Intellectual Property and/or all products that, at the sole determination of the Agency, are produced or result from the Project, incorporate results of the Project, use a method, process, equipment or information resulting from the Project and/or, without restricting the generality of the foregoing, that include any Foreground Intellectual Property, inventions, works, writings, designs, devices, and any adaptations, modifications or improvements thereto.

2.0 Representations, Warranties and Undertakings

2.1 Representations, Warranties and Undertakings by the Recipient

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatory or signatories to the Agreement, as applicable, has or have been duly authorized to execute and deliver the Agreement on behalf of the Recipient.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that upon execution, the Agreement will constitute a legal, valid and binding obligation on the Recipient enforceable in accordance with its terms.

GENERAL CONDITIONS**2.5 No Pending Suits or Actions**

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the term of the Agreement.

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.8 Other Agreements

The Recipient represents and warrants that it has not entered, and undertakes not to enter, into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

2.9 Intellectual Property

The Recipient represents and warrants that:

- (a) it has taken appropriate steps to ensure that the Recipient either owns the Background Intellectual Property or holds sufficient rights in the same to permit the Project to be carried out and the Foreground Intellectual Property to be exploited;
- (b) the title to the Foreground Intellectual Property is to be vested and, unless otherwise agreed to in writing by the Agency, to remain exclusively with the Recipient;
- (c) it shall take appropriate steps to protect the Foreground Intellectual Property it owns and where applicable, include in its agreements with the Recipient an obligation for them to do the same, and shall, upon request, provide information to the Agency in that regard; and
- (d) it has obtained written permission from every person who will contribute to any Foreground Intellectual Property that may be subject to copyright protection and that will form part of the Project. The Agency may request that the Recipient provide it with a copy of the written waiver(s) of moral rights.

GENERAL CONDITIONS

3.0 Other Financing

- 3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's obligations under this Agreement.

4.0 Other Government Assistance

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance that has been, will be or could be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency may adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics

- 5.1 Members of the Senate and House of Commons
No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.
- 5.2 Members of a Provincial or Territorial Legislature
Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict-of-interest guidelines in effect during the term of this Agreement.
- 5.3 Conflict of Interest
The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.
- ### 6.0 Dispute Resolution
- 6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations, and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

GENERAL CONDITIONS**7.0 Restrictions on Distributions**

- 7.1 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined for the purpose of this Agreement as any payment to any member, shareholder, director, officer or associate company of the Recipient, including, without limitations, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

8.0 Lobbying

- 8.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement or the Project is registered pursuant to the said Act.

9.0 Relationship with the Agency

- 9.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

10.0 Termination

- 10.1 The Agreement will terminate at the end of the Control Period.

11.0 Force Majeure**11.1 Event of Force Majeure**

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

11.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

GENERAL CONDITIONS

12.0 Communications

- 12.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the Agency logo or otherwise make reference to the Agency.
- 12.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. Notwithstanding the foregoing, the information referenced in Schedule 5 – Project Fact Sheet for News Release will be considered to be in the public domain on the earlier of: the public announcement of the Project by the Agency or the Recipient, the public disclosure or publication of the said information by the Agency in accordance with applicable legislation, or the expiration of sixty (60) calendar days after the Recipient's acceptance of this Agreement.
- 12.3 The Recipient must advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony will be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 12.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.
- 12.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

13.0 Material Changes

- 13.1 No material changes will be made to the estimated total scope, the nature or any element of the Project or to any element of the Recipient's operation without the prior written consent of the Agency. A material change includes, but is not limited to, change in the ownership or control of the Recipient or the assets, management, financing, location of the Project or facilities, size of the facilities, timing, expected results, or other government contributions. When consent is requested from the Agency in regard to any material change the Recipient shall provide, in a timely manner, all documentation and information as may be required by the Agency, at its discretion.

GENERAL CONDITIONS**14.0 Disposal of Assets**

- 14.1 Without limiting the generality of Schedule 1 – General Conditions, Material Changes, the Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the prior written consent of the Agency.
- 14.2 The issuance of such consent, if any, may be made subject to conditions the Agency deems appropriate in the circumstances, at its discretion. Such conditions may include, without limitation, the condition(s) that the Recipient replace the Project Asset(s) disposed of with comparable asset(s) of equal or lesser value for use in the Project, that the Recipient pay the Agency forthwith all funds recovered by the Recipient pursuant to the sale or disposal of the Project Asset(s), and/or that the Recipient pay the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the:
- (a) proceeds of disposition of the Project Asset(s); or
 - (b) fair market value of the Project Asset(s).

15.0 Insurance Coverage

- 15.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

16.0 Monitoring, Rights to Audit and Physical Access

- 16.1 During the term of the Agreement, the Recipient shall provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.
- 16.2 The Recipient shall provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.

GENERAL CONDITIONS

- 16.3 The Recipient shall, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to verify compliance and ability for compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency, and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary, using the staff of the Agency or of other federal departments or agencies, an independent firm or the Recipient's external auditors.
- 16.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.
- 16.5 The Recipient will assist the Agency with its monitoring of the Agreement and where applicable, will obtain required information from third parties to provide to the Agency and will facilitate the Agency's access to the information and premises of third parties relating to the Agreement.

17.0 Overpayment

- 17.1 Where, for any reason:

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient shall repay the amount of the overpayment to the Agency promptly and no later than thirty (30) calendar days from the date of the notice of such overpayment from the Agency. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

18.0 Right to Set-off

- 18.1 Without limiting the scope of set-off rights available to the Crown at common law, under the *Financial Administration Act* or otherwise, the Agency may:
- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
 - (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

GENERAL CONDITIONS**19.0 Interest and Administrative Charges****19.1 Payments**

When any payment is received from the Recipient on account of a prepayment of a repayment instalment, an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance in reverse order of maturity.

19.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

19.3 Fee

An administrative fee will be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

20.0 Events of Default**20.1 The following constitute events of default:**

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;

GENERAL CONDITIONS

- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with Her Majesty in right of Canada.

21.0 Remedies on Default

21.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:

- (a) suspend or terminate any obligation by the Agency to contribute to the Costs Incurred, including any obligation to pay any amount owing prior to the date of such suspension or termination;
- (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*, as may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.

21.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.

21.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.

22.0 Annual Appropriations

22.1 Parliamentary Allocation

Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1 and ending on the following March 31, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.

GENERAL CONDITIONS**22.2 Lack of Appropriation**

In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.

23.0 Notice

- 23.1 Any notice required to be given with respect to this Agreement must be in writing and will be effectively given if delivered or sent by ordinary or registered mail, ACOA Direct, courier or fax, addressed to the party for whom the notice is intended. Any notice will be deemed to have been received on delivery. Any notice sent by ACOA Direct or fax will be deemed to have been received one (1) working day after being sent. Any notice sent by mail will be deemed to have been received eight (8) calendar days after being sent.

24.0 Consent of the Agency

- 24.1 Where a consent or an agreement is requested from the Agency under this Agreement, the Agency has the right to grant or refuse the consent or agreement, and where it decides to grant the consent or agreement, to do so subject to such conditions the Agency deems appropriate, at its discretion.

25.0 No Assignment of Agreement

- 25.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

26.0 Indemnity

- 26.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

27.0 Cancellation of Agreement

- 27.1 The Agency may, upon thirty (30) calendar days' notice duly given to the Recipient in accordance with the Notice section of these General Conditions, cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

GENERAL CONDITIONS**28.0 Access to Information Act and Privacy Act**

28.1 This Agreement and all information obtained by the Agency in the course of and pursuant to this Agreement and the Recipient's application, will be subject to and treated in accordance with the *Access to Information Act* and the *Privacy Act*, as applicable, and as amended from time to time.

28.2 Without limiting the generality of the preceding paragraph, the Recipient acknowledges and agrees that the Agency will proactively publish information regarding this Agreement in accordance with the *Access to Information Act*, as amended from time to time.

29.0 Sharing of Information

29.1 The Recipient expressly authorizes the Agency to share all information obtained by the Agency in relation to this Agreement with other departments and agencies of the Government of Canada for the purpose of implementing, administering and monitoring the Program. This includes, without limitation, the Recipient's financial reports and business information as provided to the Agency under this Agreement and the Recipient's application.

30.0 Aboriginal Consultation

30.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

31.0 Applicable Law

31.1 This Agreement must be interpreted in accordance with the laws in force in the province in which the office of the Agency is located.

STATEMENT OF WORK

Project Description

The Recipient will execute its go to market strategy by expanding its sales and marketing team, upgrading its data center services, purchase necessary hardware to service its new markets, and participating in conferences, trade shows and direct travel to key customers.

Project Location

CAPE BRETON, NOVA SCOTIA

Project Financing

<u>Project Costs</u>		\$	<u>Financing</u>	\$
Commercialization Activities (Salaries and Wages, Travel, Conference, Promotional Material)		\$750,000	ACOA Repayable Contribution	\$250,000
Consulting and Vendor Services		\$250,000	InnovaCorp, or acceptable alternative	\$200,000
Working Capital		\$1,000,000	Shareholder Injection	\$1,550,000
Total		\$2,000,000	Total	\$2,000,000
<u>Eligible Costs</u>	<u>Assistance Rate %</u>	\$		
Commercialization Activities (Salaries and Wages, Travel, Conference, Promotional Material)	33.33%	\$750,000		
Consulting and Vendor Services	0%	\$250,000		
<u>Non-Eligible Costs</u>				
Working Capital		\$1,000,000		

STATEMENT OF WORK

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

Expected Project Results

Annual gross revenue of \$4,900,000 for the year ended 2020.

Means of Verification

Recipient submitted, review engagement, year end financial statements.

CLAIMS AND COSTS PRINCIPLES**1.0 Claims**

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Costs Incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Costs Incurred being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) if applicable, include a declaration of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient in respect to Costs Incurred but not yet paid to suppliers shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in the Articles of Agreement – Payments, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall submit a confirmation of all confirmed and potential sources of government assistance received in support of the Project and a final payment certificate, on the form provided by the Agency for that purpose, attesting that the Costs Incurred for the entire Project have been paid to the suppliers. The term "paid" herein and in the certification means paid by monetary payment. This certificate must be certified by an authorized signing officer of the Recipient.
- 1.5 Payments to the Recipient may be withheld by the Agency if the Recipient has any outstanding obligations hereunder, including any outstanding reports required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles**2.1 Total Eligible Costs of the Project**

The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, will be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

CLAIMS AND COSTS PRINCIPLES

2.2 Incremental Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional, or costs that would not have otherwise been incurred if not for the implementation of the Project.

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration must be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project that may affect costs.

2.4 Travel Costs

Eligible travel costs include transportation, accommodations and meals (but not incidentals) that are directly attributable to the Project and included in Schedule 2 – Statement of Work. In regards to kilometers and meals, the Agency will reimburse the Recipient using the rates set out in the National Joint Council Directive (the Directive) (www.njc-cnm.gc.ca), as may be amended from time to time. More specifically, meal costs incurred by the Recipient during eligible travel will be reimbursed by way of meal allowances at the same per diem rates as set forth in Appendix C or D of the Directive, as applicable, and kilometers travelled for eligible travel will be reimbursed based on the same kilometre rates set forth in Appendix B of the Directive. Notwithstanding the foregoing, no travel costs, including meal allowances or kilometers, will be paid or allocated for transportation, accommodations or meals that are either non-eligible or that were at no costs to the Recipient or included as part of other costs incurred (i.e. conference, inclusive-type accommodations, group transportation, etc.).

CLAIMS AND COSTS PRINCIPLES

2.5 General Administrative Costs

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.6 Salary and Wages Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

Salary and wages costs must be claimed on the same basis as they are incurred and paid to employees (i.e. weekly, bi-weekly, monthly), as supported by payroll records.

In certain cases, a salaried employee may not work exclusively on the Project. In those instances, only the proportion of their salary based on the actual time spent on the Project, as supported by timesheets or other satisfactory form of time recording may be considered as an Eligible Cost of the Project. In order to determine the proportion of the employee salary for the time spent on the Project (a daily or hourly pay rate), the total amount of work days during a salary year can be reduced by the number of vacation days and statutory holidays to which the employee is entitled during that year, as applicable. No other deduction or mechanisms for increasing the proportion of the time spent on the Project will be allowed without the prior consent of the Agency.

When it has been expressly included in Schedule 2 – Statement of Work, salary costs for the performance of an authorized and incremental role of qualified management personnel may be claimed in accordance with this Schedule.

2.7 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project. The Recipient can claim a rate of fifteen per cent (15%) of salaries and wages for the payroll burden.

2.8 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible. These may include, but are not necessarily restricted to, items such as:

- (a) the cost of land acquisition and any cost related to goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;

CLAIMS AND COSTS PRINCIPLES

- (c) fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation);
- (d) entertainment expenses (does not include networking receptions) and first-class airfare;
- (e) insurance, except if the cost is directly related to construction and is capitalized (in accordance with Generally Accepted Accounting Principles or International Financial Reporting Standards) as part of the Project;
- (f) dues and other membership fees;
- (g) severance pay, cash-out of unused vacation, bonuses, overtime premium for salaried employees and commissions;
- (h) refinancing of existing debt, any interest costs, bond discounts, and other financing costs; and
- (i) any costs for the purchase of assets that exceed fair market value of the said assets and any costs that would not necessitate an expenditure of cash by the Recipient, such as amortization and in-kind.

2.9 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit and the reimbursement of sales taxes paid by the Recipient for goods and services. These credits must be taken into consideration in calculating Eligible Costs.

REPORTING REQUIREMENTS**1.0 General****1.1 Progress Report with Each Claim**

The Recipient shall submit a progress report with each claim for payment, on the form provided by the Agency for that purpose, detailing the progress and results of the Project. Each progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual audited financial statements within one hundred and eighty (180) days after the end of each fiscal year.
- (b) The Recipient shall provide the above financial information annually until the end of the Control Period.

1.3 Internal Financial Statements

The Agency may at any time request the Recipient to provide a copy of its internally prepared financial statements, when deemed necessary by the Agency, and the Recipient shall provide them, upon written request.

1.4 Report on Project Results

After the final payment of the Contribution by the Agency and until the end of the Control Period, the Recipient shall submit, upon request by the Agency, a report detailing the actual results of the Project as compared to the expected results in Schedule 2 – Statement of Work, using the means of verification identified therein. All deviations must be explained. The report must be satisfactory to the Agency, at its sole discretion. The Agency may request independent third-party verification of this report or of the Project results, and the Recipient shall provide such independent verification upon written request and at its own expense.

2.0 Other Reports

- 2.1 Prior to any payment exceeding ninety percent (90%) of the total Contribution, the Recipient shall provide a statement of the total funding from all sources for the Project, including total Canadian government funding received.

REPORTING REQUIREMENTS

- 2.2 The Recipient shall submit to the Agency a completed and signed copy of the Client Information Update form annually with its financial statements.

FACT SHEET FOR NEWS RELEASE

RECEIVED

Program: The Agency's Regional Economic Growth through Innovation - Business Scale-Up and Productivity		Project No: 114500
Name and Address of Beneficiary: Stewart's Inc. 202 George Street Suite 102 Sydney, Nova Scotia B1P 1T7		Beneficiary Contact: Name: Vijai Karapinar Title: CEO & President Telephone: (902) 582-3580 Fax:
Project Location: CAPS HUB/STN, NOVA SCOTIA	Project Type: R&D - Business Scale-up and Productivity	
Agreement Type: Contribution		
Project Description: The Recipient will continue its go to market strategy by expanding its sales and marketing team, upgrading its data center services, purchase necessary hardware to service its new markets, and participating in conferences, trade shows and client travel to key customers.		
Total Project Costs: \$2,000,000.00	Eligible Costs: \$1,000,000.00	
Authorized Assistance: \$250,000.00	Total Government Funding: \$250,000.00	
Estimated Project Completion Date: August 31, 2020		
Estimated Project Commencement Date: November 1, 2019		

FACT SHEET FOR NEWS RELEASE**Program:**

The Agency's Regional Economic Growth
through Innovation - Business Scale-Up and
Productivity

Project No:

214209

Name and Address of Recipient:

Swarmio Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Recipient Contact:

Name: Vijai Karthigesu
Title: CEO & Founder
Telephone: (902) 982-3580
Fax:

Project Location:

CAPE BRETON, NOVA SCOTIA

Project Type:

REGI - Business Scale-up and Productivity

Agreement Type:

Contribution

Project Description:

The Recipient will execute its go to market strategy by expanding its sales and marketing team, upgrading its data center services, purchase necessary hardware to service its new markets, and participating in conferences, trade shows and direct travel to key customers.

Total Project Costs:

\$2,000,000.00

Eligible Costs:

\$1,000,000.00

Authorized Assistance:

\$250,000.00

Total Government Funding:

\$250,000.00

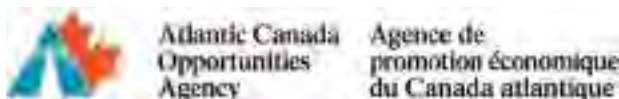
Estimated Project Commencement Date: November 1, 2019

Estimated Project Completion Date: August 31, 2020

42	2024/04/01	Principal	\$2,977.00	\$124,966.00
43	2024/05/01	Principal	\$2,977.00	\$121,989.00
44	2024/06/01	Principal	\$2,977.00	\$119,012.00
45	2024/07/01	Principal	\$2,977.00	\$116,035.00
46	2024/08/01	Principal	\$2,977.00	\$113,058.00
47	2024/09/01	Principal	\$2,977.00	\$110,081.00
48	2024/10/01	Principal	\$2,977.00	\$107,104.00
49	2024/11/01	Principal	\$2,977.00	\$104,127.00
50	2024/12/01	Principal	\$2,977.00	\$101,150.00
51	2025/01/01	Principal	\$2,977.00	\$98,173.00
52	2025/02/01	Principal	\$2,977.00	\$95,196.00
53	2025/03/01	Principal	\$2,977.00	\$92,219.00
54	2025/04/01	Principal	\$2,977.00	\$89,242.00
55	2025/05/01	Principal	\$2,977.00	\$86,265.00
56	2025/06/01	Principal	\$2,977.00	\$83,288.00
57	2025/07/01	Principal	\$2,977.00	\$80,311.00
58	2025/08/01	Principal	\$2,977.00	\$77,334.00
59	2025/09/01	Principal	\$2,977.00	\$74,357.00
60	2025/10/01	Principal	\$2,977.00	\$71,380.00
61	2025/11/01	Principal	\$2,977.00	\$68,403.00
62	2025/12/01	Principal	\$2,977.00	\$65,426.00
63	2026/01/01	Principal	\$2,977.00	\$62,449.00
64	2026/02/01	Principal	\$2,977.00	\$59,472.00
65	2026/03/01	Principal	\$2,977.00	\$56,495.00
66	2026/04/01	Principal	\$2,977.00	\$53,518.00
67	2026/05/01	Principal	\$2,977.00	\$50,541.00
68	2026/06/01	Principal	\$2,977.00	\$47,564.00
69	2026/07/01	Principal	\$2,977.00	\$44,587.00
70	2026/08/01	Principal	\$2,977.00	\$41,610.00
71	2026/09/01	Principal	\$2,977.00	\$38,633.00
72	2026/10/01	Principal	\$2,977.00	\$35,656.00
73	2026/11/01	Principal	\$2,977.00	\$32,679.00
74	2026/12/01	Principal	\$2,977.00	\$29,702.00
75	2027/01/01	Principal	\$2,977.00	\$26,725.00
76	2027/02/01	Principal	\$2,977.00	\$23,748.00
77	2027/03/01	Principal	\$2,977.00	\$20,771.00
78	2027/04/01	Principal	\$2,977.00	\$17,794.00
79	2027/05/01	Principal	\$2,977.00	\$14,817.00
80	2027/06/01	Principal	\$2,977.00	\$11,840.00
81	2027/07/01	Principal	\$2,977.00	\$8,863.00
82	2027/08/01	Principal	\$2,977.00	\$5,886.00
83	2027/09/01	Principal	\$2,977.00	\$2,909.00
84	2027/10/01	Principal	\$2,909.00	\$0.00

Client: Swarmio Inc.
Account Number: 214209
Number of Repayments: 84
Total Repayable: \$250,000.00
Start Date: 2020/11/01
End Date: 2027/10/01

Payment #	Due Date	P/I/C	Amount Due	Amount Paid to Date	Amount Outstanding
					\$250,000.00
				\$0.00	\$250,000.00
1	2020/11/01	Principal	\$2,977.00		\$247,023.00
2	2020/12/01	Principal	\$2,977.00		\$244,046.00
3	2021/01/01	Principal	\$2,977.00		\$241,069.00
4	2021/02/01	Principal	\$2,977.00		\$238,092.00
5	2021/03/01	Principal	\$2,977.00		\$235,115.00
6	2021/04/01	Principal	\$2,977.00		\$232,138.00
7	2021/05/01	Principal	\$2,977.00		\$229,161.00
8	2021/06/01	Principal	\$2,977.00		\$226,184.00
9	2021/07/01	Principal	\$2,977.00		\$223,207.00
10	2021/08/01	Principal	\$2,977.00		\$220,230.00
11	2021/09/01	Principal	\$2,977.00		\$217,253.00
12	2021/10/01	Principal	\$2,977.00		\$214,276.00
13	2021/11/01	Principal	\$2,977.00		\$211,299.00
14	2021/12/01	Principal	\$2,977.00		\$208,322.00
15	2022/01/01	Principal	\$2,977.00		\$205,345.00
16	2022/02/01	Principal	\$2,977.00		\$202,368.00
17	2022/03/01	Principal	\$2,977.00		\$199,391.00
18	2022/04/01	Principal	\$2,977.00		\$196,414.00
19	2022/05/01	Principal	\$2,977.00		\$193,437.00
20	2022/06/01	Principal	\$2,977.00		\$190,460.00
21	2022/07/01	Principal	\$2,977.00		\$187,483.00
22	2022/08/01	Principal	\$2,977.00		\$184,506.00
23	2022/09/01	Principal	\$2,977.00		\$181,529.00
24	2022/10/01	Principal	\$2,977.00		\$178,552.00
25	2022/11/01	Principal	\$2,977.00		\$175,575.00
26	2022/12/01	Principal	\$2,977.00		\$172,598.00
27	2023/01/01	Principal	\$2,977.00		\$169,621.00
28	2023/02/01	Principal	\$2,977.00		\$166,644.00
29	2023/03/01	Principal	\$2,977.00		\$163,667.00
30	2023/04/01	Principal	\$2,977.00		\$160,690.00
31	2023/05/01	Principal	\$2,977.00		\$157,713.00
32	2023/06/01	Principal	\$2,977.00		\$154,736.00
33	2023/07/01	Principal	\$2,977.00		\$151,759.00
34	2023/08/01	Principal	\$2,977.00		\$148,782.00
35	2023/09/01	Principal	\$2,977.00		\$145,805.00
36	2023/10/01	Principal	\$2,977.00		\$142,828.00
37	2023/11/01	Principal	\$2,977.00		\$139,851.00
38	2023/12/01	Principal	\$2,977.00		\$136,874.00
39	2024/01/01	Principal	\$2,977.00		\$133,897.00
40	2024/02/01	Principal	\$2,977.00		\$130,920.00
41	2024/03/01	Principal	\$2,977.00		\$127,943.00



Cape Breton Office
70 Crescent Street
Sydney, N.S.
B1S 2Z7

Bureau du Cap-Breton
70, rue Crescent
Sydney (N.-É.)
B1S 2Z7

May 29, 2020

Project No.: 215515

Swarmio Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Attention: Mr. Vijai Karthigesu

Dear Mr. Karthigesu:

Note: Exceptional Circumstances due to the effects of COVID-19

As part of the Government of Canada's response to the COVID-19 outbreak, ACOA is taking proactive measures to mitigate economic impacts in Atlantic Canada.

ACOA Clients are experiencing unprecedented disruptions affecting their operations, which in turn affect their ability to provide ACOA with required documentation using standard methods. To ensure that program delivery can continue to be done in a timely manner throughout this period, ACOA is implementing temporary measures that will streamline some work processes by providing additional flexibility for electronic signatures, acceptable methods of transmission of information and requirements for initial advance payments. These temporary measures remain at ACOA's discretion and are in addition to all terms and conditions included in the funding agreement.

In regards to document delivery, all delivery methods expressly permitted in the funding agreement continue to be acceptable, including ACOA Direct, which remains the most secure way to transmit protected information. However, it is agreed that, during these exceptional circumstances, email transmission will also be a valid means of sending notices and correspondences to the other party for the purposes of the Notice provisions in the funding agreement. Where a notice or document is communicated to the other party by email, it will be deemed to have been delivered within one (1) working day of being sent.

That said, by proceeding with an electronic signature and/or an electronic imaging and transmission of a handwritten signature, you agree that such is a reliable signature method and is binding on the Recipient, that it will have the same force and effect as an original handwritten signature, and that it will be deemed an original for all purposes. This applies to any new agreement, any amendment to an existing agreement, and any other notice or correspondence contemplated under the agreement.



In each case, you must preserve the original signed document for the entire term of the funding agreement and must provide such original, as well as any further proof of execution and authorization, to the Agency upon request.

If you do not agree with the above or have questions or concerns with any of the items outlined herein, please communicate with your program officer. If any changes are made to these temporary measures or if additional measures are implemented in the context of the COVID-19 pandemic, they will be communicated to you.

RE: Offer of Assistance under the REGI - Business Scale-up and Productivity (RRRF)

Please find attached a contribution agreement for funding under the REGI - Business Scale-up and Productivity (RRRF) for your review and signature. **This agreement is open for acceptance for sixty (60) calendar days from the date that appears on this letter.**

We have also included a Pre-authorized Debit/Direct Deposit Authorization (PAD) form for your completion and signature. Please return one signed copy of the contribution agreement and the completed PAD form.

Once we receive the signed forms, we will provide you with information on how to submit claims under the project. We recommend using ACOA Direct, the Agency's web-based client portal, where you can submit claims online, share documents, collaborate with members of the secure site and access your ACOA account 24 hours a day, 7 days a week. ACOA Direct is the most effective way for you to submit claims. Included with this letter is an ACOA Direct Client Registration form for your convenience. You can use it to enroll or to make changes if you are already enrolled.

If you have any questions, please contact Steven Lane, the Program Officer assigned to your project, at (800) 705-3926 or (902) 564-7325, or via e-mail at steven.lane@canada.ca

Yours truly,
Joe Cashin, CPA, CA
Director, Enterprise Development

Attachments

REGI - Business Scale-up and Productivity (RRRF)

Project Number: 215515

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY,**
having an office in Nova Scotia

(hereinafter referred to as “the **Agency**”)

AND:

Swarmio Inc., an organization duly incorporated under the laws of Canada, having its office located at:
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

(hereinafter referred to as “the **Recipient**”)

WHEREAS the REGI - Business Scale-up and Productivity (RRRF), is a national innovation program that was established to provide support to business productivity and scale-up,

(hereinafter referred to as “the **Program**”)

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

WHEREAS this Agreement sets out the terms and conditions under which the Agency agrees to provide a contribution to the Recipient,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Schedule 3 – Claims and Costs Principles
Schedule 4 – Reporting Requirements
Schedule 5 – Project Fact Sheet for News Release
Schedule 6 – Repayment Schedule

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient shall carry out the Project as described in Schedule 2 – Statement of Work, shall make claims in accordance with Schedule 3 – Claims and Costs Principles, shall issue the reports required under Schedule 4 – Reporting Requirements, shall make repayments in accordance with Schedule 6 – Repayment Schedule, and shall fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before June 15, 2020 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before December 31, 2020 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency will make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the amount equal to the assistance rate (%) of the Eligible Costs as stated on Schedule 2 – Statement of Work; and
 - (b) \$100,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on March 31, and there must be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs that are Costs Incurred, as defined in Schedule 1, on the basis of itemized claims submitted in accordance with Schedule 3 – Claims and Costs Principles.

ARTICLES OF AGREEMENT

- 5.2 The Agency will not contribute to any Costs Incurred by the Recipient prior to March 15, 2020. The Agency will not accept any Cost Incurred after the Project Completion Date, unless otherwise agreed to in writing by the Agency.
- 5.3 Prior to the initial payment, the Recipient must provide the Agency with the following information, at the satisfaction of the Agency:
- (a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization* (PAD) form as provided by the Agency;
- 5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency and to the Agency's satisfaction, that all Costs Incurred that have been submitted for payment to the Agency have effectively been paid by the Recipient by monetary payment.
- 5.5 At the discretion of the Agency, an advance payment may be made to the Recipient. To request an advance payment, the Recipient must submit a completed and signed copy of the Request for an Advance Payment form provided by the Agency, and include a monthly cash flow forecast of requirements with respect to the portion of the Eligible Costs funded by the Agency that are to be incurred during the advance period. Such documentation must demonstrate that the advance payment is essential to the successful completion of the Project.
- The Recipient must, within forty-five (45) calendar days of the end of the period for which the advance was made, demonstrate to the satisfaction of the Agency that the advance payment was applied to the payment of Costs Incurred.
- 5.6 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Costs Incurred.
- 5.7 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.

6.0 Repayment

- 6.1 The Recipient shall repay the Contribution to the Agency in accordance with Schedule 6 – Repayment Schedule.

The amounts set out in the Repayment Schedule are calculated to repay the entire balance of the Contribution; however, the last installment of the Repayment Schedule may be adjusted to include all sums owing under this Agreement. Notwithstanding the foregoing, if any amounts due under this Agreement remain unpaid fifteen (15) years from the Project Completion Date, those amounts will immediately become fully due and payable to the Agency.

ARTICLES OF AGREEMENT

7.0 Special Condition(s)

- 7.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency within six (6) months from the Effective Date of this Agreement (“the **Lapsing Date**”), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.

Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any balance of the Contribution that has not been claimed within six (6) months from the Project Completion Date (“the **End Date**”). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.

8.0 Official Languages

- 8.1 The Recipient agrees:
- (a) that all public acknowledgments of the Agency’s support for the Project will be expressed in both official languages;
 - (b) that basic project information, such as project description, will be developed and made available to the public in both official languages;
 - (c) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
 - (d) that main signage components related to the Project will be in both official languages.

9.0 Project Financing

- 9.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work. These commitment letters must be satisfactory to the Agency at its sole discretion.
- 9.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than the government assistance specifically described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient must also, until the end of the Control Period, promptly inform the Agency of any changes to such assistance, in accordance with Schedule 1 – General Conditions, Other Government Assistance.

ARTICLES OF AGREEMENT

10.0 Equity

10.1 Equity is to be calculated as the aggregate of:

- (a) the Recipient's share capital (incorporated company), the partner's capital accounts (incorporated partnerships), the Recipient's net worth (individual);
- (b) contributed surplus and other surplus accounts;
- (c) retained earnings (added) or accumulated deficit (subtracted);
- (d) subordinated shareholder(s)' loan(s) or partner(s)' loan(s). In order to be considered in this calculation, a duly signed Subordination Agreement must be on file;
- (e) loans from other parties that are subordinated (reduced in priority of payment) to all other liabilities for a certain period, at the satisfaction of the Agency. In order to be considered in this calculation, a duly signed Subordination Agreement must be on file; and
- (f) where applicable, for any fiscal year subsequent to the fiscal year during which initial disbursement is made under this Agreement, normal operating losses, as determined at the discretion of the Agency, based on the Recipient's year-end financial statements and/or any other document and information deemed relevant by the Agency;

LESS:

- (g) advances to shareholders; and
- (h) any other asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's Equity.

11.0 Environmental Requirements

11.1 The Recipient represents that the Project is not a "designated project" as defined in the *Impact Assessment Act*, S.C. 2019, c. 28, s. 1 (IAA) and that an impact assessment (IA) or a determination under section 82 of IAA, are not required for the Project.

ARTICLES OF AGREEMENT

12.0 Commercialization

12.1 Work in Atlantic Canada

- (a) Unless otherwise agreed to in writing by the Agency, the Recipient will ensure that the Resulting Products are exploited through their production in Atlantic Canada until the end of the Control Period.
- (a) If the Project provides for the Foreground Intellectual Property to be owned in whole or in part by the Recipient's employees, the Key Project Collaborator(s) and/or the employees of the Key Project Collaborator(s), the Recipient must ensure that its agreements with these parties contain provisions that ensure that the obligations in paragraph (a) above are fulfilled. The Recipient must have all such agreements in place and provide a copy to the Agency, prior to the initial payment.

12.2 Licensing Agreement

In the event the Recipient intends to enter into a licensing agreement to fulfill its obligations set out in Commercialization above, the Recipient shall obtain the Agency's prior confirmation that the licensing agreement is satisfactory to the Agency for the purposes of the Project and, if so, shall provide the Agency with a copy of the duly executed licensing agreement and evidence to satisfy the Agency that the transaction and any payments thereunder have been or will be completed at fair market value. Without limiting the foregoing, the Recipient must ensure that any such license will contain provisions to enable the Recipient to obtain audit certificates from the licensee's accounts and records in respect to the amounts used by the Recipient to calculate payments due to the Agency under this Agreement.

12.3 Intellectual Property

In the event the Project involves intellectual property, the Recipient shall provide the Agency with information regarding its intellectual property strategy related to the Project as may be requested by the Agency from time to time.

13.0 Communications

- 13.1 The Recipient must consult with the Agency regarding communication activities relating to the Project in accordance with Schedule 1 – General Conditions, Communications.

ARTICLES OF AGREEMENT

14.0 Notice

- 14.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, must be addressed to:

Atlantic Canada Opportunities Agency
70 Crescent Street
Sydney, Nova Scotia
B1S 2Z7

Attention: Steven Lane

or to such address as is designated by the Agency in writing.

- 14.2 Any notice or correspondence to the Recipient must be addressed to:

Swarmio Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Attention: Vijai Karthigesu

15.0 Entire Agreement

- 15.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments will be made to the Agreement unless agreed upon in writing by both parties.

16.0 Joint and Several Obligations

- 16.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the "Recipient" or "it" or "its" in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

17.0 Effective Date

- 17.1 This Agreement will come into effect on the date of last signature by the parties (the "**Effective Date**"). In the event a party has failed to date a signature, the Effective Date will be the date the Agency receives the Agreement signed by all parties.

ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY

Cashin, Joe

Digitally signed by Cashin, Joe
DN: c=CA, o=GC, ou=ACOA-APECA,
cn=Cashin, Joe
Date: 2020.05.29 14:05:10 -03'00'

Joe Cashin, CPA, CA
Director, Enterprise Development

May 29, 2020

Date

Project No.: 215515

This Agreement may be executed in separate counterparts, each of which will be deemed to be an original, and such separate counterparts will together constitute one and the same instrument. The executed Agreement may be communicated to the Agency by facsimile transmission, by ACOA Direct, or as otherwise agreed to by the Agency and such will be deemed to be an original for all purposes.

Swarmio Inc.

Date: June 01, 2020
(Insert date of signature)



Signature

Name: Vijai Karthigesu

(please print)

Title/Position: CEO

(please print)

Date: _____, 20____
(Insert date of signature)

Signature

Name: _____

(please print)

Title/Position: _____

(please print)

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in the technology developed prior to the beginning of the Project and required for the carrying out of the Project or the exploitation of the Foreground Intellectual Property.

Control Period means the period commencing on the Effective Date and ending on the date when all amounts due by the Recipient to the Agency under this Agreement have been paid in full or otherwise discharged to the satisfaction of the Agency.

Costs Incurred means the Eligible Costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for by monetary payment or has a legal obligation to pay for by monetary payment in the future. Any Eligible Costs received that have been paid or will be paid for by means other than monetary payment, including, without limitations, in-kind and non-cash transactions, do not qualify as Costs Incurred for which the Agency can pay the Contribution.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs listed in Schedule 2 – Statement of Work, that comply with the principles of Schedule 3 – Claims and Costs Principles and that are necessary to carry out the Project.

Equity means the ownership interest or value in the assets of a business, net of all debts, claims and any asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's net worth (i.e. assets minus liabilities equals Equity). Negative Equity exists when the value of the total assets is less than the total liabilities. The Recipient's Equity will be calculated as stated in Equity in the Articles of Agreement.

Foreground Intellectual Property means all technical data, including without limitation, all designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods, applicable special equipment and related technology, processes or other information or know-how conceived, produced, developed or reduced to practice in carrying out the Project, and all rights therein, including without limitation, patents, copyrights, industrial designs, trademarks, and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being treated by the Recipient as trade secrets or confidential information.

SCHEDULE 1**GENERAL CONDITIONS**

Interest Rate means the rate of interest equal to three percent (3%) higher than the Average Bank Rate.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Resulting Products means the Foreground Intellectual Property and/or all products that, at the sole determination of the Agency, are produced or result from the Project, incorporate results of the Project, use a method, process, equipment or information resulting from the Project and/or, without restricting the generality of the foregoing, that include any Foreground Intellectual Property, inventions, works, writings, designs, devices, and any adaptations, modifications or improvements thereto.

2.0 Representations, Warranties and Undertakings**2.1 Representations, Warranties and Undertakings by the Recipient**

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatory or signatories to the Agreement, as applicable, has or have been duly authorized to execute and deliver the Agreement on behalf of the Recipient.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that upon execution, the Agreement will constitute a legal, valid and binding obligation on the Recipient enforceable in accordance with its terms.

GENERAL CONDITIONS**2.5 No Pending Suits or Actions**

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the term of the Agreement.

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.8 Other Agreements

The Recipient represents and warrants that it has not entered, and undertakes not to enter, into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

2.9 Intellectual Property

The Recipient represents and warrants that:

- (a) it has taken appropriate steps to ensure that the Recipient either owns the Background Intellectual Property or holds sufficient rights in the same to permit the Project to be carried out and the Foreground Intellectual Property to be exploited;
- (b) the title to the Foreground Intellectual Property is to be vested and, unless otherwise agreed to in writing by the Agency, to remain exclusively with the Recipient;
- (c) it shall take appropriate steps to protect the Foreground Intellectual Property it owns and where applicable, include in its agreements with the Recipient an obligation for them to do the same, and shall, upon request, provide information to the Agency in that regard; and
- (d) it has obtained written permission from every person who will contribute to any Foreground Intellectual Property that may be subject to copyright protection and that will form part of the Project. The Agency may request that the Recipient provide it with a copy of the written waiver(s) of moral rights.

GENERAL CONDITIONS

3.0 Other Financing

- 3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's obligations under this Agreement.

4.0 Other Government Assistance

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance that has been, will be or could be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency may adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics

- 5.1 Members of the Senate and House of Commons
No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.
- 5.2 Members of a Provincial or Territorial Legislature
Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict-of-interest guidelines in effect during the term of this Agreement.
- 5.3 Conflict of Interest
The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

6.0 Dispute Resolution

- 6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations, and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

GENERAL CONDITIONS

7.0 Restrictions on Distributions

- 7.1 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined for the purpose of this Agreement as any payment to any member, shareholder, director, officer or associate company of the Recipient, including, without limitations, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

8.0 Lobbying

- 8.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement or the Project is registered pursuant to the said Act.

9.0 Relationship with the Agency

- 9.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

10.0 Termination

- 10.1 The Agreement will terminate at the end of the Control Period.

11.0 Force Majeure

11.1 Event of Force Majeure

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

11.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

GENERAL CONDITIONS

12.0 Communications

- 12.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the ACOA corporate identifier and Canada wordmark or otherwise make reference to the Agency.
- 12.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. Notwithstanding the foregoing, the information referenced in Schedule 5 – Project Fact Sheet for News Release will be considered to be in the public domain on the earlier of: the public announcement of the Project by the Agency or the Recipient, the public disclosure or publication of the said information by the Agency in accordance with applicable legislation, or the expiration of sixty (60) calendar days after the Recipient's acceptance of this Agreement.
- 12.3 The Recipient must advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony will be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 12.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.
- 12.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

13.0 Material Changes

- 13.1 No material changes will be made to the estimated total scope, the nature or any element of the Project or to any element of the Recipient's operation without the prior written consent of the Agency. A material change includes, but is not limited to, change in the ownership or control of the Recipient or the assets, management, financing, location of the Project or facilities, size of the facilities, timing, expected results, or other government contributions. When consent is requested from the Agency in regard to any material change the Recipient shall provide, in a timely manner, all documentation and information as may be required by the Agency, at its discretion.

SCHEDULE 1**GENERAL CONDITIONS****14.0 Disposal of Assets**

- 14.1 Without limiting the generality of Schedule 1 – General Conditions, Material Changes, the Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the prior written consent of the Agency.
- 14.2 The issuance of such consent, if any, may be made subject to conditions the Agency deems appropriate in the circumstances, at its discretion. Such conditions may include, without limitation, the condition(s) that the Recipient replace the Project Asset(s) disposed of with comparable asset(s) of equal or lesser value for use in the Project, that the Recipient pay the Agency forthwith all funds recovered by the Recipient pursuant to the sale or disposal of the Project Asset(s), and/or that the Recipient pay the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the:
- (a) proceeds of disposition of the Project Asset(s); or
 - (b) fair market value of the Project Asset(s).

15.0 Insurance Coverage

- 15.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

16.0 Monitoring, Rights to Audit and Physical Access

- 16.1 During the term of the Agreement, the Recipient shall provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.
- 16.2 The Recipient shall provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.

SCHEDULE 1**GENERAL CONDITIONS**

- 16.3 The Recipient shall, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to verify compliance and ability for compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency, and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary, using the staff of the Agency or of other federal departments or agencies, an independent firm or the Recipient's external auditors.
- 16.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.
- 16.5 The Recipient will assist the Agency with its monitoring of the Agreement and where applicable, will obtain required information from third parties to provide to the Agency and will facilitate the Agency's access to the information and premises of third parties relating to the Agreement.

17.0 Overpayment

- 17.1 Where, for any reason:

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient shall repay the amount of the overpayment to the Agency promptly and no later than thirty (30) calendar days from the date of the notice of such overpayment from the Agency. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

18.0 Right to Set-off

- 18.1 Without limiting the scope of set-off rights available to the Crown at common law, under the *Financial Administration Act* or otherwise, the Agency may:
- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
 - (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

GENERAL CONDITIONS**19.0 Interest and Administrative Charges****19.1 Payments**

When any payment is received from the Recipient on account of a prepayment of a repayment instalment, an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance in reverse order of maturity.

19.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

19.3 Fee

An administrative fee will be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

20.0 Events of Default**20.1** The following constitute events of default:

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;

SCHEDULE 1**GENERAL CONDITIONS**

- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with Her Majesty in right of Canada.

21.0 Remedies on Default

- 21.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:
- (a) suspend or terminate any obligation by the Agency to contribute to the Costs Incurred, including any obligation to pay any amount owing prior to the date of such suspension or termination;
 - (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*, as may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.
- 21.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.
- 21.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.

22.0 Annual Appropriations**22.1 Parliamentary Allocation**

Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1 and ending on the following March 31, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.

SCHEDULE 1**GENERAL CONDITIONS****22.2 Lack of Appropriation**

In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.

23.0 Notice

- 23.1 Any notice required to be given with respect to this Agreement must be in writing and will be effectively given if delivered or sent by ordinary or registered mail, ACOA Direct, courier or fax, addressed to the party for whom the notice is intended. Any notice will be deemed to have been received on delivery. Any notice sent by ACOA Direct or fax will be deemed to have been received one (1) working day after being sent. Any notice sent by mail will be deemed to have been received eight (8) calendar days after being sent.

24.0 Consent of the Agency

- 24.1 Where a consent or an agreement is requested from the Agency under this Agreement, the Agency has the right to grant or refuse the consent or agreement, and where it decides to grant the consent or agreement, to do so subject to such conditions the Agency deems appropriate, at its discretion.

25.0 No Assignment of Agreement

- 25.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

26.0 Indemnity

- 26.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

27.0 Cancellation of Agreement

- 27.1 The Agency may, upon thirty (30) calendar days' notice duly given to the Recipient in accordance with the Notice section of these General Conditions, cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

SCHEDULE 1**GENERAL CONDITIONS****28.0 *Access to Information Act and Privacy Act***

- 28.1 This Agreement and all information obtained by the Agency in the course of and pursuant to this Agreement and the Recipient's application, will be subject to and treated in accordance with the *Access to Information Act* and the *Privacy Act*, as applicable, and as amended from time to time.
- 28.2 Without limiting the generality of the preceding paragraph, the Recipient acknowledges and agrees that the Agency will proactively publish information regarding this Agreement in accordance with the *Access to Information Act*, as amended from time to time.

29.0 *Sharing of Information*

- 29.1 The Recipient expressly authorizes the Agency to share all information obtained by the Agency in relation to this Agreement with other departments and agencies of the Government of Canada for the purpose of implementing, administering and monitoring the Program. This includes, without limitation, the Recipient's financial reports and business information as provided to the Agency under this Agreement and the Recipient's application.

30.0 *Aboriginal Consultation*

- 30.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

31.0 *Applicable Law*

- 31.1 This Agreement must be interpreted in accordance with the laws in force in the province in which the office of the Agency is located.

SCHEDULE 2**STATEMENT OF WORK****Project Description**

Provide operating capital to alleviate cash flow challenges as a result of COVID-19 restrictions

Project Location

CAPE BRETON, NOVA SCOTIA

Project Financing

<u>Project Costs</u>		\$		<u>Financing</u>	\$
Operating Capital		\$100,000		ACOA Repayable Contribution	\$100,000
Total		\$100,000		Total	\$100,000
<u>Eligible Costs</u>	<u>Assistance Rate %</u>	\$			
Operating Capital	100%	\$100,000			
Total	100%	\$100,000			
<u>Non-Eligible Costs</u>					

Details on Project Activities and Costs

Eligible costs will include all non-deferrable expenses not covered by other funding programs related to Covid-19 recovery received by the Recipient.

SCHEDULE 2

STATEMENT OF WORK

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

Expected Project Results

Recipient remains operational post Covid-19 pandemic.

Means of Verification

Report to be submitted by Recipient.

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****1.0 Claims**

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Costs Incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Costs Incurred being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) if applicable, include a declaration of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient in respect to Costs Incurred but not yet paid to suppliers shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in the Articles of Agreement – Payments, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall submit a confirmation of all confirmed and potential sources of government assistance received in support of the Project and a final payment certificate, on the form provided by the Agency for that purpose, attesting that the Costs Incurred for the entire Project have been paid to the suppliers. The term “paid” herein and in the certification means paid by monetary payment. This certificate must be certified by an authorized signing officer of the Recipient.
- 1.5 Payments to the Recipient may be withheld by the Agency if the Recipient has any outstanding obligations hereunder, including any outstanding reports required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles

- 2.1 Total Eligible Costs of the Project
The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, will be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****2.2 Incremental Costs**

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional, or costs that would not have otherwise been incurred if not for the implementation of the Project.

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration must be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project that may affect costs.

2.4 Travel Costs

Eligible travel costs include transportation, accommodations and meals (but not incidentals) that are directly attributable to the Project and included in Schedule 2 – Statement of Work. In regards to kilometers and meals, the Agency will reimburse the Recipient using the rates set out in the National Joint Council Directive (the Directive) (www.njc-cnm.gc.ca), as may be amended from time to time. More specifically, meal costs incurred by the Recipient during eligible travel will be reimbursed by way of meal allowances at the same per diem rates as set forth in Appendix C or D of the Directive, as applicable, and kilometers travelled for eligible travel will be reimbursed based on the same kilometric rates set forth in Appendix B of the Directive. Notwithstanding the foregoing, no travel costs, including meal allowances or kilometers, will be paid or allocated for transportation, accommodations or meals that are either non-eligible or that were at no costs to the Recipient or included as part of other costs incurred (i.e. conference, inclusive-type accommodations, group transportation, etc.).

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****2.5 General Administrative Costs**

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.6 Salary and Wages Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

Salary and wages costs must be claimed on the same basis as they are incurred and paid to employees (i.e. weekly, bi-weekly, monthly), as supported by payroll records.

In certain cases, a salaried employee may not work exclusively on the Project. In those instances, only the proportion of their salary based on the actual time spent on the Project, as supported by timesheets or other satisfactory form of time recording may be considered as an Eligible Cost of the Project. In order to determine the proportion of the employee salary for the time spent on the Project (a daily or hourly pay rate), the total amount of work days during a salary year can be reduced by the number of vacation days and statutory holidays to which the employee is entitled during that year, as applicable. No other deduction or mechanisms for increasing the proportion of the time spent on the Project will be allowed without the prior consent of the Agency.

When it has been expressly included in Schedule 2 – Statement of Work, salary costs for the performance of an authorized and incremental role of qualified management personnel may be claimed in accordance with this Schedule.

2.7 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project. The Recipient can claim a rate of fifteen per cent (15%) of salaries and wages for the payroll burden.

2.8 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible. These may include, but are not necessarily restricted to, items such as:

- (a) the cost of land acquisition and any cost related to goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;

SCHEDULE 3

CLAIMS AND COSTS PRINCIPLES

- (c) entertainment expenses (does not include networking receptions) and first-class airfare;
- (d) dues and other membership fees;
- (e) severance pay, cash-out of unused vacation, bonuses, overtime premium for salaried employees and commissions;
- (f) refinancing of existing debt; and
- (g) any costs for the purchase of assets that exceed fair market value of the said assets and any costs that would not necessitate an expenditure of cash by the Recipient, such as amortization and in-kind.

2.9 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit and the reimbursement of sales taxes paid by the Recipient for goods and services. These credits must be taken into consideration in calculating Eligible Costs.

SCHEDULE 4**REPORTING REQUIREMENTS****1.0 General****1.1 Progress Report with Each Claim**

The Recipient shall submit a progress report with each claim for payment, on the form provided by the Agency for that purpose, detailing the progress and results of the Project. Each progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual review engagement financial statements within one hundred and eighty (180) days after the end of each fiscal year. The Agency reserves the right to request audited year-end financial statements, when deemed necessary by the Agency, and the Recipient shall provide them, upon written request.
- (b) The Recipient shall provide the above financial information annually until the end of the Control Period.

1.3 Internal Financial Statements

The Agency may at any time request the Recipient to provide a copy of its internally prepared financial statements, when deemed necessary by the Agency, and the Recipient shall provide them, upon written request.

1.4 Report on Project Results

After the final payment of the Contribution by the Agency and until the end of the Control Period, the Recipient shall submit, upon request by the Agency, a report detailing the actual results of the Project as compared to the expected results in Schedule 2 – Statement of Work, using the means of verification identified therein. All deviations must be explained. The report must be satisfactory to the Agency, at its sole discretion. The Agency may request independent third-party verification of this report or of the Project results, and the Recipient shall provide such independent verification upon written request and at its own expense.

SCHEDULE 4

REPORTING REQUIREMENTS

2.0 Other Reports

- 2.1 Prior to any payment exceeding ninety percent (90%) of the total Contribution, the Recipient shall provide a statement of the total funding from all sources for the Project, including total Canadian government funding received.
- 2.2 The Recipient shall submit to the Agency a completed and signed copy of the Client Information Update form annually with its financial statements.

SCHEDULE 5**FACT SHEET FOR NEWS RELEASE****Program:**

The Agency's REGI - Business Scale-up
and Productivity (RRRF)

Project No:

215515

Name and Address of Recipient:

Swarmio Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Recipient Contact:

Name: Vijai Karthigesu
Title: CEO & Founder
Telephone: (902) 982-3580
Fax:

Project Location:

CAPE BRETON, NOVA SCOTIA

Project Type:

REGI - Business Scale-up and Productivity

Agreement Type:

Contribution

Project Description:

Provide operating capital to alleviate cash flow challenges as a result of COVID-19 restrictions

Total Project Costs:

\$100,000.00

Eligible Costs:

\$100,000.00

Authorized Assistance:

\$100,000.00

Total Government Funding:

\$100,000.00

Estimated Project Commencement Date: June 15, 2020

Estimated Project Completion Date: December 31, 2020

Coastal Business Opportunities Incorporated

A Community Business Development Corporation



Letter of Offer dated 28 July 2021

Mr. Vijayasuganthan Karthigesu, CEO
Swarmio Inc.
295 George St., Suite 102
Sydney, NS B1P 1J7
Via email: vijai@swarmio.media

Dear Mr. Karthigesu,

Coastal Business Opportunities Incorporated (Coastal), is prepared to lend Swarmio Inc. (Borrower), the sum of \$142,332. These funds are to be used for working capital purposes.

No change in the use of these funds may be made without first obtaining the written consent of Coastal. Loan proceeds may only be used as indicated above.

Terms and Conditions

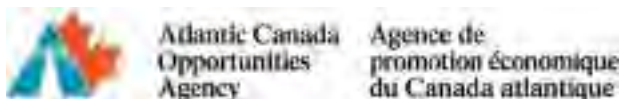
The loan is subject to the following conditions being fulfilled prior to the disbursement of any funds.

Terms of Repayment

The loan will carry an interest rate of 5.45% compounded semi-annually. The loan is scheduled for repayment in equal monthly installments of principal and interest in the amount of \$6,933 per month for 24 months with the last month adjusted to include all sums owing. These payments to commence the end of the third month following disbursement of funds. Interest will accrue from the date of issuance.

All amounts paid will be applied first to fees, followed by interest with the remainder applied against principal. Interest will also be charged on interest past due at the same rate and in the same manner as interest on the principal sum.

All payments will be made by post-dated cheque or authorized direct deposit. Prior to disbursing the loan, Coastal will require post-dated cheques the first year or an approved authorized direct deposit form.



Cape Breton Office
70 Crescent Street
Sydney, N.S.
B1S 2Z7

Bureau du Cap-Breton
70, rue Crescent
Sydney (N.-É.)
B1S 2Z7

May 29, 2020

Project No.: 215515

Swarmio Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Attention: Mr. Vijai Karthigesu

Dear Mr. Karthigesu:

Note: Exceptional Circumstances due to the effects of COVID-19

As part of the Government of Canada's response to the COVID-19 outbreak, ACOA is taking proactive measures to mitigate economic impacts in Atlantic Canada.

ACOA Clients are experiencing unprecedented disruptions affecting their operations, which in turn affect their ability to provide ACOA with required documentation using standard methods. To ensure that program delivery can continue to be done in a timely manner throughout this period, ACOA is implementing temporary measures that will streamline some work processes by providing additional flexibility for electronic signatures, acceptable methods of transmission of information and requirements for initial advance payments. These temporary measures remain at ACOA's discretion and are in addition to all terms and conditions included in the funding agreement.

In regards to document delivery, all delivery methods expressly permitted in the funding agreement continue to be acceptable, including ACOA Direct, which remains the most secure way to transmit protected information. However, it is agreed that, during these exceptional circumstances, email transmission will also be a valid means of sending notices and correspondences to the other party for the purposes of the Notice provisions in the funding agreement. Where a notice or document is communicated to the other party by email, it will be deemed to have been delivered within one (1) working day of being sent.

That said, by proceeding with an electronic signature and/or an electronic imaging and transmission of a handwritten signature, you agree that such is a reliable signature method and is binding on the Recipient, that it will have the same force and effect as an original handwritten signature, and that it will be deemed an original for all purposes. This applies to any new agreement, any amendment to an existing agreement, and any other notice or correspondence contemplated under the agreement.



In each case, you must preserve the original signed document for the entire term of the funding agreement and must provide such original, as well as any further proof of execution and authorization, to the Agency upon request.

If you do not agree with the above or have questions or concerns with any of the items outlined herein, please communicate with your program officer. If any changes are made to these temporary measures or if additional measures are implemented in the context of the COVID-19 pandemic, they will be communicated to you.

RE: Offer of Assistance under the REGI - Business Scale-up and Productivity (RRRF)

Please find attached a contribution agreement for funding under the REGI - Business Scale-up and Productivity (RRRF) for your review and signature. **This agreement is open for acceptance for sixty (60) calendar days from the date that appears on this letter.**

We have also included a Pre-authorized Debit/Direct Deposit Authorization (PAD) form for your completion and signature. Please return one signed copy of the contribution agreement and the completed PAD form.

Once we receive the signed forms, we will provide you with information on how to submit claims under the project. We recommend using ACOA Direct, the Agency's web-based client portal, where you can submit claims online, share documents, collaborate with members of the secure site and access your ACOA account 24 hours a day, 7 days a week. ACOA Direct is the most effective way for you to submit claims. Included with this letter is an ACOA Direct Client Registration form for your convenience. You can use it to enroll or to make changes if you are already enrolled.

If you have any questions, please contact Steven Lane, the Program Officer assigned to your project, at (800) 705-3926 or (902) 564-7325, or via e-mail at steven.lane@canada.ca

Yours truly,
Joe Cashin, CPA, CA
Director, Enterprise Development

Attachments

REGI - Business Scale-up and Productivity (RRRF)

Project Number: 215515

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY,**
having an office in Nova Scotia

(hereinafter referred to as “the **Agency**”)

AND:

Swarmio Inc., an organization duly incorporated under the laws of Canada, having its office located at:
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

(hereinafter referred to as “the **Recipient**”)

WHEREAS the REGI - Business Scale-up and Productivity (RRRF), is a national innovation program that was established to provide support to business productivity and scale-up,

(hereinafter referred to as “the **Program**”)

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

WHEREAS this Agreement sets out the terms and conditions under which the Agency agrees to provide a contribution to the Recipient,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Schedule 3 – Claims and Costs Principles
Schedule 4 – Reporting Requirements
Schedule 5 – Project Fact Sheet for News Release
Schedule 6 – Repayment Schedule

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient shall carry out the Project as described in Schedule 2 – Statement of Work, shall make claims in accordance with Schedule 3 – Claims and Costs Principles, shall issue the reports required under Schedule 4 – Reporting Requirements, shall make repayments in accordance with Schedule 6 – Repayment Schedule, and shall fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before June 15, 2020 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before December 31, 2020 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency will make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the amount equal to the assistance rate (%) of the Eligible Costs as stated on Schedule 2 – Statement of Work; and
 - (b) \$100,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on March 31, and there must be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs that are Costs Incurred, as defined in Schedule 1, on the basis of itemized claims submitted in accordance with Schedule 3 – Claims and Costs Principles.

ARTICLES OF AGREEMENT

- 5.2 The Agency will not contribute to any Costs Incurred by the Recipient prior to March 15, 2020. The Agency will not accept any Cost Incurred after the Project Completion Date, unless otherwise agreed to in writing by the Agency.
- 5.3 Prior to the initial payment, the Recipient must provide the Agency with the following information, at the satisfaction of the Agency:
- (a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization* (PAD) form as provided by the Agency;
- 5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency and to the Agency's satisfaction, that all Costs Incurred that have been submitted for payment to the Agency have effectively been paid by the Recipient by monetary payment.
- 5.5 At the discretion of the Agency, an advance payment may be made to the Recipient. To request an advance payment, the Recipient must submit a completed and signed copy of the Request for an Advance Payment form provided by the Agency, and include a monthly cash flow forecast of requirements with respect to the portion of the Eligible Costs funded by the Agency that are to be incurred during the advance period. Such documentation must demonstrate that the advance payment is essential to the successful completion of the Project.
- The Recipient must, within forty-five (45) calendar days of the end of the period for which the advance was made, demonstrate to the satisfaction of the Agency that the advance payment was applied to the payment of Costs Incurred.
- 5.6 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Costs Incurred.
- 5.7 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.

6.0 Repayment

- 6.1 The Recipient shall repay the Contribution to the Agency in accordance with Schedule 6 – Repayment Schedule.

The amounts set out in the Repayment Schedule are calculated to repay the entire balance of the Contribution; however, the last installment of the Repayment Schedule may be adjusted to include all sums owing under this Agreement. Notwithstanding the foregoing, if any amounts due under this Agreement remain unpaid fifteen (15) years from the Project Completion Date, those amounts will immediately become fully due and payable to the Agency.

ARTICLES OF AGREEMENT

7.0 Special Condition(s)

- 7.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency within six (6) months from the Effective Date of this Agreement (“the **Lapsing Date**”), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.

Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any balance of the Contribution that has not been claimed within six (6) months from the Project Completion Date (“the **End Date**”). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.

8.0 Official Languages

- 8.1 The Recipient agrees:
- (a) that all public acknowledgments of the Agency’s support for the Project will be expressed in both official languages;
 - (b) that basic project information, such as project description, will be developed and made available to the public in both official languages;
 - (c) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
 - (d) that main signage components related to the Project will be in both official languages.

9.0 Project Financing

- 9.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work. These commitment letters must be satisfactory to the Agency at its sole discretion.
- 9.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than the government assistance specifically described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient must also, until the end of the Control Period, promptly inform the Agency of any changes to such assistance, in accordance with Schedule 1 – General Conditions, Other Government Assistance.

ARTICLES OF AGREEMENT

10.0 Equity

10.1 Equity is to be calculated as the aggregate of:

- (a) the Recipient's share capital (incorporated company), the partner's capital accounts (incorporated partnerships), the Recipient's net worth (individual);
- (b) contributed surplus and other surplus accounts;
- (c) retained earnings (added) or accumulated deficit (subtracted);
- (d) subordinated shareholder(s)' loan(s) or partner(s)' loan(s). In order to be considered in this calculation, a duly signed Subordination Agreement must be on file;
- (e) loans from other parties that are subordinated (reduced in priority of payment) to all other liabilities for a certain period, at the satisfaction of the Agency. In order to be considered in this calculation, a duly signed Subordination Agreement must be on file; and
- (f) where applicable, for any fiscal year subsequent to the fiscal year during which initial disbursement is made under this Agreement, normal operating losses, as determined at the discretion of the Agency, based on the Recipient's year-end financial statements and/or any other document and information deemed relevant by the Agency;

LESS:

- (g) advances to shareholders; and
- (h) any other asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's Equity.

11.0 Environmental Requirements

11.1 The Recipient represents that the Project is not a "designated project" as defined in the *Impact Assessment Act*, S.C. 2019, c. 28, s. 1 (IAA) and that an impact assessment (IA) or a determination under section 82 of IAA, are not required for the Project.

ARTICLES OF AGREEMENT

12.0 Commercialization

12.1 Work in Atlantic Canada

- (a) Unless otherwise agreed to in writing by the Agency, the Recipient will ensure that the Resulting Products are exploited through their production in Atlantic Canada until the end of the Control Period.
- (a) If the Project provides for the Foreground Intellectual Property to be owned in whole or in part by the Recipient's employees, the Key Project Collaborator(s) and/or the employees of the Key Project Collaborator(s), the Recipient must ensure that its agreements with these parties contain provisions that ensure that the obligations in paragraph (a) above are fulfilled. The Recipient must have all such agreements in place and provide a copy to the Agency, prior to the initial payment.

12.2 Licensing Agreement

In the event the Recipient intends to enter into a licensing agreement to fulfill its obligations set out in Commercialization above, the Recipient shall obtain the Agency's prior confirmation that the licensing agreement is satisfactory to the Agency for the purposes of the Project and, if so, shall provide the Agency with a copy of the duly executed licensing agreement and evidence to satisfy the Agency that the transaction and any payments thereunder have been or will be completed at fair market value. Without limiting the foregoing, the Recipient must ensure that any such license will contain provisions to enable the Recipient to obtain audit certificates from the licensee's accounts and records in respect to the amounts used by the Recipient to calculate payments due to the Agency under this Agreement.

12.3 Intellectual Property

In the event the Project involves intellectual property, the Recipient shall provide the Agency with information regarding its intellectual property strategy related to the Project as may be requested by the Agency from time to time.

13.0 Communications

- 13.1 The Recipient must consult with the Agency regarding communication activities relating to the Project in accordance with Schedule 1 – General Conditions, Communications.

ARTICLES OF AGREEMENT

14.0 Notice

- 14.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, must be addressed to:

Atlantic Canada Opportunities Agency
70 Crescent Street
Sydney, Nova Scotia
B1S 2Z7

Attention: Steven Lane

or to such address as is designated by the Agency in writing.

- 14.2 Any notice or correspondence to the Recipient must be addressed to:

Swarmio Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Attention: Vijai Karthigesu

15.0 Entire Agreement

- 15.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments will be made to the Agreement unless agreed upon in writing by both parties.

16.0 Joint and Several Obligations

- 16.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the “Recipient” or “it” or “its” in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

17.0 Effective Date

- 17.1 This Agreement will come into effect on the date of last signature by the parties (the “**Effective Date**”). In the event a party has failed to date a signature, the Effective Date will be the date the Agency receives the Agreement signed by all parties.

ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY

Cashin, Joe

Digitally signed by Cashin, Joe
DN: c=CA, o=GC, ou=ACOA-APECA,
cn=Cashin, Joe
Date: 2020.05.29 14:05:10 -03'00'

May 29, 2020

Joe Cashin, CPA, CA
Director, Enterprise Development

Date

Project No.: 215515

This Agreement may be executed in separate counterparts, each of which will be deemed to be an original, and such separate counterparts will together constitute one and the same instrument. The executed Agreement may be communicated to the Agency by facsimile transmission, by ACOA Direct, or as otherwise agreed to by the Agency and such will be deemed to be an original for all purposes.

Swarmio Inc.

Date: June 01, 2020
(Insert date of signature)



Signature

Name: Vijai Karthigesu
(please print)

Title/Position: CEO
(please print)

Date: _____, 20____
(Insert date of signature)

Signature

Name: _____
(please print)

Title/Position: _____
(please print)

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in the technology developed prior to the beginning of the Project and required for the carrying out of the Project or the exploitation of the Foreground Intellectual Property.

Control Period means the period commencing on the Effective Date and ending on the date when all amounts due by the Recipient to the Agency under this Agreement have been paid in full or otherwise discharged to the satisfaction of the Agency.

Costs Incurred means the Eligible Costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for by monetary payment or has a legal obligation to pay for by monetary payment in the future. Any Eligible Costs received that have been paid or will be paid for by means other than monetary payment, including, without limitations, in-kind and non-cash transactions, do not qualify as Costs Incurred for which the Agency can pay the Contribution.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs listed in Schedule 2 – Statement of Work, that comply with the principles of Schedule 3 – Claims and Costs Principles and that are necessary to carry out the Project.

Equity means the ownership interest or value in the assets of a business, net of all debts, claims and any asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's net worth (i.e. assets minus liabilities equals Equity). Negative Equity exists when the value of the total assets is less than the total liabilities. The Recipient's Equity will be calculated as stated in Equity in the Articles of Agreement.

Foreground Intellectual Property means all technical data, including without limitation, all designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods, applicable special equipment and related technology, processes or other information or know-how conceived, produced, developed or reduced to practice in carrying out the Project, and all rights therein, including without limitation, patents, copyrights, industrial designs, trademarks, and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being treated by the Recipient as trade secrets or confidential information.

GENERAL CONDITIONS

Interest Rate means the rate of interest equal to three percent (3%) higher than the Average Bank Rate.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Resulting Products means the Foreground Intellectual Property and/or all products that, at the sole determination of the Agency, are produced or result from the Project, incorporate results of the Project, use a method, process, equipment or information resulting from the Project and/or, without restricting the generality of the foregoing, that include any Foreground Intellectual Property, inventions, works, writings, designs, devices, and any adaptations, modifications or improvements thereto.

2.0 Representations, Warranties and Undertakings

2.1 Representations, Warranties and Undertakings by the Recipient

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatory or signatories to the Agreement, as applicable, has or have been duly authorized to execute and deliver the Agreement on behalf of the Recipient.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that upon execution, the Agreement will constitute a legal, valid and binding obligation on the Recipient enforceable in accordance with its terms.

GENERAL CONDITIONS**2.5 No Pending Suits or Actions**

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the term of the Agreement.

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.8 Other Agreements

The Recipient represents and warrants that it has not entered, and undertakes not to enter, into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

2.9 Intellectual Property

The Recipient represents and warrants that:

- (a) it has taken appropriate steps to ensure that the Recipient either owns the Background Intellectual Property or holds sufficient rights in the same to permit the Project to be carried out and the Foreground Intellectual Property to be exploited;
- (b) the title to the Foreground Intellectual Property is to be vested and, unless otherwise agreed to in writing by the Agency, to remain exclusively with the Recipient;
- (c) it shall take appropriate steps to protect the Foreground Intellectual Property it owns and where applicable, include in its agreements with the Recipient an obligation for them to do the same, and shall, upon request, provide information to the Agency in that regard; and
- (d) it has obtained written permission from every person who will contribute to any Foreground Intellectual Property that may be subject to copyright protection and that will form part of the Project. The Agency may request that the Recipient provide it with a copy of the written waiver(s) of moral rights.

GENERAL CONDITIONS

3.0 Other Financing

- 3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's obligations under this Agreement.

4.0 Other Government Assistance

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance that has been, will be or could be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency may adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics

- 5.1 Members of the Senate and House of Commons
No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.
- 5.2 Members of a Provincial or Territorial Legislature
Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict-of-interest guidelines in effect during the term of this Agreement.
- 5.3 Conflict of Interest
The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

6.0 Dispute Resolution

- 6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations, and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

GENERAL CONDITIONS

7.0 Restrictions on Distributions

- 7.1 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined for the purpose of this Agreement as any payment to any member, shareholder, director, officer or associate company of the Recipient, including, without limitations, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

8.0 Lobbying

- 8.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement or the Project is registered pursuant to the said Act.

9.0 Relationship with the Agency

- 9.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

10.0 Termination

- 10.1 The Agreement will terminate at the end of the Control Period.

11.0 Force Majeure

11.1 Event of Force Majeure

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

11.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

GENERAL CONDITIONS

12.0 Communications

- 12.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the ACOA corporate identifier and Canada wordmark or otherwise make reference to the Agency.
- 12.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. Notwithstanding the foregoing, the information referenced in Schedule 5 – Project Fact Sheet for News Release will be considered to be in the public domain on the earlier of: the public announcement of the Project by the Agency or the Recipient, the public disclosure or publication of the said information by the Agency in accordance with applicable legislation, or the expiration of sixty (60) calendar days after the Recipient's acceptance of this Agreement.
- 12.3 The Recipient must advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony will be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 12.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.
- 12.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

13.0 Material Changes

- 13.1 No material changes will be made to the estimated total scope, the nature or any element of the Project or to any element of the Recipient's operation without the prior written consent of the Agency. A material change includes, but is not limited to, change in the ownership or control of the Recipient or the assets, management, financing, location of the Project or facilities, size of the facilities, timing, expected results, or other government contributions. When consent is requested from the Agency in regard to any material change the Recipient shall provide, in a timely manner, all documentation and information as may be required by the Agency, at its discretion.

SCHEDULE 1**GENERAL CONDITIONS****14.0 Disposal of Assets**

- 14.1 Without limiting the generality of Schedule 1 – General Conditions, Material Changes, the Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the prior written consent of the Agency.
- 14.2 The issuance of such consent, if any, may be made subject to conditions the Agency deems appropriate in the circumstances, at its discretion. Such conditions may include, without limitation, the condition(s) that the Recipient replace the Project Asset(s) disposed of with comparable asset(s) of equal or lesser value for use in the Project, that the Recipient pay the Agency forthwith all funds recovered by the Recipient pursuant to the sale or disposal of the Project Asset(s), and/or that the Recipient pay the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the:
- (a) proceeds of disposition of the Project Asset(s); or
 - (b) fair market value of the Project Asset(s).

15.0 Insurance Coverage

- 15.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

16.0 Monitoring, Rights to Audit and Physical Access

- 16.1 During the term of the Agreement, the Recipient shall provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.
- 16.2 The Recipient shall provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.

SCHEDULE 1**GENERAL CONDITIONS**

- 16.3 The Recipient shall, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to verify compliance and ability for compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency, and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary, using the staff of the Agency or of other federal departments or agencies, an independent firm or the Recipient's external auditors.
- 16.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.
- 16.5 The Recipient will assist the Agency with its monitoring of the Agreement and where applicable, will obtain required information from third parties to provide to the Agency and will facilitate the Agency's access to the information and premises of third parties relating to the Agreement.

17.0 Overpayment

- 17.1 Where, for any reason:

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient shall repay the amount of the overpayment to the Agency promptly and no later than thirty (30) calendar days from the date of the notice of such overpayment from the Agency. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

18.0 Right to Set-off

- 18.1 Without limiting the scope of set-off rights available to the Crown at common law, under the *Financial Administration Act* or otherwise, the Agency may:
- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
 - (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

GENERAL CONDITIONS**19.0 Interest and Administrative Charges****19.1 Payments**

When any payment is received from the Recipient on account of a prepayment of a repayment instalment, an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance in reverse order of maturity.

19.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

19.3 Fee

An administrative fee will be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

20.0 Events of Default**20.1** The following constitute events of default:

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;

SCHEDULE 1**GENERAL CONDITIONS**

- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with Her Majesty in right of Canada.

21.0 Remedies on Default

- 21.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:
- (a) suspend or terminate any obligation by the Agency to contribute to the Costs Incurred, including any obligation to pay any amount owing prior to the date of such suspension or termination;
 - (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*, as may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.
- 21.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.
- 21.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.

22.0 Annual Appropriations**22.1 Parliamentary Allocation**

Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1 and ending on the following March 31, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.

SCHEDULE 1**GENERAL CONDITIONS****22.2 Lack of Appropriation**

In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.

23.0 Notice

- 23.1 Any notice required to be given with respect to this Agreement must be in writing and will be effectively given if delivered or sent by ordinary or registered mail, ACOA Direct, courier or fax, addressed to the party for whom the notice is intended. Any notice will be deemed to have been received on delivery. Any notice sent by ACOA Direct or fax will be deemed to have been received one (1) working day after being sent. Any notice sent by mail will be deemed to have been received eight (8) calendar days after being sent.

24.0 Consent of the Agency

- 24.1 Where a consent or an agreement is requested from the Agency under this Agreement, the Agency has the right to grant or refuse the consent or agreement, and where it decides to grant the consent or agreement, to do so subject to such conditions the Agency deems appropriate, at its discretion.

25.0 No Assignment of Agreement

- 25.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

26.0 Indemnity

- 26.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

27.0 Cancellation of Agreement

- 27.1 The Agency may, upon thirty (30) calendar days' notice duly given to the Recipient in accordance with the Notice section of these General Conditions, cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

SCHEDULE 1**GENERAL CONDITIONS****28.0 *Access to Information Act and Privacy Act***

- 28.1 This Agreement and all information obtained by the Agency in the course of and pursuant to this Agreement and the Recipient's application, will be subject to and treated in accordance with the *Access to Information Act* and the *Privacy Act*, as applicable, and as amended from time to time.
- 28.2 Without limiting the generality of the preceding paragraph, the Recipient acknowledges and agrees that the Agency will proactively publish information regarding this Agreement in accordance with the *Access to Information Act*, as amended from time to time.

29.0 *Sharing of Information*

- 29.1 The Recipient expressly authorizes the Agency to share all information obtained by the Agency in relation to this Agreement with other departments and agencies of the Government of Canada for the purpose of implementing, administering and monitoring the Program. This includes, without limitation, the Recipient's financial reports and business information as provided to the Agency under this Agreement and the Recipient's application.

30.0 *Aboriginal Consultation*

- 30.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

31.0 *Applicable Law*

- 31.1 This Agreement must be interpreted in accordance with the laws in force in the province in which the office of the Agency is located.

SCHEDULE 2**STATEMENT OF WORK****Project Description**

Provide operating capital to alleviate cash flow challenges as a result of COVID-19 restrictions

Project Location

CAPE BRETON, NOVA SCOTIA

Project Financing

<u>Project Costs</u>		\$		<u>Financing</u>	\$
Operating Capital		\$100,000		ACOA Repayable Contribution	\$100,000
Total		\$100,000		Total	\$100,000
<u>Eligible Costs</u>	<u>Assistance Rate %</u>	\$			
Operating Capital	100%	\$100,000			
Total	100%	\$100,000			
<u>Non-Eligible Costs</u>					

Details on Project Activities and Costs

Eligible costs will include all non-deferrable expenses not covered by other funding programs related to Covid-19 recovery received by the Recipient.

SCHEDULE 2

STATEMENT OF WORK

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

Expected Project Results

Recipient remains operational post Covid-19 pandemic.

Means of Verification

Report to be submitted by Recipient.

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****1.0 Claims**

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Costs Incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Costs Incurred being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) if applicable, include a declaration of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient in respect to Costs Incurred but not yet paid to suppliers shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in the Articles of Agreement – Payments, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall submit a confirmation of all confirmed and potential sources of government assistance received in support of the Project and a final payment certificate, on the form provided by the Agency for that purpose, attesting that the Costs Incurred for the entire Project have been paid to the suppliers. The term “paid” herein and in the certification means paid by monetary payment. This certificate must be certified by an authorized signing officer of the Recipient.
- 1.5 Payments to the Recipient may be withheld by the Agency if the Recipient has any outstanding obligations hereunder, including any outstanding reports required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles

- 2.1 Total Eligible Costs of the Project
The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, will be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****2.2 Incremental Costs**

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional, or costs that would not have otherwise been incurred if not for the implementation of the Project.

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration must be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project that may affect costs.

2.4 Travel Costs

Eligible travel costs include transportation, accommodations and meals (but not incidentals) that are directly attributable to the Project and included in Schedule 2 – Statement of Work. In regards to kilometers and meals, the Agency will reimburse the Recipient using the rates set out in the National Joint Council Directive (the Directive) (www.njc-cnm.gc.ca), as may be amended from time to time. More specifically, meal costs incurred by the Recipient during eligible travel will be reimbursed by way of meal allowances at the same per diem rates as set forth in Appendix C or D of the Directive, as applicable, and kilometers travelled for eligible travel will be reimbursed based on the same kilometric rates set forth in Appendix B of the Directive. Notwithstanding the foregoing, no travel costs, including meal allowances or kilometers, will be paid or allocated for transportation, accommodations or meals that are either non-eligible or that were at no costs to the Recipient or included as part of other costs incurred (i.e. conference, inclusive-type accommodations, group transportation, etc.).

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****2.5 General Administrative Costs**

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.6 Salary and Wages Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

Salary and wages costs must be claimed on the same basis as they are incurred and paid to employees (i.e. weekly, bi-weekly, monthly), as supported by payroll records.

In certain cases, a salaried employee may not work exclusively on the Project. In those instances, only the proportion of their salary based on the actual time spent on the Project, as supported by timesheets or other satisfactory form of time recording may be considered as an Eligible Cost of the Project. In order to determine the proportion of the employee salary for the time spent on the Project (a daily or hourly pay rate), the total amount of work days during a salary year can be reduced by the number of vacation days and statutory holidays to which the employee is entitled during that year, as applicable. No other deduction or mechanisms for increasing the proportion of the time spent on the Project will be allowed without the prior consent of the Agency.

When it has been expressly included in Schedule 2 – Statement of Work, salary costs for the performance of an authorized and incremental role of qualified management personnel may be claimed in accordance with this Schedule.

2.7 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project. The Recipient can claim a rate of fifteen per cent (15%) of salaries and wages for the payroll burden.

2.8 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible. These may include, but are not necessarily restricted to, items such as:

- (a) the cost of land acquisition and any cost related to goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;

SCHEDULE 3

CLAIMS AND COSTS PRINCIPLES

- (c) entertainment expenses (does not include networking receptions) and first-class airfare;
- (d) dues and other membership fees;
- (e) severance pay, cash-out of unused vacation, bonuses, overtime premium for salaried employees and commissions;
- (f) refinancing of existing debt; and
- (g) any costs for the purchase of assets that exceed fair market value of the said assets and any costs that would not necessitate an expenditure of cash by the Recipient, such as amortization and in-kind.

2.9 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit and the reimbursement of sales taxes paid by the Recipient for goods and services. These credits must be taken into consideration in calculating Eligible Costs.

SCHEDULE 4**REPORTING REQUIREMENTS****1.0 General****1.1 Progress Report with Each Claim**

The Recipient shall submit a progress report with each claim for payment, on the form provided by the Agency for that purpose, detailing the progress and results of the Project. Each progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual review engagement financial statements within one hundred and eighty (180) days after the end of each fiscal year. The Agency reserves the right to request audited year-end financial statements, when deemed necessary by the Agency, and the Recipient shall provide them, upon written request.
- (b) The Recipient shall provide the above financial information annually until the end of the Control Period.

1.3 Internal Financial Statements

The Agency may at any time request the Recipient to provide a copy of its internally prepared financial statements, when deemed necessary by the Agency, and the Recipient shall provide them, upon written request.

1.4 Report on Project Results

After the final payment of the Contribution by the Agency and until the end of the Control Period, the Recipient shall submit, upon request by the Agency, a report detailing the actual results of the Project as compared to the expected results in Schedule 2 – Statement of Work, using the means of verification identified therein. All deviations must be explained. The report must be satisfactory to the Agency, at its sole discretion. The Agency may request independent third-party verification of this report or of the Project results, and the Recipient shall provide such independent verification upon written request and at its own expense.

SCHEDULE 4

REPORTING REQUIREMENTS

2.0 Other Reports

- 2.1 Prior to any payment exceeding ninety percent (90%) of the total Contribution, the Recipient shall provide a statement of the total funding from all sources for the Project, including total Canadian government funding received.
- 2.2 The Recipient shall submit to the Agency a completed and signed copy of the Client Information Update form annually with its financial statements.

SCHEDULE 5**FACT SHEET FOR NEWS RELEASE****Program:**

The Agency's REGI - Business Scale-up
and Productivity (RRRF)

Project No:

215515

Name and Address of Recipient:

Swarmio Inc.
295 George Street
Suite 102
Sydney, Nova Scotia
B1P 1J7

Recipient Contact:

Name: Vijai Karthigesu
Title: CEO & Founder
Telephone: (902) 982-3580
Fax:

Project Location:

CAPE BRETON, NOVA SCOTIA

Project Type:

REGI - Business Scale-up and Productivity

Agreement Type:

Contribution

Project Description:

Provide operating capital to alleviate cash flow challenges as a result of COVID-19 restrictions

Total Project Costs:

\$100,000.00

Eligible Costs:

\$100,000.00

Authorized Assistance:

\$100,000.00

Total Government Funding:

\$100,000.00

Estimated Project Commencement Date: June 15, 2020

Estimated Project Completion Date: December 31, 2020

LETTER OF OFFER

Swarmio Inc.

Fees

Payment of all legal costs incurred by our solicitor on your behalf will be deducted prior to issuance of our funds. Should funds not be disbursed, any fees and expenses incurred by our solicitor or Coastal in connection with the placing of the Loan and Security including the enforcement of the Loan and the Security, whether or not any documentation is entered into or any advance made, shall be payable by the Borrower.

A service charge of \$50.00 will apply to any dishonored, overdue payments or any other change to the payment schedule.

There will be a one-time administration fee consisting of 1% of the total loan amount which will be applied to the loan account upon disbursement.

Security

The following security documents must be prepared and executed to the satisfaction of Coastal prior to any disbursement of funds:

1. Personal Guarantee for the following for \$142,332 from:

Mr. Vijayasuganthan Karthigesu.

In the case of a non-shareholder, Coastal must receive a copy of a certificate of independent legal advice. In the case of corporations, Coastal must receive a copy of the borrowing resolution.

2. Promissory note.
3. Any other documentation or security recommended by legal counsel.

Other Conditions

1. Copy of photo identification.
2. Confirmation that all accounts with Canada Revenue Agency are in good standing.

Underlying Conditions

1. Default under any existing account shall constitute default under this account and default under this account shall constitute default under any existing account with Coastal.
2. Your acceptance of this letter constitutes your authority for Coastal to make periodic contact with your landlord, if applicable, to check on the status of lease commitments.
3. In recognition of its contribution, you acknowledge that CANADA or its representatives are allowed access to Coastal client files for monitoring, reporting and evaluation purposes and that the client may be contacted/visited from time to time by CANADA or its representatives in order to effectively evaluate the performance of this corporation. You also agree to co-operate by providing information on assistance provided to you by Coastal.

LETTER OF OFFER

Swarmio Inc.

4. Acceptance of this loan shall constitute the Borrower's agreement to maintain adequate financial records and make such records available upon request and provide accountant-prepared financial statements, on an annual basis, to Coastal. You also agree to provide quarterly internal financial statements to Coastal. In accepting this loan offer you are giving authority to Coastal to share and request relevant information from your accountant.
5. Coastal may withhold disbursement of the loan or any undrawn balance if in the opinion of Coastal a material adverse change in risk occurs before full disbursement.
6. Coastal may cancel the undrawn balance of the loan if the Borrower has not drawn the entire loan within three months of the date of this letter. If your business ceases to operate or is sold before the loan has been fully repaid, the balance outstanding on the said loan will be due and payable in full, ten (10) days after the date of closure.

Covenants

The Borrower:

1. Confirms that the information in the application for financing and all information provided to Coastal by the Borrower or on the Borrower's behalf are true and correct.
2. Agrees to obtain prior written consent of Coastal (i) to change the nature of its business; (ii) to amalgamate, merge, acquire or otherwise restructure the business or create an affiliate; or (iii) otherwise change the controlling shareholder of the business.
3. Agrees to obtain prior written consent of Coastal before beginning any capital expansion or incurring any additional debt in excess of that noted in the application/business plan until the debt is fully satisfied.
4. Agrees to obtain prior written consent of Coastal before increasing any salaries, commissions, bonuses or any other form of payment above those noted in the application/business plan until the debt is fully satisfied.
5. Agrees that no withdrawal of shareholders loans, present or future, or withdrawal of dividends shall be permitted until the debt is fully satisfied.
6. Agrees to comply with all regulations in relation to this project that satisfies the requirements of all regulatory bodies of appropriate jurisdiction.
7. Agrees to comply with all other requirements deemed necessary by legal counsel of Coastal.
8. Agrees to maintain commercial general liability insurance and keep all assets insured against physical damage and other losses on an "all-risks" basis.
9. Agrees that this Letter of Offer may be communicated by a facsimile transmission and that when signed by all parties, this Letter of Offer shall be binding on all parties.

LETTER OF OFFER

Swarmio Inc.

Default

The following constitutes default:

1. Any representation to Coastal is false.
2. Failure to make any payment, comply with the terms of this letter of offer, comply with any security agreements or any other agreement between the Borrower and Coastal in respect of this loan or any other loan.
3. Insolvency or bankruptcy or failure to perform obligations to other creditors.
4. Cessation of business.
5. Other conditions as listed in any security documents.

The occurrence of any of the above events by the Borrower constitutes a default at which time Coastal may demand immediate payment of the loan and enforce its security.

Prepayment Privilege

Prepayment in whole or in part may be made at any time without notice with a one-month interest penalty.

LETTER OF OFFER

Swarmio Inc.

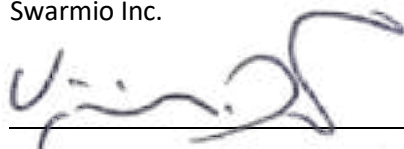
Acceptance

This loan will become effective upon receipt of a signed copy of this Letter of Offer by Coastal no later than 09 August, 2021. Any conditional acceptance of this offer shall render it null and void.



Patricia MacNeil
Executive Director Tel:
(902) 539-4332
Fax: (902) 562-1016

Swarmio Inc.



_____, Authorized Signing Officer

Name: Vijayasuganthan Karthigesu

August 3, 2021

Date of Acceptance



_____, Witness

August 3, 2021

Please Print Name of Witness



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Cape Breton Office
70 Crescent Street
Sydney, N.S.
B1S 2Z7

Bureau du Cap-Breton
70, rue Crescent
Sydney (N.-É.)
B1S 2Z7

Project No.: 218751

Swarmio Inc.
37 Nepean Street
Suite 105
Sydney, Nova Scotia
B1P 6A7

August 17.

Attention: Mr. Jonathan Visva

Dear Mr. Visva:

Note: Exceptional Circumstances due to the effects of COVID-19

As part of the Government of Canada's response to the COVID-19 outbreak, ACOA is taking proactive measures to mitigate economic impacts in Atlantic Canada.

ACOA Clients are experiencing unprecedented disruptions affecting their operations, which in turn affect their ability to provide ACOA with required documentation using standard methods. To ensure that program delivery can continue to be done in a timely manner throughout this period, ACOA is implementing temporary measures that will streamline some work processes by providing additional flexibility for electronic signatures, acceptable methods of transmission of information and requirements for initial advance payments. These temporary measures remain at ACOA's discretion and are in addition to all terms and conditions included in the funding agreement.

In regards to document delivery, all delivery methods expressly permitted in the funding agreement continue to be acceptable, including ACOA Direct, which remains the most secure way to transmit protected information. However, it is agreed that, during these exceptional circumstances, email transmission will also be a valid means of sending notices and correspondences to the other party for the purposes of the Notice provisions in the funding agreement. Where a notice or document is communicated to the other party by email, it will be deemed to have been delivered within one (1) working day of being sent.

That said, by proceeding with an electronic signature and/or an electronic imaging and transmission of a handwritten signature, you agree that such is a reliable signature method and is binding on the Recipient, that it will have the same force and effect as an original handwritten signature, and that it will be deemed an original for all purposes. This applies to any new agreement, any amendment to an existing agreement, and any other notice or correspondence contemplated under the agreement.

In each case, you must preserve the original signed document for the entire term of the funding agreement and must provide such original, as well as any further proof of execution and authorization, to the Agency upon request.

If you do not agree with the above or have questions or concerns with any of the items outlined herein, please communicate with your program officer. If any changes are made to these temporary measures or if additional measures are implemented in the context of the COVID-19 pandemic, they will be communicated to you.

RE: Offer of Assistance under the Regional Economic Growth through Innovation - Productivity and Business Skills

Please find attached a contribution agreement for funding under the Regional Economic Growth through Innovation - Productivity and Business Skills for your review and signature. **This agreement is open for acceptance for sixty (60) calendar days from the date that appears on this letter.**

We have also included a Pre-authorized Debit/Direct Deposit Authorization (PAD) form for your completion and signature. Please return one signed copy of the contribution agreement and the completed PAD form.

Once we receive the signed forms, we will provide you with information on how to submit claims under the project. We recommend using ACOA Direct, the Agency's web-based client portal, where you can submit claims online, share documents, collaborate with members of the secure site and access your ACOA account 24 hours a day, 7 days a week. ACOA Direct is the most effective way for you to submit claims. Included with this letter is an ACOA Direct Client Registration form for your convenience. You can use it to enroll or to make changes if you are already enrolled.

If you have any questions, please contact the undersigned, the Account Manager assigned to your project, at (800) 705-3926 or (902) 564-3607, or via e-mail at lauren.krszwda@acoa-apeca.gc.ca.

Yours truly,
Lauren Krszwda
Account Manager, Enterprise Development

Attachments

Regional Economic Growth through Innovation - Productivity and Business Skills

Project Number: 218751

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY,**
having an office in Nova Scotia

(hereinafter referred to as “the **Agency**”)

AND: **Swarmio Inc.**, an organization duly incorporated under the laws of Canada, having its office located at:
37 Nepean Street
Suite 105
Sydney, Nova Scotia
B1P 6A7

(hereinafter referred to as “the **Recipient**”)

WHEREAS the Regional Economic Growth through Innovation - Productivity and Business Skills, is a national innovation program that was established to provide support to business productivity and scale-up,

(hereinafter referred to as “the **Program**”)

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

WHEREAS this Agreement sets out the terms and conditions under which the Agency agrees to provide a contribution to the Recipient,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Schedule 3 – Claims and Costs Principles
Schedule 4 – Reporting Requirements
Schedule 5 – Project Fact Sheet for News Release

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient shall carry out the Project as described in Schedule 2 – Statement of Work, shall make claims in accordance with Schedule 3 – Claims and Costs Principles, shall issue the reports required under Schedule 4 – Reporting Requirements and shall fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before September 1, 2021 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before February 28, 2022 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency will make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the amount equal to the assistance rate (%) of the Eligible Costs as stated on Schedule 2 – Statement of Work; and
 - (b) \$50,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on March 31, and there must be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs that are Costs Incurred as defined in Schedule 1, on the basis of itemized claims submitted in accordance with Schedule 3 – Claims and Costs Principles.

ARTICLES OF AGREEMENT

- 5.2 The Agency will not contribute to any Costs Incurred by the Recipient prior to June 11, 2021. The Agency will not accept any Cost Incurred after the Project Completion Date, unless otherwise agreed to in writing by the Agency.
- 5.3 Prior to the initial payment, the Recipient shall provide the Agency with the following information, at the satisfaction of the Agency:
- (a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization (PAD)* form as provided by the Agency.
- 5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency and to the Agency’s satisfaction, that all Costs Incurred that have been submitted for payment to the Agency have effectively been paid by the Recipient by monetary payment.
- 5.5 At the discretion of the Agency, an advance payment may be made to the Recipient. To request an advance payment, the Recipient must submit a completed and signed copy of the Request for an Advance Payment form provided by the Agency and include a monthly cash flow forecast of requirements with respect to the portion of the Eligible Costs funded by the Agency that are to be incurred during the advance period. Such documentation must demonstrate that the advance payment is essential to the successful completion of the Project.
- The Recipient must, within forty-five (45) calendar days of the end of the period for which the advance was made, demonstrate to the satisfaction of the Agency that the advance payment was applied to the payment of Costs Incurred.
- 5.6 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Costs Incurred.
- 5.7 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.
- 6.0 Special Condition(s)**
- 6.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency within six (6) months from the Effective Date of this Agreement (“the **Lapsing Date**”), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.

ARTICLES OF AGREEMENT

Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any balance of the Contribution that has not been claimed within six (6) months from the Project Completion Date (“the **End Date**”). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.

7.0 Official Languages

7.1 The Recipient agrees:

- (a) that all public acknowledgments of the Agency’s support for the Project will be expressed in both official languages;
- (b) that basic project information, such as project description, will be developed and made available to the public in both official languages;
- (c) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
- (d) that main signage components related to the Project will be in both official languages.

8.0 Project Financing

8.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work. These commitment letters must be satisfactory to the Agency at its sole discretion.

8.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than the government assistance specifically described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient must also, until the end of the Control Period, promptly inform the Agency of any changes to such assistance in accordance with Schedule 1 – General Conditions, Other Government Assistance.

9.0 Intellectual Property

9.1 In the event the Project involves intellectual property, the Recipient shall provide the Agency with information regarding its intellectual property strategy related to the Project as may be requested by the Agency from time to time.

10.0 Environmental Requirements

10.1 The Recipient represents that the Project is not a “designated project” as defined in the *Impact Assessment Act*, S.C. 2019, c. 28, s. 1 (IAA) and that an impact assessment (IA) or a determination under section 82 of IAA, are not required for the Project.

ARTICLES OF AGREEMENT

- 10.2 If, as a result of changes to the Project or otherwise, the Project is a “designated project” as defined in the IAA, the Recipient agrees that construction of the Project, including site preparation, will not be undertaken or will be suspended and no funds or additional funds will become or will be payable by the Agency to the Recipient for the Project unless, and until:
- (a) in the case of an IA, a decision statement has been issued to the Recipient; or
 - (b) in the case of a determination under section 82 of IAA, the Agency determines that the Project is not likely to cause significant adverse environmental effects or is likely to cause significant adverse environmental effects that are justified in the circumstances.
- 10.3 For any IA or determination made under IAA as a result of changes to the Project or otherwise:
- (a) the Recipient will comply with, to the satisfaction of the Agency and at the Recipient’s own expense, all conditions included in the decision statement issued under IAA or other conditions that the Agency may require in coming to a determination under section 82 of IAA.
 - (b) the Recipient will allow the Agency and its agents, employees, servants or contractors to access and enter at any time during reasonable hours upon any real property under the ownership or control of the Recipient for the purpose of ensuring that any conditions and mitigation measures are implemented for the Project.

11.0 Communications

- 11.1 The Recipient must consult with the Agency regarding communication activities relating to the Project in accordance with Schedule 1 – General Conditions, Communications.

12.0 Notice

- 12.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, must be addressed to:

Atlantic Canada Opportunities Agency
70 Crescent Street
Sydney, Nova Scotia
B1S 2Z7

Attention: Lauren Krszwda

or to such address as is designated by the Agency in writing.

ARTICLES OF AGREEMENT

- 12.2 Any notice or correspondence to the Recipient must be addressed to:

Swarmio Inc.
37 Nepean Street
Suite 105
Sydney, Nova Scotia
B1P 6A7

Attention: Jonathan Visva

13.0 Entire Agreement

- 13.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments will be made to the Agreement unless agreed upon in writing by both parties.

14.0 Joint and Several Obligations

- 14.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the “Recipient” or “it” or “its” in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

15.0 Effective Date

- 15.1 This Agreement will come into effect on the date of last signature by the parties (the “**Effective Date**”). In the event a party has failed to date a signature, the Effective Date will be the date the Agency receives the Agreement signed by all parties.

ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY

Krszwda, Lauren

Digitally signed by Krszwda, Lauren
DN: c=CA, o=GC, ou=ACOA-APECA,
cn=Krszwda, Lauren
Date: 2021.08.17 09:43:56 -03'00'

August 17, 2021

Lauren Krszwda

Date

Account Manager, Enterprise Development

Project No.: 218751

This Agreement may be executed in separate counterparts, each of which will be deemed to be an original, and such separate counterparts will together constitute one and the same instrument. The executed Agreement may be communicated to the Agency by facsimile transmission, by ACOA Direct, or as otherwise agreed to by the Agency and such will be deemed to be an original for all purposes.

Swarmio Inc.

Date: _____, 20____
(Insert date of signature)

Signature

Name : _____
(please print)

Title/Position : _____
(please print)

Signature

Date: _____, 20____
(Insert date of signature)

Name: _____
(please print)

Title/Position: _____
(please print)

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in the technology developed prior to the beginning of the Project and required for the carrying out of the Project or the exploitation of the Foreground Intellectual Property.

Control Period means the period commencing on the Effective Date and ending on the later of two years after the Project Completion Date or the date when all obligations of the Recipient under this Agreement have been paid, met, or otherwise discharged to the satisfaction of the Agency.

Costs Incurred means the Eligible Costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for by monetary payment or has a legal obligation to pay for by monetary payment in the future. Any Eligible Costs received that have been paid or will be paid for by means other than monetary payment, including, without limitations, in-kind and non-cash transactions, do not qualify as Costs Incurred for which the Agency can pay the Contribution.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or, (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs listed in Schedule 2 – Statement of Work, that comply with the principles of Schedule 3 – Claims and Costs Principles and that are necessary to carry out the Project.

Foreground Intellectual Property means all technical data, including without limitation, all designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods, applicable special equipment and related technology, processes or other information or know-how conceived, produced, developed or reduced to practice in carrying out the Project, and all rights therein, including without limitation, patents, copyrights, industrial designs, trade-marks, and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being treated by the Recipient as trade secrets or confidential information.

Interest Rate means the rate of interest equal to three percent (3%) higher than the Average Bank Rate.

SCHEDULE 1**GENERAL CONDITIONS**

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

2.0 Representations, Warranties and Undertakings**2.1 Representations, Warranties and Undertakings by the Recipient**

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatory or signatories to the Agreement, as applicable, has or have been duly authorized to execute and deliver the Agreement on behalf of the Recipient.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that upon execution, the Agreement will constitute a legal, valid and binding obligation on the Recipient enforceable in accordance with its terms.

2.5 No Pending Suits or Actions

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the term of the Agreement.

GENERAL CONDITIONS

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.8 Other Agreements

The Recipient represents and warrants that it has not entered, and undertakes not to enter, into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

2.9 Intellectual Property

The Recipient represents and warrants that:

- (a) it has taken appropriate steps to ensure that the Recipient either owns the Background Intellectual Property or holds sufficient rights in the same to permit the Project to be carried out and the Foreground Intellectual Property to be exploited;
- (b) the title to the Foreground Intellectual Property is to be vested and, unless otherwise agreed to in writing by the Agency, to remain exclusively with the Recipient;
- (c) it shall take appropriate steps to protect the Foreground Intellectual Property it owns and where applicable, include in its agreements with the Recipient an obligation for them to do the same, and shall, upon request, provide information to the Agency in that regard; and
- (d) it has obtained written permission from every person who will contribute to any Foreground Intellectual Property that may be subject to copyright protection and that will form part of the Project. The Agency may request that the Recipient provide it with a copy of the written waiver(s) of moral rights.

3.0 **Other Financing**

- 3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's obligations under this Agreement.

GENERAL CONDITIONS

4.0 Other Government Assistance

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance that has been, will be or could be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency may adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics

5.1 Members of the Senate and House of Commons

No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.

5.2 Members of a Provincial or Territorial Legislature

Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict-of-interest guidelines in effect during the term of this Agreement.

5.3 Conflict of Interest

The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

6.0 Dispute Resolution

- 6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

GENERAL CONDITIONS

7.0 Restrictions on Distributions

- 7.1 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined for the purpose of this Agreement as any payment to any member, shareholder, director, officer or associate company of the Recipient, including, without limitations, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

8.0 Lobbying

- 8.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement or the Project is registered pursuant to the said Act.

9.0 Relationship with the Agency

- 9.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

10.0 Termination

- 10.1 The Agreement will terminate at the end of the Control Period.

11.0 Force Majeure

11.1 Event of Force Majeure

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

11.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

GENERAL CONDITIONS

12.0 Communications

- 12.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the ACOA corporate identifier and Canada wordmark or otherwise make reference to the Agency.
- 12.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. Notwithstanding the foregoing, the information referenced in Schedule 5 – Project Fact Sheet for News Release will be considered to be in the public domain on the earlier of: the public announcement of the Project by the Agency or the Recipient, the public disclosure or publication of the said information by the Agency in accordance with applicable legislation, or the expiration of sixty (60) calendar days after the Recipient's acceptance of this Agreement.
- 12.3 The Recipient must advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony will be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 12.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.
- 12.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

13.0 Material Changes

- 13.1 No material changes will be made to the estimated total scope, the nature or any element of the Project or to any element of the Recipient's operation without the prior written consent of the Agency. A material change includes, but is not limited to, change in the ownership or control of the Recipient or the assets, management, financing, location of the Project or facilities, size of the facilities, timing, expected results, or other government contributions. When consent is requested from the Agency in regard to any material change the Recipient shall provide, in a timely manner, all documentation and information as may be required by the Agency, at its discretion.

SCHEDULE 1**GENERAL CONDITIONS****14.0 Disposal of Assets**

- 14.1 Without limiting the generality of Schedule 1 – General Conditions, Material Changes, the Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use, or transfer to commercial use Project Assets without the prior written consent of the Agency.
- 14.2 The issuance of such consent, if any, may be made subject to conditions the Agency deems appropriate in the circumstances, at its discretion. Such conditions may include, without limitation, the condition(s) that the Recipient replace the Project Asset(s) disposed of with comparable asset(s) of equal or lesser value for use in the Project, that the Recipient pay the Agency forthwith all funds recovered by the Recipient pursuant to the sale or disposal of the Project Asset(s), and/or that the Recipient pay the greater of the percentage of assistance rate, as specified in Schedule 2 Statement of Work of the:
- (a) proceeds of disposition of the Project Asset(s); or
 - (b) fair market value of the Project Asset(s).

15.0 Insurance Coverage

- 15.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

16.0 Monitoring, Rights to Audit and Physical Access

- 16.1 During the term of the Agreement, the Recipient shall provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.
- 16.2 The Recipient shall provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.

SCHEDULE 1**GENERAL CONDITIONS**

- 16.3 The Recipient shall, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to verify compliance and ability for compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency, and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary, using the staff of the Agency or of other federal departments or agencies, an independent firm or the Recipient's external auditors.
- 16.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.
- 16.5 The Recipient will assist the Agency with its monitoring of the Agreement and, where applicable, will obtain required information from third parties to provide to the Agency and will facilitate the Agency's access to the information and premises of third parties relating to the Agreement.

17.0 Overpayment

- 17.1 Where, for any reason:

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient shall repay the amount of the overpayment to the Agency promptly and no later than thirty (30) calendar days from the date of the notice of such overpayment from the Agency. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

18.0 Right to Set-off

- 18.1 Without limiting the scope of set-off rights available to the Crown at common law, under the *Financial Administration Act* or otherwise, the Agency may:
- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
 - (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

GENERAL CONDITIONS**19.0 Interest and Administrative Charges****19.1 Payments**

When any payment is received from the Recipient on account of a an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance in reverse order of maturity.

19.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

19.3 Fee

An administrative fee will be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

20.0 Events of Default**20.1 The following constitute events of default:**

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;

SCHEDULE 1**GENERAL CONDITIONS**

- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with Her Majesty in right of Canada.

21.0 Remedies on Default

- 21.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:
- (a) suspend or terminate any obligation by the Agency to contribute to the Costs Incurred, including any obligation to pay any amount owing prior to the date of such suspension or termination;
 - (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*, as may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.
- 21.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.
- 21.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.

22.0 Annual Appropriations**22.1 Parliamentary Allocation**

Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1 and ending on the following March 31, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.

SCHEDULE 1**GENERAL CONDITIONS****22.2 Lack of Appropriation**

In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.

23.0 Notice

- 23.1 Any notice required to be given with respect to this Agreement must be in writing and will be effectively given if delivered or sent by ordinary or registered mail, ACOA Direct, courier or fax, addressed to the party for whom the notice is intended. Any notice will be deemed to have been received on delivery. Any notice sent by ACOA Direct or fax will be deemed to have been received one (1) working day after being sent. Any notice sent by mail will be deemed to have been received eight (8) calendar days after being sent.

24.0 Consent of the Agency

- 24.1 Where a consent or an agreement is requested from the Agency under this Agreement, the Agency has the right to grant or refuse the consent or agreement and, where it decides to grant the consent or agreement, to do so subject to such conditions the Agency deems appropriate, at its discretion.

25.0 No Assignment of Agreement

- 25.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

26.0 Indemnity

- 26.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

27.0 Cancellation of Agreement

- 27.1 The Agency may, upon thirty (30) calendar days' notice duly given to the Recipient in accordance with the Notice section of these General Conditions, cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

SCHEDULE 1**GENERAL CONDITIONS****28.0 Access to Information Act and Privacy Act**

- 28.1 This Agreement and all information obtained by the Agency in the course of and pursuant to this Agreement and the Recipient's application, will be subject to and treated in accordance with the *Access to Information Act* and the *Privacy Act*, as applicable, and as amended from time to time.
- 28.2 Without limiting the generality of the preceding paragraph, the Recipient acknowledges and agrees that the Agency will proactively publish information regarding this Agreement in accordance with the *Access to Information Act*, as amended from time to time.

29.0 Sharing of Information

- 29.1 The Recipient expressly authorizes the Agency to share all information obtained by the Agency in relation to this Agreement with other departments and agencies of the Government of Canada for the purpose of implementing, administering and monitoring the Program. This includes, without limitation, the Recipient's financial reports and business information as provided to the Agency under this Agreement and the Recipient's application.

30.0 Aboriginal Consultation

- 30.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

31.0 Applicable Law

- 31.1 This Agreement must be interpreted in accordance with the laws in force in the province in which the office of the Agency is located.

SCHEDULE 2**STATEMENT OF WORK****Project Description**

Hire a Vice President, Sales to identify and implement strategies to introduce new products and improvements and to expand product offerings to its customers

Project Location

HALIFAX, NOVA SCOTIA

Project Financing

<u>Project Costs</u>	\$	<u>Financing</u>	\$
Salary/Wages	\$75,000	ACOA Non-repayable Contribution	\$50,000
		Cash Flow from Operations	\$250,000
Total Project Costs	\$75,000	Total Financing	\$75,000
<u>Eligible Costs</u>	\$	<u>Assistance Rate (%)</u>	<u>Contribution (\$)</u>
Salary/Wages	\$75,000	66.67%	\$50,000
Total Eligible Costs	\$75,000	Total Contribution	\$75,000
<u>Non-Eligible Costs</u>	\$		
Total Non-Eligible Costs			
Total Project Costs	\$75,000		

Details on Project Activities and Costs

Project costs are comprised of the salary for the Vice President, Product Strategy Position, expected to be \$75,000 for the time period of the project.

SCHEDULE 2

STATEMENT OF WORK

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

Expected Project Results

Hire a VP, Product Strategy

Means of Verification

Claims process/payroll info

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****1.0 Claims**

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Costs Incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Costs Incurred being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) if applicable include a declaration, of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient in respect to Costs Incurred but not yet paid to suppliers shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in the Articles of Agreement – Payments, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall submit a confirmation of all confirmed and potential sources of government assistance received in support of the Project and a final payment certificate, on the form provided by the Agency for that purpose attesting that the Costs Incurred for the entire Project have been paid to the suppliers. The term “paid” herein and in the certification means paid by monetary payment. This certificate must be certified by an authorized signing officer of the Recipient.
- 1.5 Payments to the Recipient may be withheld by the Agency if the Recipient has any outstanding obligations hereunder, including any outstanding reports required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles

- 2.1 Total Eligible Costs of the Project
The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, will be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

CLAIMS AND COSTS PRINCIPLES

2.2 Incremental Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional or costs that would not have otherwise been incurred if not for the implementation of the Project.

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration must be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project that may affect costs.

2.4 Travel Costs

Eligible travel costs include transportation, accommodations and meals (but not incidentals) that are directly attributable to the Project and included in Schedule 2 – Statement of Work. The Agency will reimburse the recipient in regards to kilometers and meal costs incurred by the Recipient during eligible travel at the requested rates or at a maximum of the rates set out in the National Joint Council Directive (the Directive) (www.njc-cnm.gc.ca), as may be amended from time to time. These costs shall be reimbursed using the rates requested by the recipient up to a maximum amount of the kilometric rates as set forth in Appendix B of the Directive and meal allowances as set forth in Appendix C or D of the Directive. Notwithstanding the foregoing, no travel costs will be paid or allocated for transportation, accommodations, kilometers or meals that are either non-eligible or that were at no costs to the Recipient or included as part of other costs incurred (i.e. conference, inclusive-type accommodations, group transportation, etc.).

CLAIMS AND COSTS PRINCIPLES

2.5 Hospitality Costs

Hospitality costs include the provision of food and beverage for meals, coffee breaks, and networking events such as receptions that are directly attributable to the Project and included in Schedule 2 – Statement of Work. The Agency will reimburse the Recipient's hospitality expenditures incurred up to the maximums applicable to such hospitality costs according to the principles, guidelines and rates prescribed in Appendix B of the Treasury Board of Canada's Directive on Hospitality (<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=27228>), as may be amended from time to time.

2.6 General Administrative Costs

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.7 Salary and Wages Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

Salary and wages costs must be claimed on the same basis as they are incurred and paid to employees (i.e. weekly, bi-weekly, monthly), as supported by payroll records.

In certain cases, a salaried employee may not work exclusively on one Project. In those instances, only the proportion of their salary based on the actual time spent on the Project, as supported by timesheets or other satisfactory form of time recording may be considered as an Eligible Cost of the Project. In order to determine the proportion of the employee salary for the time spent on the Project (a daily or hourly pay rate), the total amount of the days during a salary year can be reduced by the number of vacation days and statutory holidays to which the employee is entitled during that year, as applicable. No other deduction or mechanisms for increasing the proportion of the time spent on the Project will be allowed without the prior consent of the Agency.

When it has been expressly included in Schedule 2 – Statement of Work, salary costs for the performance of an authorized and incremental role of qualified management personnel may be claimed in accordance with this Schedule.

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****2.8 Payroll Burden**

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project. The Recipient can claim a rate of fifteen per cent (15%) of salaries and wages for the payroll burden.

2.9 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible. These may include, but are not necessarily restricted to, items such as:

- (a) the cost of land acquisition and any cost related to goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;
- (c) fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation);
- (d) entertainment expenses (does not include networking receptions) and first-class airfare;
- (e) insurance, except if the cost is directly related to construction and is capitalized (in accordance with Generally Accepted Accounting Principles or International Financial Reporting Standards) as part of the Project;
- (f) dues and other membership fees;
- (g) severance pay, cash-out of unused vacation, bonuses, overtime premium for salaried employees and commissions;
- (h) refinancing of existing debt, any interest costs, bond discounts, and other financing costs; and
- (i) any costs for the purchase of assets that exceed fair market value of the said assets and any costs that would not necessitate an expenditure of cash by the Recipient, such as amortization and in-kind.

2.10 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit and the reimbursement of sales taxes paid by the Recipient for goods and services. These credits must be taken into consideration in calculating Eligible Costs.

REPORTING REQUIREMENTS

1.0 General

1.1 Progress Report with Each Claim

The Recipient shall submit a progress report with each claim for payment, on the form provided by the Agency for that purpose, detailing the progress and results of the Project. Each progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual audited financial statements within one hundred and eighty (180) days after the end of each fiscal year.
- (b) The Recipient shall provide the above financial information annually until the end of the Control Period.

1.3 Internal Financial Statements

The Agency may at any time request the Recipient to provide a copy of its internally prepared financial statements, when deemed necessary by the Agency and the Recipient shall provide them, upon written request.

1.4 Report on Project Results

After the final payment of the Contribution by the Agency and until the end of the Control Period, the Recipient shall submit upon request by the Agency, a report detailing the actual results of the Project as compared to the expected results in Schedule 2 – Statement of Work, using the means of verification identified therein. All deviations must be explained. The report must be satisfactory to the Agency, at its sole discretion. The Agency may request independent third-party verification of this report or of the Project results, and the Recipient shall provide such independent verification upon written request and at its own expense.

SCHEDULE 4

REPORTING REQUIREMENTS

2.0 Other Reports

- 2.1 Prior to any payment exceeding ninety percent (90%) of the total Contribution, the Recipient shall provide a statement of the total funding from all sources for the Project, including total Canadian government funding received.

SCHEDULE 5**FACT SHEET FOR NEWS RELEASE****Program:**

The Agency's Regional Economic Growth
through Innovation - Productivity and
Business Skills

Project No:

218751

Name and Address of Recipient:

Swarmio Inc.
37 Nepean Street
Suite 105
Sydney, Nova Scotia
B1P 6A7

Recipient Contact:

Name: Jonathan Visva
Title: Controller
Telephone: (416) 897-7741
Fax:

Project Location:

HALIFAX, NOVA SCOTIA

Project Type:

REGI - Productivity and Business Skills

Agreement Type :

Contribution

Project Description:

Hire a Vice President, Product Strategy

Total Project Costs:

\$75,000.00

Eligible Costs:

\$75,000.00

Authorized Assistance:

\$50,000.00

Total Government Funding:

\$50,000.00

Estimated Project Commencement Date: September 1, 2021

Estimated Project Completion Date: February 28, 2022



P.O. Box 2284, Station Central
Halifax, Nova Scotia
B3J 3C8

Project No.: 221709

August 11, 2022

Swarmio Inc.
1809 Barrington Street, Suite 505
Halifax, Nova Scotia
B3J 3K8

Attention: Vijai Karthigesu

Dear Mr. Karthigesu:

Note: Exceptional Circumstances due to the effects of COVID-19

As part of the Government of Canada's response to the COVID-19 outbreak, ACOA is taking proactive measures to mitigate economic impacts in Atlantic Canada.

ACOA Clients are experiencing unprecedented disruptions affecting their operations, which in turn affect their ability to provide ACOA with required documentation using standard methods. To ensure that program delivery can continue to be done in a timely manner throughout this period, ACOA is implementing temporary measures that will streamline some work processes by providing additional flexibility for electronic signatures, acceptable methods of transmission of information and requirements for initial advance payments. These temporary measures remain at ACOA's discretion and are in addition to all terms and conditions included in the funding agreement.

In regards to document delivery, all delivery methods expressly permitted in the funding agreement continue to be acceptable, including ACOA Direct, which remains the most secure way to transmit protected information. However, it is agreed that, during these exceptional circumstances, email transmission will also be a valid means of sending notices and correspondences to the other party for the purposes of the Notice provisions in the funding agreement. Where a notice or document is communicated to the other party by email, it will be deemed to have been delivered within one (1) working day of being sent.

That said, by proceeding with an electronic signature and/or an electronic imaging and transmission of a handwritten signature, you agree that such is a reliable signature method and is binding on the Recipient, that it will have the same force and effect as an original handwritten signature, and that it will be deemed an original for all purposes. This applies to any new agreement, any amendment to an existing agreement, and any other notice or correspondence contemplated under the agreement.

In each case, you must preserve the original signed document for the entire term of the funding agreement and must provide such original, as well as any further proof of execution and authorization, to the Agency upon request.

If you do not agree with the above or have questions or concerns with any of the items outlined herein, please communicate with your program officer. If any changes are made to these temporary measures or if additional measures are implemented in the context of the COVID-19 pandemic, they will be communicated to you.

RE: Offer of Assistance under the Regional Economic Growth through Innovation - Business Scale-Up and Productivity

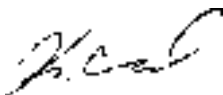
Please find attached a contribution agreement for funding under the Regional Economic Growth through Innovation - Business Scale-Up and Productivity for your review and signature. **This agreement is open for acceptance for sixty (60) calendar days from the date that appears on this letter.**

We have also included a Pre-authorized Debit/Direct Deposit Authorization (PAD) form for your completion and signature. Please return one signed copy of the contribution agreement and the completed PAD form.

Once we receive the signed forms, we will provide you with information on how to submit claims under the project. We recommend using ACOA Direct, the Agency's web-based client portal, where you can submit claims online, share documents, collaborate with members of the secure site and access your ACOA account 24 hours a day, 7 days a week. ACOA Direct is the most effective way for you to submit claims. Included with this letter is an ACOA Direct Client Registration form for your convenience. You can use it to enroll or to make changes if you are already enrolled.

If you have any questions, please contact David Chu, the Program Officer assigned to your project, at (800) 565-1228 or (902) 209-3115, or via e-mail at david.chu@acoa-apeca.gc.ca

Yours truly,



Kelly Osmond
Account Assistant

Attachments

**Regional Economic Growth through Innovation -
Business Scale-Up and Productivity**

Project Number: 221709

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY,
having an office in Nova Scotia**

(hereinafter referred to as “the **Agency**”)

AND:

Swarmio Inc., an organization duly incorporated under the laws of Canada, having its office located at:
1809 Barrington Street, Suite 505
Halifax, Nova Scotia
B3J 3K8

(hereinafter referred to as “the **Recipient**”)

WHEREAS the Regional Economic Growth through Innovation - Business Scale-Up and Productivity, is a national innovation program that was established to provide support to business productivity and scale-up,

(hereinafter referred to as “the **Program**”)

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

WHEREAS this Agreement sets out the terms and conditions under which the Agency agrees to provide a contribution to the Recipient,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Schedule 3 – Claims and Costs Principles
Schedule 4 – Reporting Requirements
Schedule 5 – Project Fact Sheet for News Release
Schedule 6 – Repayment Schedule

ARTICLES OF AGREEMENT

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work
Other Schedules

2.0 The Project

- 2.1 The Recipient shall carry out the Project as described in Schedule 2 – Statement of Work, shall make claims in accordance with Schedule 3 – Claims and Costs Principles, shall issue the reports required under Schedule 4 – Reporting Requirements, shall make repayments in accordance with Schedule 6 – Repayment Schedule, and shall fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.
- 2.2 The Recipient shall commence the Project on or before August 31, 2022 (hereinafter referred to as “the **Project Commencement Date**”).
- 2.3 The Recipient shall complete the Project on or before August 31, 2023 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency will make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:
- (a) the amount equal to the assistance rate (%) of the Eligible Costs as stated on Schedule 2 – Statement of Work; and
 - (b) \$500,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on March 31, and there must be no change to that fiscal year without the prior consent of the Agency.

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs that are Costs Incurred, as defined in Schedule 1, on the basis of itemized claims submitted in accordance with Schedule 3 – Claims and Costs Principles.
- 5.2 The Agency will not contribute to any Costs Incurred by the Recipient prior to June 16,

ARTICLES OF AGREEMENT

2022. The Agency will not accept any Cost Incurred after the Project Completion Date, unless otherwise agreed to in writing by the Agency.

5.3 Prior to the initial payment, the Recipient must provide the Agency with the following information, at the satisfaction of the Agency:

(a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization* (PAD) form as provided by the Agency.

5.4 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency and to the Agency's satisfaction, that all Costs Incurred that have been submitted for payment to the Agency have effectively been paid by the Recipient by monetary payment.

5.5 At the discretion of the Agency, an advance payment may be made to the Recipient. To request an advance payment, the Recipient must submit a completed and signed copy of the Request for an Advance Payment form provided by the Agency, and include a monthly cash flow forecast of requirements with respect to the portion of the Eligible Costs funded by the Agency that are to be incurred during the advance period. Such documentation must demonstrate that the advance payment is essential to the successful completion of the Project.

The Recipient must, within forty-five (45) calendar days of the end of the period for which the advance was made, demonstrate to the satisfaction of the Agency that the advance payment was applied to the payment of Costs Incurred.

5.6 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Costs Incurred.

5.7 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.

6.0 Repayment

6.1 The Recipient shall repay the Contribution to the Agency in accordance with Schedule 6 – Repayment Schedule.

The amounts set out in the Repayment Schedule are calculated to repay the entire balance of the Contribution; however, the last installment of the Repayment Schedule may be adjusted to include all sums owing under this Agreement. Notwithstanding the foregoing, if any amounts due under this Agreement remain unpaid fifteen (15) years from the Project Completion Date, those amounts will immediately become fully due and payable to the Agency.

ARTICLES OF AGREEMENT

7.0 Special Condition(s)

- 7.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency within six (6) months from the Effective Date of this Agreement (“the **Lapsing Date**”), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.

Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any balance of the Contribution that has not been claimed within six (6) months from the Project Completion Date (“the **End Date**”). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.

- 7.2 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined, for the purpose of this Agreement, as any payments to any shareholder, director, officer or associate company of the Recipient, including, without limitation, bonuses, dividends, salaries or repayment or granting of to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

8.0 Official Languages

- 8.1 The Recipient agrees:
- (a) that all public acknowledgments of the Agency’s support for the Project will be expressed in both official languages;
 - (b) that basic project information, such as project description, will be developed and made available to the public in both official languages;
 - (c) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
 - (d) that main signage components related to the Project will be in both official languages.

9.0 Project Financing

- 9.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work. These commitment letters must be satisfactory to the Agency at its sole discretion.
- 9.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than the government assistance specifically described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The

ARTICLES OF AGREEMENT

Recipient must also, until the end of the Control Period, promptly inform the Agency of any changes to such assistance, in accordance with Schedule 1 – General Conditions, Other Government Assistance.

10.0 Environmental Requirements

- 10.1 The Recipient represents that the Project is not a “designated project” as defined in the *Impact Assessment Act*, S.C. 2019, c. 28, s. 1 (IAA) and that an impact assessment (IA) or a determination under section 82 of IAA, are not required for the Project.

11.0 Communications

- 11.1 The Recipient must consult with the Agency regarding communication activities relating to the Project in accordance with Schedule 1 – General Conditions, Communications.

12.0 Notice

- 12.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, must be addressed to:

Atlantic Canada Opportunities Agency
P.O. Box 2284, Station Central
Halifax, Nova Scotia
B3J 3C8

Attention: David Chu

or to such address as is designated by the Agency in writing.

- 12.2 Any notice or correspondence to the Recipient must be addressed to:

Swarmio Inc.
1809 Barrington Street
Suite 505
Halifax, Nova Scotia
B3J 3K8

Attention: Vijai Karthigesu

13.0 Entire Agreement

- 13.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments will be made to the Agreement unless agreed upon in writing by both parties.

ARTICLES OF AGREEMENT

14.0 Joint and Several Obligations

- 14.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the “Recipient” or “it” or “its” in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.

15.0 Effective Date

- 15.1 This Agreement will come into effect on the date of last signature by the parties (the “**Effective Date**”). In the event a party has failed to date a signature, the Effective Date will be the date the Agency receives the Agreement signed by all parties.

ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mullen,
Jeffrey

Digitally signed by Mullen, Jeffrey
DN: C=CA, O=GC, OU=ACOA-APECA, CN="Mullen, Jeffrey"
Reason: I am the author of this document
Location: your signing location here
Date: 2022-08-11 10:46:45
Foxit PhantomPDF Version: 10.0.1

Jeff Mullen, Director, Enterprise Development

Date

Project No.: 221709

This Agreement may be executed in separate counterparts, each of which will be deemed to be an original, and such separate counterparts will together constitute one and the same instrument. The executed Agreement may be communicated to the Agency by facsimile transmission, by ACOA Direct, or as otherwise agreed to by the Agency and such will be deemed to be an original for all purposes.

Swarmio Inc.	
Date: _____, 20____ (Insert date of signature)	Signature _____
	Name: _____ (please print)
	Title/Position: _____ (please print)
Date: _____, 20____ (Insert date of signature)	Signature _____
	Name: _____ (please print)
	Title/Position: _____ (please print)

SCHEDULE 1**GENERAL CONDITIONS****1.0 Definitions**

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in the technology developed prior to the beginning of the Project and required for the carrying out of the Project or the exploitation of the Foreground Intellectual Property.

Control Period means the period commencing on the Effective Date and ending on the date when all amounts due by the Recipient to the Agency under this Agreement have been paid in full or otherwise discharged to the satisfaction of the Agency.

Costs Incurred means the Eligible Costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for by monetary payment or has a legal obligation to pay for by monetary payment in the future. Any Eligible Costs received that have been paid or will be paid for by means other than monetary payment, including, without limitations, in-kind and non-cash transactions, do not qualify as Costs Incurred for which the Agency can pay the Contribution.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs listed in Schedule 2 – Statement of Work, that comply with the principles of Schedule 3 – Claims and Costs Principles and that are necessary to carry out the Project.

Equity means the ownership interest or value in the assets of a business, net of all debts, claims and any asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's net worth (i.e. assets minus liabilities equals Equity). Negative Equity exists when the value of the total assets is less than the total liabilities. The Recipient's Equity will be calculated as stated in Equity in the Articles of Agreement.

Foreground Intellectual Property means all technical data, including without limitation, all designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods, applicable special equipment and related technology, processes or other information or know-how conceived, produced, developed or reduced to practice in carrying out the Project, and all rights therein, including without limitation, patents, copyrights, industrial designs, trademarks, and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being

SCHEDULE 1**GENERAL CONDITIONS**

treated by the Recipient as trade secrets or confidential information.

Interest Rate means the rate of interest equal to three percent (3%) higher than the Average Bank Rate.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Resulting Products means the Foreground Intellectual Property and/or all products that, at the sole determination of the Agency, are produced or result from the Project, incorporate results of the Project, use a method, process, equipment or information resulting from the Project and/or, without restricting the generality of the foregoing, that include any Foreground Intellectual Property, inventions, works, writings, designs, devices, and any adaptations, modifications or improvements thereto.

2.0 Representations, Warranties and Undertakings**2.1 Representations, Warranties and Undertakings by the Recipient**

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatory or signatories to the Agreement, as applicable, has or have been duly authorized to execute and deliver the Agreement on behalf of the Recipient.

2.4 Binding Obligations

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that upon execution, the Agreement will constitute a legal, valid and binding obligation on the Recipient

SCHEDULE 1**GENERAL CONDITIONS**

enforceable in accordance with its terms.

2.5 Prior Consents and Representations

The Recipient hereby certifies that all information, representations, consents, authorizations and certifications that form part of or were provided in support of the Recipient's application for assistance for this Project, including, without limitation, all annexes, project plans and attached documents, are, as of the date of execution of the Contribution Agreement, true and correct in all material respects and remain valid and binding on the Recipient. The Recipient undertakes to advise the Agency of any changes during the term of this Agreement that materially affect any such information, representations, consents, authorization and certifications.

2.6 No Pending Suits or Actions

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the term of the Agreement.

2.7 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.8 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.9 Other Agreements

The Recipient represents and warrants that it has not entered, and undertakes not to enter, into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

3.0 Other Financing**3.1** The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's obligations under this Agreement.

SCHEDULE 1**GENERAL CONDITIONS****4.0 Other Government Assistance**

- 4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance that has been, will be or could be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency may adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

5.0 Values and Ethics**5.1 Members of the Senate and House of Commons**

No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.

5.2 Members of a Provincial or Territorial Legislature

Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict-of-interest guidelines in effect during the term of this Agreement.

5.3 Conflict of Interest

The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

6.0 Dispute Resolution

- 6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations, and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

7.0 Restrictions on Distributions

- 7.1 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined for the purpose of this Agreement as any payment to any member, shareholder, director, officer or associate company of the Recipient, including, without limitations, bonuses, dividends, salaries or repayment or

SCHEDULE 1**GENERAL CONDITIONS**

granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

8.0 Lobbying

- 8.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement or the Project is registered pursuant to the said Act.

9.0 Relationship with the Agency

- 9.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

10.0 Termination

- 10.1 The Agreement will terminate at the end of the Control Period.

11.0 Force Majeure**11.1 Event of Force Majeure**

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

11.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

12.0 Communications

- 12.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the ACOA corporate identifier and Canada wordmark or otherwise make reference to the Agency.

SCHEDULE 1**GENERAL CONDITIONS**

- 12.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. Notwithstanding the foregoing, the information referenced in Schedule 5 – Project Fact Sheet for News Release will be considered to be in the public domain on the earlier of: the public announcement of the Project by the Agency or the Recipient, the public disclosure or publication of the said information by the Agency in accordance with applicable legislation, or the expiration of sixty (60) calendar days after the Recipient's acceptance of this Agreement.
- 12.3 The Recipient must advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony will be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 12.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.
- 12.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.

13.0 Material Changes

- 13.1 No material changes will be made to the estimated total scope, the nature or any element of the Project or to any element of the Recipient's operation without the prior written consent of the Agency. A material change includes, but is not limited to, change in the ownership or control of the Recipient or the assets, management, financing, location of the Project or facilities, size of the facilities, timing, expected results, or other government contributions. When consent is requested from the Agency in regard to any material change the Recipient shall provide, in a timely manner, all documentation and information as may be required by the Agency, at its discretion.

14.0 Disposal of Assets

- 14.1 Without limiting the generality of Schedule 1 – General Conditions, Material Changes, the Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the prior written consent of the Agency.

SCHEDULE 1**GENERAL CONDITIONS**

- 14.2 The issuance of such consent, if any, may be made subject to conditions the Agency deems appropriate in the circumstances, at its discretion. Such conditions may include, without limitation, the condition(s) that the Recipient replace the Project Asset(s) disposed of with comparable asset(s) of equal or lesser value for use in the Project, that the Recipient pay the Agency forthwith all funds recovered by the Recipient pursuant to the sale or disposal of the Project Asset(s), and/or that the Recipient pay the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the:

- (a) proceeds of disposition of the Project Asset(s); or
- (b) fair market value of the Project Asset(s).

15.0 Insurance Coverage

- 15.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

16.0 Monitoring, Rights to Audit and Physical Access

- 16.1 During the term of the Agreement, the Recipient shall provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.
- 16.2 The Recipient shall provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.
- 16.3 The Recipient shall, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to verify compliance and ability for compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency, and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary, using the staff of the Agency or of other federal departments or agencies, an independent firm or the Recipient's external auditors.
- 16.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.

SCHEDULE 1**GENERAL CONDITIONS**

- 16.5 The Recipient will assist the Agency with its monitoring of the Agreement and where applicable, will obtain required information from third parties to provide to the Agency and will facilitate the Agency's access to the information and premises of third parties relating to the Agreement.

17.0 Overpayment

- 17.1 Where, for any reason:

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient shall repay the amount of the overpayment to the Agency promptly and no later than thirty (30) calendar days from the date of the notice of such overpayment from the Agency. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

18.0 Right to Set-off

- 18.1 Without limiting the scope of set-off rights available to the Crown at common law, under the *Financial Administration Act* or otherwise, the Agency may:

- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
- (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

19.0 Interest and Administrative Charges**19.1 Payments**

When any payment is received from the Recipient on account of a prepayment of a repayment instalment, an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance in reverse order of maturity.

19.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate, in accordance with the *Interest and*

SCHEDULE 1**GENERAL CONDITIONS**

Administrative Charges Regulations, which may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

19.3 Fee

An administrative fee will be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

20.0 Events of Default

20.1 The following constitute events of default:

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;
- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with Her Majesty in right of Canada.

21.0 Remedies on Default

21.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:

SCHEDULE 1**GENERAL CONDITIONS**

- (a) suspend or terminate any obligation by the Agency to contribute to the Costs Incurred, including any obligation to pay any amount owing prior to the date of such suspension or termination;
 - (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*, as may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.
- 21.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.
- 21.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.
- 22.0 Annual Appropriations**
- 22.1 Parliamentary Allocation
Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1 and ending on the following March 31, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.
- 22.2 Lack of Appropriation
In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.
- 23.0 Notice**
- 23.1 Any notice required to be given with respect to this Agreement must be in writing and

SCHEDULE 1**GENERAL CONDITIONS**

will be effectively given if delivered or sent by ordinary or registered mail, ACOA Direct, courier or fax, addressed to the party for whom the notice is intended. Any notice will be deemed to have been received on delivery. Any notice sent by ACOA Direct or fax will be deemed to have been received one (1) working day after being sent. Any notice sent by mail will be deemed to have been received eight (8) calendar days after being sent.

24.0 Consent of the Agency

- 24.1 Where a consent or an agreement is requested from the Agency under this Agreement, the Agency has the right to grant or refuse the consent or agreement, and where it decides to grant the consent or agreement, to do so subject to such conditions the Agency deems appropriate, at its discretion.

25.0 No Assignment of Agreement

- 25.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

26.0 Indemnity

- 26.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

27.0 Cancellation of Agreement

- 27.1 The Agency may, upon thirty (30) calendar days' notice duly given to the Recipient in accordance with the Notice section of these General Conditions, cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

28.0 *Access to Information Act and Privacy Act*

- 28.1 This Agreement and all information obtained by the Agency in the course of and pursuant to this Agreement and the Recipient's application, will be subject to and treated in accordance with the *Access to Information Act* and the *Privacy Act*, as applicable, and as amended from time to time.
- 28.2 Without limiting the generality of the preceding paragraph, the Recipient acknowledges

SCHEDULE 1

GENERAL CONDITIONS

and agrees that the Agency will proactively publish information regarding this Agreement in accordance with the *Access to Information Act*, as amended from time to time.

29.0 Sharing of Information

- 29.1 The Recipient expressly authorizes the Agency to share all information obtained by the Agency in relation to this Agreement with other departments and agencies of the Government of Canada for the purpose of implementing, administering and monitoring the Program. This includes, without limitation, the Recipient's financial reports and business information as provided to the Agency under this Agreement and the Recipient's application.

30.0 Aboriginal Consultation

- 30.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

31.0 Applicable Law

- 31.1 This Agreement must be interpreted in accordance with the laws in force in the province in which the office of the Agency is located.

SCHEDULE 2**STATEMENT OF WORK****Project Description**

The Recipient will execute its go to market strategy in the Philippines by launching their eSports platform in partnership with Telcelcom Malaysia and Globe Telecom.

Project Location

HALIFAX, NOVA SCOTIA

Project Financing

<u>Project Costs</u>	\$	<u>Financing</u>	\$
Consultant(s)	\$162,000	ACOA Repayable Contribution	\$500,000
Marketing Activities	710,000	Cashflow from Operations	372,000
Total Project Costs	\$872,000	Total Financing	\$872,000
<u>Eligible Costs</u>	\$	<u>Assistance Rate (%)</u>	<u>Contribution (\$)</u>
Consultant(s)	\$90,000	67.568	\$60,800
Marketing Activities	650,000	67.568	439,200
Total Eligible Costs	\$740,000	Total Contribution	\$500,000
<u>Non-Eligible Costs</u>	\$		
Consultant(s)	\$72,000		
Marketing Activities	60,000		
Total Non-Eligible Costs	\$132,000		

Details on Project Activities and Costs

Marketing:

\$650,000 - Swarmio's sales/marketing agreement with TGC, including salaries/wages

\$45,000 - Swarmio's events promotions and giveaways (non-eligible)

\$15,000 - Influencer sponsorships and fees (non-eligible)

Consultants:

\$90,000 - Operations team and network costs

\$45,000 - Infrastructure fees (non-eligible)

\$18,000 - Technical support costs (non-eligible)

\$9,000 - Inventory management (non-eligible)

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

SCHEDULE 2

STATEMENT OF WORK

Expected Project Results

This project will help the Recipient commercialize their eSports platform in the Philippines.

Means of Verification

- 1) Progress reports and final reports
- 2) Product Demo

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****1.0 Claims**

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Costs Incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Costs Incurred being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) if applicable, include a declaration of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient in respect to Costs Incurred but not yet paid to suppliers shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in the Articles of Agreement – Payments, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall submit a confirmation of all confirmed and potential sources of government assistance received in support of the Project and a final payment certificate, on the form provided by the Agency for that purpose, attesting that the Costs Incurred for the entire Project have been paid to the suppliers. The term “paid” herein and in the certification means paid by monetary payment. This certificate must be certified by an authorized signing officer of the Recipient.
- 1.5 Payments to the Recipient may be withheld by the Agency if the Recipient has any outstanding obligations hereunder, including any outstanding reports required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles

- 2.1 Total Eligible Costs of the Project
The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, will be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES****2.2 Incremental Costs**

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional, or costs that would not have otherwise been incurred if not for the implementation of the Project.

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration must be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project that may affect costs.

2.4 Travel Costs

Eligible travel costs include transportation, accommodations and meals (but not incidentals) that are directly attributable to the Project and included in Schedule 2 – Statement of Work. The Agency will reimburse the recipient in regards to kilometers and meal costs incurred by the Recipient during eligible travel at the requested rates or at a maximum of the rates set out in the National Joint Council Directive (the Directive) (www.njc-cnm.gc.ca), as may be amended from time to time. These costs shall be reimbursed using the rates requested by the recipient up to a maximum amount of the kilometric rates as set forth in Appendix B of the Directive and meal allowances as set forth in Appendix C or D of the Directive. Notwithstanding the foregoing, no travel costs will be paid or allocated for transportation, accommodations, kilometers or meals that are either non-eligible or that were at no costs to the Recipient or included as part of other costs incurred (i.e. conference, inclusive-type accommodations, group transportation, etc.).

2.5 General Administrative Costs

General administrative costs include expenditures for office supplies, courier charges,

SCHEDULE 3**CLAIMS AND COSTS PRINCIPLES**

utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.6 Salary and Wages Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

Salary and wages costs must be claimed on the same basis as they are incurred and paid to employees (i.e. weekly, bi-weekly, monthly), as supported by payroll records.

In certain cases, a salaried employee may not work exclusively on the Project. In those instances, only the proportion of their salary based on the actual time spent on the Project, as supported by timesheets or other satisfactory form of time recording may be considered as an Eligible Cost of the Project. In order to determine the proportion of the employee salary for the time spent on the Project (a daily or hourly pay rate), the total amount of work days during a salary year can be reduced by the number of vacation days and statutory holidays to which the employee is entitled during that year, as applicable. No other deduction or mechanisms for increasing the proportion of the time spent on the Project will be allowed without the prior consent of the Agency.

When it has been expressly included in Schedule 2 – Statement of Work, salary costs for the performance of an authorized and incremental role of qualified management personnel may be claimed in accordance with this Schedule.

2.7 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project. The Recipient can claim a rate of fifteen per cent (15%) of salaries and wages for the payroll burden.

2.8 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible. These may include, but are not necessarily restricted to, items such as:

- (a) the cost of land acquisition and any cost related to goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;
- (c) fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation);

SCHEDULE 3

CLAIMS AND COSTS PRINCIPLES

- (d) entertainment expenses (does not include networking receptions) and first-class airfare;
- (e) insurance, except if the cost is directly related to construction and is capitalized (in accordance with Generally Accepted Accounting Principles or International Financial Reporting Standards) as part of the Project;
- (f) dues and other membership fees;
- (g) severance pay, cash-out of unused vacation, bonuses, overtime premium for salaried employees and commissions;
- (h) refinancing of existing debt, any interest costs, bond discounts, and other financing costs; and
- (i) any costs for the purchase of assets that exceed fair market value of the said assets and any costs that would not necessitate an expenditure of cash by the Recipient, such as amortization and in-kind.

2.9 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit and the reimbursement of sales taxes paid by the Recipient for goods and services. These credits must be taken into consideration in calculating Eligible Costs.

SCHEDULE 4**REPORTING REQUIREMENTS****1.0 General****1.1 Progress Report with Each Claim**

The Recipient shall submit a progress report with each claim for payment, on the form provided by the Agency for that purpose, detailing the progress and results of the Project. Each progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual review engagement financial statements within one hundred and eighty (180) days after the end of each fiscal year. The Agency reserves the right to request audited year-end financial statements, when deemed necessary by the Agency, and the Recipient shall provide them, upon written request.
- (b) The Recipient shall provide the above financial information annually until the end of the Control Period.

1.3 Internal Financial Statements

The Agency may at any time request the Recipient to provide a copy of its internally prepared financial statements, when deemed necessary by the Agency, and the Recipient shall provide them, upon written request.

1.4 Report on Project Results

After the final payment of the Contribution by the Agency and until the end of the Control Period, the Recipient shall submit, upon request by the Agency, a report detailing the actual results of the Project as compared to the expected results in Schedule 2 – Statement of Work, using the means of verification identified therein. All deviations must be explained. The report must be satisfactory to the Agency, at its sole discretion. The Agency may request independent third-party verification of this report or of the Project results, and the Recipient shall provide such independent verification upon written request and at its own expense.

SCHEDULE 4

REPORTING REQUIREMENTS

2.0 Other Reports

- 2.1 Prior to any payment exceeding ninety percent (90%) of the total Contribution, the Recipient shall provide a statement of the total funding from all sources for the Project, including total Canadian government funding received.
- 2.2 The Recipient shall submit to the Agency a completed and signed copy of the Client Information Update form annually with its financial statements.

SCHEDULE 5**FACT SHEET FOR NEWS RELEASE****Program:**

The Agency's Regional Economic Growth
through Innovation - Business Scale-Up and
Productivity

Project No:

221709

Name and Address of Recipient:

Swarmio Inc.
1809 Barrington Street
Suite 505
Halifax, Nova Scotia
B3J 3K8

Recipient Contact:

Name: Vijai Karthigesu
Title: CEO & Founder
Telephone: (902) 982-3580
Fax:

Project Location:

HALIFAX, NOVA SCOTIA

Project Type:

REGI - Business Scale-up and Productivity

Agreement Type:

Contribution

Project Description:

The Recipient will execute its go to market strategy in the Philippines by launching their eSports platform in partnership with Tel Telekom Malaysia and Globe Telecom.

Total Project Costs:

\$872,000.00

Eligible Costs:

\$740,000.00

Authorized Assistance:

\$500,000.00

Total Government Funding:

\$500,000.00

Estimated Project Commencement Date: August 31, 2022

Estimated Project Completion Date: August 31, 2023

Client:

Account Number:

Number of Repayments:

Total Repayable:

Swarmio Inc.

221709

84

\$500,000.00

Start Date:

End Date:

2024/03/01

2031/02/01

Payment #	Due Date	P/I/C	Amount Due	Amount Paid to Date	Amount Outstanding
					\$500,000.00
				\$0.00	\$500,000.00
1	2024/03/01	Principal	\$5,953.00		\$494,047.00
2	2024/04/01	Principal	\$5,953.00		\$488,094.00
3	2024/05/01	Principal	\$5,953.00		\$482,141.00
4	2024/06/01	Principal	\$5,953.00		\$476,188.00
5	2024/07/01	Principal	\$5,953.00		\$470,235.00
6	2024/08/01	Principal	\$5,953.00		\$464,282.00
7	2024/09/01	Principal	\$5,953.00		\$458,329.00
8	2024/10/01	Principal	\$5,953.00		\$452,376.00
9	2024/11/01	Principal	\$5,953.00		\$446,423.00
10	2024/12/01	Principal	\$5,953.00		\$440,470.00
11	2025/01/01	Principal	\$5,953.00		\$434,517.00
12	2025/02/01	Principal	\$5,953.00		\$428,564.00
13	2025/03/01	Principal	\$5,953.00		\$422,611.00
14	2025/04/01	Principal	\$5,953.00		\$416,658.00
15	2025/05/01	Principal	\$5,953.00		\$410,705.00
16	2025/06/01	Principal	\$5,953.00		\$404,752.00
17	2025/07/01	Principal	\$5,953.00		\$398,799.00
18	2025/08/01	Principal	\$5,953.00		\$392,846.00
19	2025/09/01	Principal	\$5,953.00		\$386,893.00
20	2025/10/01	Principal	\$5,953.00		\$380,940.00
21	2025/11/01	Principal	\$5,953.00		\$374,987.00
22	2025/12/01	Principal	\$5,953.00		\$369,034.00
23	2026/01/01	Principal	\$5,953.00		\$363,081.00
24	2026/02/01	Principal	\$5,953.00		\$357,128.00
25	2026/03/01	Principal	\$5,953.00		\$351,175.00
26	2026/04/01	Principal	\$5,953.00		\$345,222.00
27	2026/05/01	Principal	\$5,953.00		\$339,269.00
28	2026/06/01	Principal	\$5,953.00		\$333,316.00
29	2026/07/01	Principal	\$5,953.00		\$327,363.00
30	2026/08/01	Principal	\$5,953.00		\$321,410.00
31	2026/09/01	Principal	\$5,953.00		\$315,457.00
32	2026/10/01	Principal	\$5,953.00		\$309,504.00
33	2026/11/01	Principal	\$5,953.00		\$303,551.00
34	2026/12/01	Principal	\$5,953.00		\$297,598.00
35	2027/01/01	Principal	\$5,953.00		\$291,645.00
36	2027/02/01	Principal	\$5,953.00		\$285,692.00
37	2027/03/01	Principal	\$5,953.00		\$279,739.00
38	2027/04/01	Principal	\$5,953.00		\$273,786.00
39	2027/05/01	Principal	\$5,953.00		\$267,833.00
40	2027/06/01	Principal	\$5,953.00		\$261,880.00
41	2027/07/01	Principal	\$5,953.00		\$255,927.00

42	2027/08/01	Principal	\$5,953.00	\$249,974.00
43	2027/09/01	Principal	\$5,953.00	\$244,021.00
44	2027/10/01	Principal	\$5,953.00	\$238,068.00
45	2027/11/01	Principal	\$5,953.00	\$232,115.00
46	2027/12/01	Principal	\$5,953.00	\$226,162.00
47	2028/01/01	Principal	\$5,953.00	\$220,209.00
48	2028/02/01	Principal	\$5,953.00	\$214,256.00
49	2028/03/01	Principal	\$5,953.00	\$208,303.00
50	2028/04/01	Principal	\$5,953.00	\$202,350.00
51	2028/05/01	Principal	\$5,953.00	\$196,397.00
52	2028/06/01	Principal	\$5,953.00	\$190,444.00
53	2028/07/01	Principal	\$5,953.00	\$184,491.00
54	2028/08/01	Principal	\$5,953.00	\$178,538.00
55	2028/09/01	Principal	\$5,953.00	\$172,585.00
56	2028/10/01	Principal	\$5,953.00	\$166,632.00
57	2028/11/01	Principal	\$5,953.00	\$160,679.00
58	2028/12/01	Principal	\$5,953.00	\$154,726.00
59	2029/01/01	Principal	\$5,953.00	\$148,773.00
60	2029/02/01	Principal	\$5,953.00	\$142,820.00
61	2029/03/01	Principal	\$5,953.00	\$136,867.00
62	2029/04/01	Principal	\$5,953.00	\$130,914.00
63	2029/05/01	Principal	\$5,953.00	\$124,961.00
64	2029/06/01	Principal	\$5,953.00	\$119,008.00
65	2029/07/01	Principal	\$5,953.00	\$113,055.00
66	2029/08/01	Principal	\$5,953.00	\$107,102.00
67	2029/09/01	Principal	\$5,953.00	\$101,149.00
68	2029/10/01	Principal	\$5,953.00	\$95,196.00
69	2029/11/01	Principal	\$5,953.00	\$89,243.00
70	2029/12/01	Principal	\$5,953.00	\$83,290.00
71	2030/01/01	Principal	\$5,953.00	\$77,337.00
72	2030/02/01	Principal	\$5,953.00	\$71,384.00
73	2030/03/01	Principal	\$5,953.00	\$65,431.00
74	2030/04/01	Principal	\$5,953.00	\$59,478.00
75	2030/05/01	Principal	\$5,953.00	\$53,525.00
76	2030/06/01	Principal	\$5,953.00	\$47,572.00
77	2030/07/01	Principal	\$5,953.00	\$41,619.00
78	2030/08/01	Principal	\$5,953.00	\$35,666.00
79	2030/09/01	Principal	\$5,953.00	\$29,713.00
80	2030/10/01	Principal	\$5,953.00	\$23,760.00
81	2030/11/01	Principal	\$5,953.00	\$17,807.00
82	2030/12/01	Principal	\$5,953.00	\$11,854.00
83	2031/01/01	Principal	\$5,953.00	\$5,901.00
84	2031/02/01	Principal	\$5,901.00	\$0.00

**This is Exhibit “Q” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Faleim

A027020446B742A...

A COMMISSIONER FOR TAKING AFFIDAVITS

UNSECURED PROMISSORY NOTE

Principal Amount: US\$ 100,000.00

Date of Issue: September 12, 2022

Lender: Elie Jeitani

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the “Borrower”), promises to pay to the order of the lender named above (the “Lender”) the principal amount indicated above, in lawful money of Canada and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. **Loan.** This Unsecured Promissory Note (this “Note”) evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the “Loan”), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. **Payment; Interest Rate.**

(a) **Principal.** The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) December 31, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$5,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.

(b) **Interest.** The outstanding principal balance of this Note shall bear simple interest, at an annual rate of fifteen percent (15%) per annum, payable on the Maturity Date.

(c) **Maximum Amount of Interest.** In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal owed by Borrower first, to the unpaid balance of principal on this Note, and, if any excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) **Application of Payments.** All payments made hereunder shall be applied first, to any fees or expenses owing to the Lender hereunder, second, to accrued and

unpaid interest, and third to principal outstanding hereunder.

3. **Security.** The loan will rank pari passu with all senior secured loans.

4. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication s shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email if sent during normal business hours of the recipient on a business day, or if not, then on the next business day; or (c) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt (or, in the case of non-U.S. residents, two (2) business days after deposit with an internationally recognized overnight courier, specifying international priority delivery, with written verification of receipt). All communications shall be sent to the Borrower at 1809 Barrington Street, Suite 505, Halifax, Nova Scotia, B3J 3K8, Canada. Attn. Jonathan Visva, jonathan@swarmio.media or at such other address as the Purchaser may designate by ten (10) days advance written notice to the other parties hereto.

5. **Payments.** In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 4) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

6. **WAIVER OF JURY TRIAL AND CERTAIN DAMAGES.** The Borrower irrevocably waives, and the Lender by its acceptance hereof waives, any right or claim to a trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of or related to this Note or the other Security Documents or any related document. The Borrower further waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. This provision is a material inducement for the Lender to enter the loan relationship evidenced hereby.

[signature page follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

By: _____

Name: Vijai karthigesu

Title: CEO

UNSECURED PROMISSORY NOTE

Principal Amount: US\$ 100,000.00

Date of Issue: December 6, 2022

Lender: Elie Jeitani

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the "Borrower"), promises to pay to the order of the lender named above (the "Lender") the principal amount indicated above, in lawful money of Canada and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. Loan. This Unsecured Promissory Note (this "Note") evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the "Loan"), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. Payment; Interest Rate.

(a) Principal. The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) January 31, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$5,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the "Maturity Date".

(b) Interest. The outstanding principal balance of this Note shall bear simple interest, at an annual rate of fifteen percent (15%) per annum, payable on the Maturity Date.

(c) Maximum Amount of Interest. In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal owed by Borrower first, to the unpaid balance of principal on this Note, and, if any excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) Application of Payments. All payments made hereunder shall be applied first, to any fees or expenses owing to the Lender hereunder, second, to accrued and

unpaid interest, and third to principal outstanding hereunder.

3. **Security.** The loan will rank pari passu with all senior secured loans.

4. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication s shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email if sent during normal business hours of the recipient on a business day, or if not, then on the next business day; or (c) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt (or, in the case of non-U.S. residents, two (2) business days after deposit with an internationally recognized overnight courier, specifying international priority delivery, with written verification of receipt). All communications shall be sent to the Borrower at 1809 Barrington Street, Suite 505, Halifax, Nova Scotia, B3J 3K8, Canada. Attn. Jonathan Visva, jonathan@swarmio.media or at such other address as the Purchaser may designate by ten (10) days advance written notice to the other parties hereto.

5. **Payments.** In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 4) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

6. **Payment offset.** Swarmio agrees with the lender to offset the repayments from the Swarmio's share of the amounts received from Etisalat UAE by Westbridge periodically.

7. **WAIVER OF JURY TRIAL AND CERTAIN DAMAGES.** The Borrower irrevocably waives, and the Lender by its acceptance hereof waives, any right or claim to a trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of or related to this Note or the other Security Documents or any related document. The Borrower further waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. This provision is a material inducement for the Lender to enter the loan relationship evidenced hereby.

[signature page follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

By: _____

Name: Vijai karthigesu

Title: CEO

UNSECURED PROMISSORY NOTE

Principal Amount: US\$ 100,000.00

Date of Issue: January 3, 2023

Lender: Elie Jeitani

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the “Borrower”), promises to pay to the order of the lender named above (the “Lender”) the principal amount indicated above, in lawful money of Canada and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. **Loan.** This Unsecured Promissory Note (this “Note”) evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the “Loan”), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. **Payment; Interest Rate.**

(a) **Principal.** The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) January 31, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$5,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.

(b) **Interest.** The outstanding principal balance of this Note shall bear simple interest, at an annual rate of fifteen percent (15%) per annum, payable on the Maturity Date.

(c) **Maximum Amount of Interest.** In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal owed by Borrower first, to the unpaid balance of principal on this Note, and, if any excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) **Application of Payments.** All payments made hereunder shall be applied first, to any fees or expenses owing to the Lender hereunder, second, to accrued and

unpaid interest, and third to principal outstanding hereunder.

3. **Security.** The loan will rank pari passu with all senior secured loans.

4. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication s shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email if sent during normal business hours of the recipient on a business day, or if not, then on the next business day; or (c) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt (or, in the case of non-U.S. residents, two (2) business days after deposit with an internationally recognized overnight courier, specifying international priority delivery, with written verification of receipt). All communications shall be sent to the Borrower at 1809 Barrington Street, Suite 505, Halifax, Nova Scotia, B3J 3K8, Canada. Attn. Jonathan Visva, jonathan@swarmio.media or at such other address as the Purchaser may designate by ten (10) days advance written notice to the other parties hereto.

5. **Payments.** In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 4) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

6. **Payment offset.** Swarmio agrees with the lender to offset the repayments from the Swarmio's share of the amounts received from Etisalat UAE by Westbridge periodically.

7. **WAIVER OF JURY TRIAL AND CERTAIN DAMAGES.** The Borrower irrevocably waives, and the Lender by its acceptance hereof waives, any right or claim to a trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of or related to this Note or the other Security Documents or any related document. The Borrower further waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. This provision is a material inducement for the Lender to enter the loan relationship evidenced hereby.

[signature page follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

By: _____

Name: Vijai karthigesu

Title: CEO



● 1809 Barrington Street,
Suite 505
Halifax, Nova Scotia,
B3J 3K8, Canada.

PROMISSORY NOTE

Principal Amount: USD200,000

Date of Issue: February 28, 2023

Lender: Elie Jeitani, Baabda, Street 1001, Edge Building Apt 3B, Beirut, Lebanon 1003
(Phone: + 961 3 665 265)

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the "Borrower"), promises to pay to the order of the lender named above (the "Lender") the principal amount indicated above, in lawful money of United States and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. **Loan.** This Promissory Note (this "Note") evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the "Loan"), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. **Payment; Interest Rate.**

(a) **Principal.** The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) March 31, 2023 or (ii) the date on which the Borrower closes a bridge and or equity financing with gross proceeds to the Borrower of at least US\$1,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the "Maturity Date". The maturity date is effective regardless of the success or failure of the borrower to raise the equity financing.

(b) **Interest.** The outstanding principal balance of this Note shall bear simple interest, at an annual rate of twenty five percent (25%) per annum, payable on the Maturity Date. In any event, a minimum one-month interest will be payable on repayment.

(c) **Maximum Amount of Interest.** In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal owed by Borrower first, to the unpaid balance of principal on this Note, and, if any excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) **Application of Payments.** All payments made hereunder shall be applied first to any fees or expenses owing to the Lender hereunder, second, to accrued and unpaid interest, and third to principal outstanding hereunder.

3. Prepayment. Upon the occurrence of an Event of Default (as defined in Section 6), the outstanding principal balance of and all interest accrued thereon pursuant to this Note shall be accelerated and shall become immediately due and payable. The Borrower may prepay all of the outstanding hereunder at any time in whole (but not in part) without penalty, and any amount so prepaid shall be applied in accordance with Section 2(d) hereof.

4. Miscellaneous. No extension of time for payment of any amount owing hereunder shall affect the liability of the Borrower for payment of the indebtedness evidenced hereby. No delay by any holder hereof in exercising any power or right hereunder shall operate as a waiver of any power or right hereunder. No waiver or modification of the terms of this Note shall be valid unless in writing and signed by the Borrower and the Lender. In case any provision contained herein (or part thereof) shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or other unenforceability shall not affect any other provision (or the remaining part of the affected provision) hereof, but this Note shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent that such provision is invalid, illegal or unenforceable.

5. Notices. Any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Note.

6. Successors and Assigns. All of the covenants, stipulations, promises, and agreements in this Note contained by or on behalf of the Borrower shall bind its successors and assigns, whether so expressed or not. The Borrower may not assign this Note without the prior written consent of Lender. This Note may be transferred or assigned by Lender, in whole or in part, without the prior written consent of the Borrower.

7. Payments. In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment or prepayment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 3) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

8. Applicable Law

This Agreement shall be governed by the laws of England and Wales without reference to its conflict of law principles. If a dispute arises out of or relates to this Agreement or its breach and the dispute cannot be settled within twenty (20) business days through negotiation or such shorter period as may be reasonable in the circumstances, the claiming Party, at its sole discretion, shall submit such

residual dispute for final settlement to the courts of England and Wales or under the Rules of Arbitration of the International Chamber of Commerce (“ICC”) by one or more arbitrators appointed in accordance with the said Rules. The other Party shall not contest the claiming Party’s election of the English courts and/or ICC arbitration on grounds of inconvenient forum or at all. Where one Party has elected to resolve a dispute using arbitration rather than the courts of England and Wales, either Party shall have recourse to and both Parties agree to be bound by the pre-arbitral referee procedure of the ICC in accordance with its Rules for a Pre-Arbitral Referee Procedure. Any procedure followed pursuant to the operation of this Section will be held at a neutral site in London, England, and conducted in the English language. The arbitrator will determine issues of arbitrability, including the applicability of any statute of limitation, but may not limit, expand or otherwise modify the terms of the Agreement. The arbitrator's decision and award will be in writing, setting forth the legal and factual basis. The arbitrator may in appropriate circumstances provide for injunctive relief (including interim relief). An arbitration decision and award will only be subject to review because of errors of law. The arbitrator shall be entitled to make an award of costs to the prevailing Party. The Parties, other participants and the arbitrator will hold the existence, content and result of the arbitration in confidence, except to the extent necessary to enforce a final settlement agreement or to obtain and enforce a judgment on an arbitration award.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

By: _____
Name: Vijai Karthigesu
Title: CEO

**This is Exhibit “R” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakhim

A927328446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS

EXTENSION AGREEMENT

THIS AGREEMENT is entered into as of April 28, 2023 between Swarmio Media Holdings Inc. (the “**Borrower**”) and Elie Jeitani (the “**Lender**”).

WHEREAS the Borrower and the Lender are parties to a secured promissory note in the principal amount of US\$100,000 issued by the Borrower in favour of the Lender on December 6, 2022 (the “**Note**”);

AND WHEREAS the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) December 6, 2022 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$5,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

AND WHEREAS the first extension to the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) January 31, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$5,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

AND WHEREAS the second extension to the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) February 28, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$5,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

AND WHEREAS the third extension to the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) March 31, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$5,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

AND WHEREAS the fourth extension to the Note is to be repaid by the Borrower on demand by the Lender at any time on or after the earlier of (i) April 30, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$5,000,000, and the Borrower and the Lender wish to extend the time for repayment as set out herein;

NOW THEREFORE, for good and valuable consideration, including but not limited to the additional interest that the Lender will receive on the Note during the extended term, the receipt and sufficiency of which is confirmed, the Borrower and the Lender agree as follows:

1. Section 3(a) of the Note is deleted and replaced with the following:

(a) Principal. The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) May 31, 2023 or (ii) the date on which the Borrower closes an equity financing with gross proceeds to the Borrower of at least US\$5,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the “Maturity Date”.

2. All other terms of the Note and the documents entered into between the Borrower and the Lender in connection with the issuance of the Note, remain in full force and effect unamended.
3. This Agreement shall be governed by the internal law and not the law of conflicts of the Province of Ontario
4. This Agreement may be signed in counterparts, including by electronic signature or transmission, and such counterparts shall together constitute one and the same agreement with the same effect as an originally signed document.

**SWARMIO MEDIA
HOLDINGS INC.**

Per: _____
Jonathan Visva

ELIE JEITANI

**This is Exhibit “S” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakeim

A COMMISSIONER FOR TAKING AFFIDAVITS



● 1809 Barrington Street,
Suite 505
Halifax, Nova Scotia,
B3J 3K8, Canada.

PROMISSORY NOTE

Principal Amount: USD100,000

Date of Issue: February 28, 2023

Lender: Georges Azar, Evropis 9, adamantia 22, Flat 201 Ayios Omologites, 1087 Nicosia, Cyprus

FOR VALUE RECEIVED, Swarmio Media Holdings Inc, a corporation organized under the laws of British Columbia (the "Borrower"), promises to pay to the order of the lender named above (the "Lender") the principal amount indicated above, in lawful money of United States and to pay interest on the outstanding balance of such principal amount from and after the date of issue indicated above as set forth herein.

1. Loan. This Promissory Note (this "Note") evidences certain debt of the Borrower owed to the Lender in respect of a loan made to the Borrower by the Lender on the date of this Note (the "Loan"), which Borrower acknowledges receipt of such loan in the face amount of this Note.

2. Payment; Interest Rate.

(a) Principal. The outstanding principal hereof shall be payable on demand by the Lender at any time on or after the earlier of (i) March 31, 2023 or (ii) the date on which the Borrower closes a bridge and or equity financing with gross proceeds to the Borrower of at least US\$1,000,000. The date on which repayment is demanded in accordance with this Section is referred to as the "Maturity Date". The maturity date is effective regardless of the success or failure of the borrower to raise the equity financing.

(b) Interest. The outstanding principal balance of this Note shall bear simple interest, at an annual rate of twenty five percent (25%) per annum, payable on the Maturity Date. In any event, a minimum one-month interest will be payable on repayment.

(c) Maximum Amount of Interest. In no contingency or event whatsoever shall the rate or amount of interest paid by Borrower under this Note exceed the maximum amount permissible under any law which a court of competent jurisdiction shall, in a final determination, deems applicable. In the event that such a court determines that Lender has received interest under this Note in excess of the maximum amount permitted by such law, (i) Lender shall apply such excess to any unpaid principal owed by Borrower first, to the unpaid balance of principal on this Note, and, if any excess interest remains thereafter, the Lender shall promptly refund such excess interest to Borrower and (ii) the provisions of this Note shall be deemed amended with retroactive effect to provide for such highest permissible rate.

(d) **Application of Payments.** All payments made hereunder shall be applied first to any fees or expenses owing to the Lender hereunder, second, to accrued and unpaid interest, and third to principal outstanding hereunder.

3. **Prepayment.** Upon the occurrence of an Event of Default (as defined in Section 6), the outstanding principal balance of and all interest accrued thereon pursuant to this Note shall be accelerated and shall become immediately due and payable. The Borrower may prepay all of the outstanding hereunder at any time in whole (but not in part) without penalty, and any amount so prepaid shall be applied in accordance with Section 2(d) hereof.

4. **Miscellaneous.** No extension of time for payment of any amount owing hereunder shall affect the liability of the Borrower for payment of the indebtedness evidenced hereby. No delay by any holder hereof in exercising any power or right hereunder shall operate as a waiver of any power or right hereunder. No waiver or modification of the terms of this Note shall be valid unless in writing and signed by the Borrower and the Lender. In case any provision contained herein (or part thereof) shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or other unenforceability shall not affect any other provision (or the remaining part of the affected provision) hereof, but this Note shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent that such provision is invalid, illegal or unenforceable.

5. **Notices.** Any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Note.

6. **Successors and Assigns.** All of the covenants, stipulations, promises, and agreements in this Note contained by or on behalf of the Borrower shall bind its successors and assigns, whether so expressed or not. The Borrower may not assign this Note without the prior written consent of Lender. This Note may be transferred or assigned by Lender, in whole or in part, without the prior written consent of the Borrower.

7. **Payments.** In any case where a payment of principal or interest hereon is due on a non-business day, the Borrower shall be entitled to delay such payment until the next succeeding business day, but interest shall continue to accrue until the payment is, in fact, made. Each payment or prepayment hereon must be paid at the address of Lender set forth above (or as otherwise notified to the Borrower in accordance with Section 3) in lawful money as therein specified and may be made at the Borrower's election by the Borrower's check, by wire transfer, or by bank or cashier's check.

8. **Applicable Law**

This Agreement shall be governed by the laws of England and Wales without reference to its conflict of law principles. If a dispute arises out of or relates to this Agreement or its breach and the dispute cannot be settled within twenty (20) business days through negotiation or such shorter period as may be reasonable in the circumstances, the claiming Party, at its sole discretion, shall submit such residual dispute for final settlement to the courts of England and Wales or under the Rules of

Arbitration of the International Chamber of Commerce (“ICC”) by one or more arbitrators appointed in accordance with the said Rules. The other Party shall not contest the claiming Party’s election of the English courts and/or ICC arbitration on grounds of inconvenient forum or at all. Where one Party has elected to resolve a dispute using arbitration rather than the courts of England and Wales, either Party shall have recourse to and both Parties agree to be bound by the pre-arbitral referee procedure of the ICC in accordance with its Rules for a Pre-Arbitral Referee Procedure. Any procedure followed pursuant to the operation of this Section will be held at a neutral site in London, England, and conducted in the English language. The arbitrator will determine issues of arbitrability, including the applicability of any statute of limitation, but may not limit, expand or otherwise modify the terms of the Agreement. The arbitrator's decision and award will be in writing, setting forth the legal and factual basis. The arbitrator may in appropriate circumstances provide for injunctive relief (including interim relief). An arbitration decision and award will only be subject to review because of errors of law. The arbitrator shall be entitled to make an award of costs to the prevailing Party. The Parties, other participants and the arbitrator will hold the existence, content and result of the arbitration in confidence, except to the extent necessary to enforce a final settlement agreement or to obtain and enforce a judgment on an arbitration award.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered by its authorized officer as of the date first above written.

SWARMIO MEDIA HOLDINGS INC.

By: _____
Name: Vijai Karthigesu
Title: CEO

**This is Exhibit "T" referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

SUBSCRIPTION AGREEMENT FOR CONVERTIBLE PROMISSORY NOTE

TO: SWARMIO MEDIA HOLDINGS INC. (the "Corporation")

The undersigned (the "Subscriber") hereby irrevocably subscribes for and agrees to purchase from the Corporation, on the terms and conditions herein (the "Subscription Agreement"), a convertible promissory note (the "Note") on the terms set out below for the total aggregate subscription price equal to the principal amount set forth below (the "Aggregate Subscription Price"). The Note subscribed for herein form part of a larger sale of similar notes by the Corporation in one or more closings (the "Offering"). The Subscriber agrees to be bound by the terms and conditions set forth in the attached "Terms and Conditions of Subscription for Convertible Promissory Note" including without limitation the representations, warranties and covenants set forth in the applicable Schedules attached thereto. This subscription is subject to acceptance by the Corporation and may be accepted as to a smaller principal amount than the amount set out below as may be determined by the Corporation in its discretion.

SUBSCRIPTION AND SUBSCRIBER INFORMATION

Wittigsberg a.s.

(Name of Subscriber)

By:

Authorized Signatures

CEO and Member of the Board Member of the Board
(Official Capacity or Title – please print)

Michal Kutzendörfer Emil Kováč

Please print name of individual whose signature appears above if different than the name of the Subscriber printed above.

Pujmanová 1753/10a, Nusle, 140 00
(Subscriber's Address)

Prague, Czech Republic

+420 602 263 381
(Telephone Number)

kutzendorfer@wittigsberg.com
(E-mail Address)

Principal Amount of Note: US\$500,000.00

If the person signing this Subscription Agreement is signing as agent for one or more beneficial purchasers and is not a trust company or a trust corporation acting on behalf of a fully managed account managed by it or a person acting on behalf of a fully managed account managed by it, you must complete the following and ensure that the attached Schedules are completed on behalf of each beneficial purchaser.

(Name of Principal and Account Reference (if applicable))

(Principal's address)

(Telephone Number)

(E-mail Address)

Account Registration Information:

(Account Registration)

(Address)

Delivery Instructions as set forth below:

Wittigsberg a.s.

Attention: Michal Kutzendörfer
(Name)

Pujmanová 1753/10a, Nusle, 140 00, Prague, Czech Republic
(Address)
+420 602 263 381
(Telephone Number)



ACCEPTANCE: The Corporation hereby accepts the subscription for the Note as set forth on the face page of this Subscription Agreement on the terms and conditions contained in this Subscription Agreement (including all applicable Schedules) this _____

SWARMIO MEDIA HOLDINGS INC.

ADDRESS: 1809

Barrington Street, Suite #505 Halifax,
NS B3J 3K8

BANK DETAILS:

Swarmio (Beneficiary)

CIBC Bank address: 199 Bay Street
Toronto, ON M5L 1G9

Institution code: 0010

Branch: 00002

Account (US \$): 0397016

Swift code: CIBCCATT

Per: 

"Authorized Signing Officer"



**TERMS AND CONDITIONS OF
SUBSCRIPTION FOR CONVERTIBLE PROMISSORY NOTE**

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Whenever used in this Subscription Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and phrases shall have the respective meanings ascribed to them as follows:

"Accredited Investor" means an "accredited investor" within the meaning of NI 45-106 and, in Ontario, as defined in Section 73.3 of the *Securities Act* (Ontario) as supplemented by the definition in NI 45-106.

"Aggregate Subscription Price" shall have the meaning ascribed to such term on the face page of this Subscription Agreement.

"Applicable Laws" means, in relation to any person or persons, the Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority that are applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities.

"Business Day" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Canada are not open for business.

"Closing" shall have the meaning ascribed to such term in Section 4.1.

"Closing Date" shall have the meaning ascribed to such term in Section 4.1.

"Closing Time" shall have the meaning ascribed to such term in Section 4.1.

"Common Share" or **"Common Shares"** means common shares in the capital of the Corporation, as presently constituted.

"Corporation" means Swarmio Media Holdings Inc. and includes any successor corporation to or of the Corporation.

"CSE" means the Canadian Securities Exchange.

"Governmental Authority" means any (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board, or authority of any of the foregoing, or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing.

"Material Change" has the meaning given to such term in the *Securities Act* (Ontario).

"Note" shall have the meaning ascribed to such term on the face page of this Subscription Agreement.

"Note Shares" shall mean the Common Shares issuable on conversion of the Note in accordance with its terms.

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators promulgated under the securities legislation of each of the provinces of Canada.



"Offering Jurisdictions" means all of the provinces of Canada, the United States and such other jurisdictions as the Corporation may determine from time to time.

"Person" includes (a) an individual, (b) a corporation, (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and (d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative.

"Private Placement" means the offering of convertible promissory notes pursuant to this Subscription Agreement.

"Schedules" means the schedules attached hereto and forming an integral part hereof.

"Securities" means collectively the Notes and Note Shares.

"Securities Laws" means, as applicable, the securities laws, regulations, rules, rulings and orders in each of the provinces and territories of Canada, and the applicable policy statements issued by the securities regulators in each of the provinces and territories of Canada, and the rules of the CSE, having application over this Private Placement and the Corporation including those laws in the jurisdiction in which the Subscriber is ordinarily resident.

"Securities Regulators" means the securities commissions or other securities regulatory authorities in the Canadian Offering Jurisdictions.

"Subscriber" means the subscriber for the Note as set out on the face page of this Subscription Agreement and includes, as applicable, such beneficial person(s) on whose behalf the Subscriber is contracting hereunder.

"Subscription Agreement" means this subscription agreement (including any Schedules hereto) and any instrument amending this Subscription Agreement; **"hereof"**, **"hereto"**, **"hereunder"**, **"herein"** and similar expressions mean and refer to this Subscription Agreement and not to a particular Article or Section; and the expression **"Article"** or **"Section"** followed by a number means and refers to the specified Article or Section of this Subscription Agreement.

"United States" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"U.S. Person" shall have the meaning ascribed to such term in Rule 902(k) of Regulation S (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized, or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. Person).

"U.S. Securities Act" means the United States Securities Act of 1933, as amended.

1.2 Gender and Number

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations and vice versa.

1.3 Currency

Unless otherwise specified, all dollar amounts in this Subscription Agreement, including the symbol "\$", are expressed in United States dollars.



1.4 Subdivisions and Headings

The division of this Subscription Agreement into articles, sections, Schedules and other subdivisions, and the inclusion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Subscription Agreement. The headings in this Subscription Agreement are not intended to be full or precise descriptions of the text to which they refer. Unless something in the subject matter or context is inconsistent therewith, references herein to an article, section, subsection, paragraph, clause or Schedule are to the applicable article, section, subsection, paragraph, clause or Schedule of this Subscription Agreement.

ARTICLE 2 SCHEDULES

2.1 Description of Schedules

The following are the Schedules attached to and incorporated in this Subscription Agreement by reference and deemed to be an integral part hereof:

Schedule "A"	-	Particulars of Subscriber
Schedule "B"	-	Canadian Accredited Investor Certificate
Schedule "C"	-	Canadian FFBA Investor Certificate
Schedule "D"	-	Foreign Purchaser's Certificate
Schedule "E"	-	Form of Note
Exhibit I		CSE Personal Information Collection Policy Regarding Form 9

ARTICLE 3 SUBSCRIPTION FOR NOTE

3.1 Subscription for Note

The Subscriber hereby confirms its irrevocable subscription for and offer to purchase the Note from the Corporation, on and subject to the terms and conditions set out in this Subscription Agreement, for the Aggregate Subscription Price which is payable as described in Article 4 hereto.

3.2 Description of Note

The Note shall be in the form attached hereto as Schedule "E". Any description of the Note set forth in this Subscription Agreement is a summary only and is subject to the detailed provisions of the Note in Schedule "E".

ARTICLE 4 CLOSING

4.1 Closing

Delivery and sale of the Note and payment of the subscription price to the Corporation will be completed (the "Closing") at the offices of the Corporation's counsel, LaBarge Weinstein LLP, 515 Legget Drive, Suite 800, Ottawa, Ontario K2K 3G4 at such time as the Corporation may determine (the "Closing Time") on such date as the Corporation may determine (the "Closing Date"). The signed Subscription Agreement and aggregate subscription price hereunder must be delivered to the Corporation on or prior to 12:00 p.m. (noon) (Ottawa time) on the business day prior to the Closing Date. If, prior to the Closing Time, the terms and conditions contained in this Subscription



Agreement have not been complied with to the satisfaction of the Corporation or the Subscriber, or waived by them, as applicable, the Corporation and the Subscriber will have no further obligations under this Subscription Agreement.

4.2 Corporation's Conditions of Closing

The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is acting hereunder, acknowledges and agrees that the obligations of the Corporation hereunder are conditional on the accuracy of the representations and warranties of the Subscriber contained in this Subscription Agreement as of the date of this Subscription Agreement, and as of the Closing Time as if made at and as of the Closing Time, the Corporation having accepted this Subscription Agreement on or before the Closing Time, and the fulfillment of the following additional conditions as soon as possible and in any event not later than the Closing Time:

- (a) payment by the Subscriber of the Aggregate Subscription Price by certified cheque, bank draft or by electronic money transfer to the Corporation or as the Corporation may otherwise direct;
- (b) the Subscriber having properly completed, signed and delivered this Subscription Agreement to the Corporation;
- (c) the Subscriber having properly completed and delivered the Particulars of Subscriber, in the form attached hereto as Schedule "A", to the Corporation;
- (d) no matter which jurisdiction the Subscriber is resident in, either:
 - (i) if the Subscriber is purchasing the Note as an Accredited Investor, the Subscriber having properly completed, signed and delivered the Canadian Accredited Investor Certificate, in the form attached hereto as Schedule "B", and, if applicable, Appendix "A" to Schedule "B", to the Corporation; or
 - (ii) if the Subscriber is purchasing as a "family member, close personal friend or close personal business associate, not an Accredited Investor, the Subscriber having properly completed, signed and delivered the Canadian FFBA Investor Certificate, in the form attached hereto as Schedule "C", and if:
 - (A) a resident in Ontario, a properly completed, signed and delivered Risk Acknowledgement Form for Family, Friend and Business Associate Investors, in the form attached as Appendix "A" to Schedule "C"; or
 - (B) a resident in Saskatchewan, a properly completed, signed and delivered Risk Acknowledgement Saskatchewan Close Personal Friends and Close Business Associates, in the form attached as Appendix "B" to Schedule "C";
- (e) if the Subscriber is not a person resident in Canada, the Subscriber having properly completed, signed and delivered the Foreign Purchaser's Certificate, in the form attached hereto as Schedule "D", to the Corporation;
- (f) the sale of the Note being exempt from the prospectus and registration requirements under applicable Securities Laws; and
- (g) such other documents as may be requested by the Corporation or as otherwise contemplated by this Subscription Agreement.



ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

5.1 Representations and Warranties of the Corporation

The Corporation represents and warrants to the Subscriber, and acknowledges that the Subscriber is relying upon such representations and warranties, that:

- (a) the Corporation has the full corporate power and authority to execute and deliver this Subscription Agreement and to issue the Note;
- (b) this Subscription Agreement constitutes, and when issued the Note will constitute, a binding obligation of the Corporation enforceable in accordance with its terms; and
- (c) the execution and delivery of, and the performance of the terms of, this Subscription Agreement by the Corporation, including the issuance of the Note pursuant hereto does not and will not constitute a breach of or default under the constating documents of the Corporation or any law, regulation, order or ruling applicable to the Corporation or any agreement, contract or indenture to which the Corporation is a party or by which it is bound.

ARTICLE 6 ACKNOWLEDGEMENTS, COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE SUBSCRIBER

6.1 Representations, Warranties and Covenants of the Subscriber

The Subscriber (on its own behalf and, if applicable, on behalf of others for whom it is acting hereunder) hereby represents and warrants to and covenants with the Corporation as follows, and acknowledges that the Corporation and its legal counsel are relying thereon, both at the date hereof and at the Closing Time:

- (a) The Subscriber and any beneficial purchaser for whom it is acting has knowledge in financial and business affairs, is capable of evaluating the merits and risks of an investment in the Securities and is able to bear the economic risk of such investment even if the entire investment is lost.
- (b) The Subscriber and each beneficial purchaser for whom it is acting is a resident in the jurisdiction set out on the face page of this Subscription Agreement. Such address was not created and is not used solely for the purpose of acquiring the Note and the Subscriber and any beneficial purchaser was solicited to purchase Note in such jurisdiction.
- (c) The Subscriber, or any beneficial purchaser for whom it is acting, is:
 - (i) **Accredited Investor (Subscribers resident in any province of Canada)** - an Accredited Investor, and has properly completed, executed and delivered to the Corporation, the Canadian Accredited Investor Certificate in the form attached hereto as Schedule "B", and, if applicable, Appendix "A" to Schedule "B", and the information contained therein is true and correct; OR
 - (ii) **Friend, Family Or Business Associate (Subscribers resident in any province of Canada)** - a person who falls under one of the prescribed categories set forth in Section 2.5 - *Family, friends and business associates* of NI 45-106, and if resident in Ontario or Saskatchewan, has properly completed, executed and delivered to the Corporation the risk acknowledgement form required by Section 4.2(d)(ii)(A) or 4.2(d)(ii)(B) hereof, respectively, in connection with his, her or its subscription hereunder.



- (iii) **Non-Resident of Canada** -- If the Subscriber is a person not resident in Canada, it has properly completed, executed and delivered to the Corporation, the Canadian Accredited Investor Certificate in the form attached hereto as Schedule "B" and the Foreign Purchaser's Certificate in the form attached hereto as Schedule "D", and the information contained therein is true and correct.
- (d) The information, representations, warranties and covenants contained in the applicable Schedules will be true and correct both as of the date of execution of this Subscription Agreement and as of the Closing Time.
- (e) Neither the Subscriber nor any person for whom it is acting will offer, sell or otherwise dispose of the Securities in the United States or to a U.S. Person unless the Corporation has consented to such offer, sale or disposition and such offer, sale or distribution is made in accordance with an exemption from the registration requirements under the U.S. Securities Act and the securities laws of all applicable states of the United States or the U.S. Securities and Exchange Commission has declared effective a registration statement in respect of such securities.
- (f) The execution and delivery of this Subscription Agreement, the performance and compliance with the terms hereof, the subscription for the Note and the completion of the transactions described herein by the Subscriber, or any beneficial purchaser for whom it is acting, will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the constituting documents, by-laws or resolutions of the Subscriber, or any beneficial purchaser for whom it is acting, the Securities Laws or any other laws applicable to the Subscriber, or any beneficial purchaser for whom it is acting, any agreement to which the Subscriber, or any beneficial purchaser for whom it is acting, is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber or any beneficial purchaser for whom it is acting.
- (g) The Subscriber is subscribing for the Note as principal for its own account and not for the benefit of any other person (within the meaning of applicable Securities Laws), or if it is not subscribing as principal, it is either a person or company described in subsection 6.1(j) hereof or it has disclosed the name of the principal on the face page of this Subscription Agreement and acknowledges that the Corporation may be required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser for whom the Subscriber is acting.
- (h) In the case of a subscription for the Note by the Subscriber acting as trustee or agent (including, for greater certainty, a portfolio manager or comparable adviser) for a principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of each such beneficial purchaser, each of whom is subscribing as principal for its own account, not for the benefit of any other person, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of and constitutes a legal, valid and binding agreement of, such principal, and the Subscriber acknowledges that the Corporation may be required by law to disclose the identity of each beneficial purchaser for whom the Subscriber is acting.
- (i) In the case of a subscription for the Note by the Subscriber acting as principal, this Subscription Agreement has been duly authorized, executed and delivered by, and when accepted by the Corporation will constitute a legal, valid and binding agreement of, the Subscriber and any beneficial purchasers on whose behalf the Subscriber is acting. This Subscription Agreement, when accepted by the Corporation will be enforceable in accordance with its terms against the Subscriber and any beneficial purchasers on whose behalf the Subscriber is acting.
- (j) If the Subscriber is:
 - (i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority



to execute and deliver this Subscription Agreement, to subscribe for the Note as contemplated herein and to carry out and perform its obligations under the terms of this Subscription Agreement;

- (ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof; or
 - (iii) an individual, it is of the full age of majority and is legally competent to execute this Subscription Agreement and to observe and perform his or her covenants and obligations hereunder.
- (k) The Subscriber is not, with respect to the Corporation or any of its affiliates, a "control person", as such term is defined in section 1(1) of the *Securities Act* (Ontario).
- (l) If required by applicable Securities Laws or the Corporation, the Subscriber will execute, deliver and file or assist the Corporation in filing such reports, undertakings and other documents with respect to the issue of the Note as may be required by any securities commission, stock exchange or other regulatory authority.
- (m) The Subscriber, and each beneficial purchaser for whom it is contracting hereunder, have been advised to consult their own legal advisors with respect to trading in the Securities and with respect to the resale restrictions imposed by the Securities Laws of the jurisdiction in which the Subscriber resides and other applicable securities laws, and acknowledges that no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Subscriber (or others for whom it is contracting hereunder) to resell such securities, that the Subscriber (or others for whom it is contracting hereunder) is solely responsible to find out what these restrictions are and the Subscriber is solely responsible (and the Corporation is in no way responsible) for compliance with applicable resale restrictions and the Subscriber is aware that it (or beneficial purchasers for whom it is contracting hereunder) may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws.
- (n) The Subscriber has not received or been provided with a prospectus or offering memorandum, within the meaning of the Securities Laws, or any sales or advertising literature in connection with the Private Placement and the Subscriber's decision to subscribe for the Note was not based upon, and the Subscriber has not relied upon, any verbal or written representations as to facts made by or on behalf of the Corporation. The Subscriber's decision to subscribe for Note was based solely upon information about the Corporation which is publicly available on SEDAR (www.sedar.com).
- (o) The Subscriber is not purchasing the Note with knowledge of material information concerning the Corporation which has not been generally disclosed.
- (p) No person has made any written or oral representations:
- (i) that any person will resell or repurchase the Securities;
 - (ii) that any person will refund the Aggregate Subscription Price (except for repayment on the terms set out in the Note); or
 - (iii) as to the future price or value of the Securities.
- (q) The Subscriber has not purchased the Note as a result of any form of general solicitation or general advertising (as such terms are used in Regulation D of the U.S. Securities Act), including, without



limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio, internet, television or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

- (r) None of the funds the Subscriber is using to purchase the Securities represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA") or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) (the "USA PATRIOT Act"), and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and its subscription hereunder, on a confidential basis, pursuant to the PCMLTFA and USA PATRIOT Act. To the best of its knowledge (i) none of the subscription funds to be provided by the Subscriber and/or any beneficial purchaser for whom the Subscriber is acting on behalf of (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States, or any other jurisdiction, or (B) are being tendered on behalf of a person or entity who has not been identified to it, and (ii) it shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.
- (s) The Subscriber has had an opportunity to seek the advice of independent counsel or such other advisors as the Subscriber requires in order to evaluate the investment in the Corporation and to fully understand the rights of holders of Securities.

6.2 Acknowledgements of the Subscriber

The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is acting hereunder, acknowledges and agrees as follows:

- (a) No securities commission, agency, governmental authority, regulatory body, stock exchange or other regulatory body has reviewed or passed on the merits of the Securities.
- (b) The Securities have not been recommended by the United States Securities and Exchange Commission, any state or Canadian provincial securities commission or regulatory authority or by any other securities commission or regulatory authority. Any representation to the contrary is a criminal offense.
- (c) The Securities shall be subject to statutory resale restrictions under the Securities Laws of the jurisdiction in which the Subscriber resides and under other applicable securities laws, and the Subscriber covenants that it will not resell such securities except in compliance with such laws and the Subscriber acknowledges that it is solely responsible (and the Corporation is in no way responsible) for such compliance, and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling such securities.
- (d) The Subscriber's ability to transfer the Securities is limited by, among other things, applicable Securities Laws.
- (e) The Securities shall have attached to them, or on certificates that may be issued, as applicable, a legend setting out resale restrictions under applicable Securities Laws in substantially the following form and with the necessary information inserted:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE <INSERT THE DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE CLOSING DATE>."



- (f) The Subscriber, and each beneficial purchaser for whom it is contracting hereunder, shall execute, deliver, file and otherwise assist the Corporation with filing all documentation required by the applicable Securities Laws to permit the subscription for, and issuance of, the Note.
- (g) The Corporation relying on the representations, warranties and covenants contained herein and in the applicable Schedules attached hereto to determine the Subscriber's eligibility to subscribe for the Note under applicable Securities Laws and the Subscriber agrees to indemnify the Corporation and its respective directors and officers, employees and agents against all losses, claims, costs, expenses, damages or liabilities which any of them may suffer or incur as a result of or arising from reliance thereon. The Subscriber undertakes to immediately notify the Corporation of any change in any statement or other information relating to the Subscriber set forth in such applicable Schedules which takes place prior to the Closing Time.
- (h) The Corporation is relying on an exemption from the requirement to provide the Subscriber with a prospectus under the Securities Laws and, as a consequence of acquiring the Note under the Private Placement pursuant to such exemption, the Subscriber has significantly fewer rights and remedies available to it than an investor who acquires securities offered by a prospectus and certain protections, rights and remedies provided by the Securities Laws, including statutory rights of rescission or damages, will not be available to the Subscriber. The Subscriber is also aware that the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in the Private Placement.
- (i) The Subscriber, and each beneficial purchaser for whom it is contracting hereunder, is responsible for obtaining such legal and tax advice as it considers appropriate in connection with the execution, delivery and performance of this Subscription Agreement and the transactions contemplated under this Subscription Agreement. The Subscriber, and each beneficial purchaser, is not relying on the Corporation or any of its affiliates or counsel in this regard.
- (j) There is no government or other insurance covering the Securities.
- (k) There are significant risks associated with the purchase of the Securities and the Subscriber and any beneficial purchaser for whom it is acting may lose his, her or its entire investment.
- (l) The Subscriber has had an opportunity to seek the advice of independent counsel or such other advisors as the Subscriber requires in order to evaluate the investment in the Corporation and to fully understand the rights of the Subscriber.
- (m) The Corporation may complete additional financings in the future in order to develop the business of the Corporation and to fund its ongoing development; that there is no assurance that such financings will be available and, if available, on reasonable terms; any such future financings may have a dilutive effect on current securityholders, including the Subscriber; and that if such future financings are not available, the Corporation may be unable to fund its ongoing development.
- (n) The Securities are speculative in nature and that there are significant risks associated with the purchase of the Securities and the Subscriber has such knowledge, sophistication and experience in business and financial matters as to be capable of evaluating the merits and risks of its investment in the Securities, fully understands the speculative nature of the Securities and is able to bear the economic risk of loss of its entire investment. All costs and expenses incurred by the Subscriber (including any fees and disbursements of any special counsel) or other advisors retained by the Subscriber) relating to the purchase of the Securities shall be borne by the Subscriber.
- (o) Pursuant to instructions from the Subscriber, the Corporation is authorized to correct any minor errors in or complete any minor information missing from the Schedules attached hereto.



- (p) The Subscriber is knowledgeable of Securities Laws in the Subscriber's jurisdiction of residence that may have application over the Subscriber or the Private Placement which would apply to this subscription and is satisfied that the Corporation and the Subscriber will not breach such laws by completing the transaction contemplated hereby.
- (q) Notwithstanding Closing pursuant to Article 4, the Private Placement and issuance of the Note to the Subscriber is ultimately subject to the final approval of the CSE.
- (r) The Subscriber acknowledges that the Corporation's legal counsel is acting as counsel to the Corporation only and is not acting as counsel to the Subscriber.

6.3 Reliance on Representations, Warranties, Covenants and Acknowledgements

The Subscriber acknowledges and agrees that the representations, warranties, covenants and acknowledgements made by the Subscriber in this Subscription Agreement are made with the intention that they may be relied upon by the Corporation in determining the Subscriber's eligibility (and, if applicable, the eligibility of others for whom the Subscriber is contracting hereunder) to purchase the Note under the Securities Laws. The Subscriber further agrees that by accepting the Note, the Subscriber shall be representing and warranting that such representations, warranties, acknowledgements and covenants are true and correct as at the Closing Time with the same force and effect as if they had been made by the Subscriber at the Closing Time and that they shall survive the purchase by the Subscriber of the Note and shall continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of the Securities. The Subscriber, on its own behalf, and, if applicable, on behalf of each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, agrees that the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, shall indemnify and hold harmless the Corporation and its directors, officers, employees, agents, advisors, counsel and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation, warranty or acknowledgement of the Subscriber made on its own behalf, and, if applicable, on behalf of each beneficial purchaser for whom it is acting as trustee or agent, contained herein or in any document furnished by the Subscriber to the Corporation in connection herewith being untrue in any material respect or any breach or failure by the Subscriber or any beneficial purchaser for whom it is acting as trustee or agent, to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Corporation in connection herewith. With respect to any indemnified person who is not a party to this Subscription Agreement, it is the intention of the Subscriber and each beneficial purchaser for whom it is acting as trustee or agent, if any, to constitute the Corporation as trustee for such indemnified persons of the rights and benefits of this 6.3 and the Corporation agrees to accept such trust and to hold the rights and benefits of this Section 6.3 in trust for and on behalf of each such indemnified person.

ARTICLE 7 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 Survival of Representations, Warranties and Covenants of the Subscriber

The representations, warranties and covenants of the Subscriber contained in this Subscription Agreement or any certificate or document delivered pursuant to or in connection with this Subscription Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Corporation with respect thereto, shall continue in full force and effect for the benefit of the Corporation following the Closing Date. The Subscriber and, if applicable, the beneficial purchaser undertake to notify the Corporation immediately of any change in any representation, warranty or other information relating to the Subscriber or beneficial purchaser set out in this Subscription Agreement or any certificate or document delivered pursuant to or in connection with this Subscription Agreement which takes place prior to the Closing Time. If the Subscriber is acquiring the Securities for the account or benefit of one or more investor accounts, the Subscriber represents and warrants that it has the sole investment discretion with respect to each such investor account and that it has full power and authority to make the foregoing representations and warranties and the acknowledgments contained in this Subscription Agreement.



**ARTICLE 8
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**ARTICLE 9
COLLECTION OF PERSONAL INFORMATION**

9.1 Collection of and Consent to Use Personal Information

The Subscriber hereby consents to the collection, use and disclosure by the Corporation and any of its respective authorized representatives of the Subscriber's personal information set forth herein ("**Personal Information**"), to enable the Corporation to fulfill its respective regulatory and reporting requirements and recognizes that this disclosure may result in the disclosure of some or all of the Personal Information becoming public information and, without limiting the foregoing, consents to the disclosure of such Personal Information to the Corporation and any of its other authorized representatives; securities commissions and/or other regulatory agencies in any jurisdiction in which the rules and requirements of such body may require such reporting; stock exchanges; publication on the SEDAR website; or as may be required or permitted by law. Without limiting the generality of the foregoing, the Subscriber hereby expressly provides the Corporation with consent to the disclosure of its Personal Information to the CSE, and to the collection, use and disclosure of its information by the CSE in the manner and for the purposes described in Appendix A to the CSE's Form 9 or as otherwise identified by the CSE, from time to time a copy of which is attached hereto as Exhibit I.

In order to permit the Corporation to comply with the requirements of the *Personal Information Protection and Electronic Documents Act* (Canada) ("**PIPEDA**"), the Subscriber expressly consents to the disclosure by the Corporation in any submission or filing that the Corporation may be required to make with any applicable regulatory authority or stock exchange of any Personal Information.

The Subscriber hereby acknowledges and agrees that he/she/it (i) has been notified by the Corporation of the delivery to the securities regulatory authority or regulator of the Personal Information, that the Personal Information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, and that the Personal Information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and (ii) has authorized the indirect collection of the Personal Information by the securities regulatory authority or regulator.

The Personal Information will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

If the Subscriber has any questions about the collection and use of the Personal Information and/or the security regulatory authority's or regulator's indirect collection of the Personal Information, the Subscriber hereby acknowledges and agrees that he/she/it has been notified to contact the securities regulatory authority or regulator in the local jurisdiction of the Subscriber, at the following address(es):

- (a) In Alberta, the FOIP Coordinator, Alberta Securities Commission, Suite 600, 250 - 5th Street SW, Calgary, Alberta T2P 0R4, Telephone: (403) 297-6454, Toll free in Canada: 1-877-355-0585, Facsimile: (403) 297-2082;
- (b) In British Columbia, FOI Inquiries, British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, Inquiries: (604) 899-6854, Toll free in Canada: 1-800-373-6393, Facsimile: (604) 899-6581, Email: FOI-privacy@bcsc.bc.ca;
- (c) In Manitoba, the Director, The Manitoba Securities Commission, 500 - 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5, Telephone: (204) 945-2548, Toll free in Manitoba 1-800-655-5244, Facsimile: (204) 945-0330;



- (d) In New Brunswick, the Chief Executive Officer and Privacy Officer, Financial and Consumer Services Commission (New Brunswick), 85 Charlotte Street, Suite 300, Saint John, New Brunswick E2L 2J2, Telephone: (506) 658-3060, Toll free in Canada: 1-866-933-2222, Facsimile: (506) 658-3059, Email: info@fcnb.ca;
- (e) In Newfoundland and Labrador, the Superintendent of Securities, Government of Newfoundland and Labrador, Financial Services Regulation Division, P.O. Box 8700, Confederation Building, 2nd Floor, West Block, Prince Philip Drive, St. John's, Newfoundland and Labrador A1B 4J6, Attention: Director of Securities, Telephone: (709) 729-4189, Facsimile: (709) 729-6187;
- (f) In the Northwest Territories, the Superintendent of Securities, Government of the Northwest Territories, Office of the Superintendent of Securities, P.O. Box 1320, Yellowknife, Northwest Territories X1A 2L9, Telephone: (867) 767-9305, Facsimile: (867) 873-0243;
- (g) In Nova Scotia, the Executive Director, Nova Scotia Securities Commission, Suite 400, 5251 Duke Street, Duke Tower, P.O. Box 458, Halifax, Nova Scotia B3J 2P8, Telephone: (902) 424-7768, Facsimile: (902) 424-4625;
- (h) In Nunavut, the Superintendent of Securities, Government of Nunavut, Department of Justice, Legal Registries Division, P.O. Box 1000, Station 570, 1st Floor, Brown Building, Iqaluit, Nunavut X0A 0H0, Telephone: (867) 975-6590, Facsimile: (867) 975-6594;
- (i) In Ontario, the Inquiries Officer, Ontario Securities Commission, 20 Queen Street West, 22nd Floor, Toronto, Ontario M5H 3S8, Telephone: (416) 593-8314, Toll free in Canada: 1-877-785-1555, Facsimile: (416) 593-8122, Email: exemptmarketfilings@osc.gov.on.ca;
- (j) In Prince Edward Island, the Superintendent of Securities, Prince Edward Island Securities Office, 95 Rochford Street, 4th Floor Shaw Building, P.O. Box 2000, Charlottetown, Prince Edward Island C1A 7N8, Telephone: (902) 368-4569, Facsimile: (902) 368-5283;
- (k) In Québec, the Secrétaire Générale, Autorité des marchés financiers, 800, Square Victoria, 22e étage, C.P. 246, Tour de la Bourse, Montréal, Québec H4Z 1G3, Telephone: (514) 395-0337 or 1-877-525-0337, Facsimile: (514) 873-6155 (For filing purposes only), Fax: (514) 864-6381 (For privacy requests only), Email: financementdesocietes@lautorite.qc.ca;
- (l) In Saskatchewan, the Director, Financial and Consumer Affairs Authority of Saskatchewan, Suite 601 - 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2, Telephone: (306) 787-5842, Facsimile: (306) 787-5899; and
- (m) In Yukon, the Superintendent of Securities, Government of Yukon, Department of Community Services, Office of the Superintendent of Securities, 307 Black Street, Whitehorse, Yukon Y1A 2N1, Telephone: 867-667-5466, Facsimile: (867)393-6251, Email: securities@gov.yk.ca.

ARTICLE 10 MISCELLANEOUS

10.1 Further Assurances

Each of the parties hereto upon the request of each of the other parties hereto, whether before or after the Closing Time, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered



all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may reasonably be necessary or desirable to complete the transactions contemplated herein.

10.2 Notices

- (a) Any notice, direction or other instrument required or permitted to be given to any party hereto shall be in writing and shall be sufficiently given if delivered personally, or transmitted by facsimile or portable document format (PDF) tested prior to transmission to such party, as follows:

- (i) in the case of the Corporation, to:

Swarmio Media Holdings Inc.
Attention: Vijai Karthigesu
Email: Vijai@swarmio.media

And a copy to:

LaBarge Weinstein LLP
515 Legget Drive, Suite 800
Ottawa, Ontario K2K 3G4

Attention: Shane McLean
Email: smclean@lwlaw.com

- (ii) in the case of the Subscriber, at the address specified on the face page hereof.

- (b) Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following such day and if transmitted by facsimile or portable document format (PDF), shall be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted or received after the end of normal business hours then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following the day of such transmission.
- (c) Any party hereto may change its address for service from time to time by notice given to each of the other parties hereto in accordance with the foregoing provisions.

10.3 Time of the Essence

Time shall be of the essence of this Subscription Agreement and every part hereof.

10.4 Costs and Expenses

All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Subscription Agreement and the transactions herein contemplated shall be paid and borne by the party incurring such costs and expenses.

10.5 Applicable Law

This Subscription Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any and all disputes arising under this Subscription Agreement, whether as to interpretation, performance or otherwise, shall be subject to the non-exclusive jurisdiction of the courts of the Province of Ontario and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of such province.



10.6 Entire Agreement

This Subscription Agreement, including the Schedules, appendices and exhibits hereto, constitutes the entire agreement between the parties with respect to the transactions contemplated herein and cancels and supersedes any prior understandings, agreements, negotiations and discussions between the parties. There are no representations, warranties, terms, conditions, undertakings or collateral agreements or understandings, express or implied, between the parties hereto other than those expressly set forth in this Subscription Agreement or in any such agreement, certificate, affidavit, statutory declaration or other document as aforesaid. This Subscription Agreement may not be amended or modified in any respect except by written instrument executed by each of the parties hereto.

10.7 Counterparts

This Subscription Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same Subscription Agreement. Counterparts may be delivered either in original or by facsimile or portable document format (PDF) form and the parties adopt any signature received by a receiving facsimile machine as original signatures of the parties.

10.8 Assignment

This Subscription Agreement may not be assigned by either party except with the prior written consent of the other party hereto.

10.9 Enurement

This Subscription Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors (including any successor by reason of the amalgamation or merger of any party), administrators and permitted assigns.

10.10 Language

The parties hereto acknowledge and confirm that they have requested that this Subscription Agreement as well as all notices and other documents contemplated hereby be drawn up in the English language. *Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.*



SCHEDULE "A"
PARTICULARS OF SUBSCRIBER

Present Ownership of Securities:

The Subscriber either [CHECK APPROPRIATE ITEM]:

- ☒ does not own directly or indirectly, or exercise control or direction over, common shares in the capital of the Corporation or securities convertible into common shares in the capital of the Corporation (excluding the securities subscribed for herein); or
- ☐ owns directly or indirectly, or exercises control or direction over, _____ common shares in the capital of the Corporation and convertible securities entitling the Subscriber to acquire an additional _____ common shares in the capital of the Corporation (excluding the securities subscribed for herein).

Insider Status

The Subscriber either [CHECK APPROPRIATE ITEM]:

- ☐ is an Insider of the Corporation; or
- ☒ is not an Insider of the Corporation.

"Insider" means (a) a director or senior officer of the Corporation, (b) a director or senior officer of a company that is an insider or subsidiary of the Corporation, (c) any person who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all voting securities of the Corporation for the time being outstanding.

Member of "Pro Group"

The Subscriber either [CHECK APPROPRIATE ITEM]:

- ☐ is a member of the Pro Group; or
- ☒ is not a member of the Pro Group.

"Pro Group" means a member (brokerage firm) of a stock exchange in Canada, an employee, partner, officer, director or an affiliate (a company controlling or under common control) of a member or an associate (a company of which more than 10% of the voting securities are owned or controlled by such person, a partner of such person, a trust or estate of which a substantial beneficial interest is owned or of which such person is a trustee, a spouse or child of such person, or a relative of such person or their spouse living in the same home as such person) of any of the foregoing.

Registrant Status

The Subscriber is a registrant under the Securities Laws of any jurisdiction of Canada:

- ☒ No; or ☐ Yes, namely, _____



SCHEDULE "B"
CANADIAN ACCREDITED INVESTOR CERTIFICATE

The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any below category, please contact your broker and/or legal advisor before completing this form. Please note that the Corporation may request additional information from the Purchaser (as defined below) to confirm that the Purchaser falls within the definition of "accredited investor" as outlined below.

TO: SWARMIO MEDIA HOLDINGS INC. (the "Corporation")

In connection with the purchase by the undersigned (the "**Purchaser**") of securities of the Corporation pursuant to the Subscription Agreement to which this Schedule is attached, the Purchaser or the undersigned on behalf of the Purchaser, as the case may be, certifies that:

1. The Purchaser is: (PLEASE CHECK THE BOX OF THE APPLICABLE CATEGORY)

- ☐ (a) (i) except in Ontario, a Canadian financial institution, or a Schedule III bank; or
(ii) in Ontario, a financial institution that is (A) a bank listed in Schedule I, II or III of the Bank Act (Canada); (B) an association to which the Cooperative Credit Associations Act (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act; or (C) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;
- ☐ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- ☐ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- ☐ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer (or in Ontario, except as otherwise prescribed by the regulations under the *Securities Act* (Ontario));
- ☐ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- ☐ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- ☐ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
- ☐ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- ☐ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- ☐ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
- ☐ (j) an individual who, either alone or with a spouse, beneficially owns, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000;

If individual accredited investors wish to rely on this prospectus exemption you are also required to complete Appendix "A" to Schedule "B" entitled "Form 45-106F9 Form for Individual Accredited Investors".

See section 3.5(3) of Companion Policy 45-106CP to NI 45-106 which provides guidance as to the



meaning of beneficial ownership of financial assets. If individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under section (i) below, or (w) if a family trust.

- ☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000;

See section 3.5(3) of Companion Policy 45-106CP to NI 45-106 which provides guidance as to the meaning of beneficial ownership of financial assets.

- ☐ (k) an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;

If individual accredited investors wish to rely on this prospectus exemption you are also required to complete Appendix "A" to Schedule "B" entitled "Form 45-106F9 Form for Individual Accredited Investors".

- ☐ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;

If individual accredited investors wish to rely on this prospectus exemption you are also required to complete Appendix "A" to Schedule "B" entitled "Form 45-106F9 Form for Individual Accredited Investors".

See section 3.5(4) of Companion Policy 45-106CP to NI 45-106 which provides guidance as to the calculation of an individual purchaser's net assets.

- ☐ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;

- ☐ (n) an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds] of NI 45-106, or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of NI 45-106;

- ☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;

- ☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

- ☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

- ☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

- ☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

- ☐ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

- ☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;

- ☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor;



- ☐ _____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse; or
- ☐ _____ (x) in Ontario, such other persons or companies as may be prescribed by the regulations under the *Securities Act* (Ontario). *[Note: If checking this category (x), please provide a description of how this requirement is met.]*

The foregoing representations contained in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the time of issuance of the securities. If any such representations shall not be true and accurate prior to the time of issuance of the securities, the undersigned shall give immediate written notice of such fact to the Corporation.

Dated: _____

Signed: _____

Print the name of Purchaser

If Purchaser is a corporation, print name and title of Authorized Signing Officer

See definitions on the following page.



For the purposes hereof:

"Canadian financial institution" means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"control person" has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

"director" means (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

"eligibility adviser" means (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and (ii) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

"executive officer" means, for an issuer, an individual who is (i) a chair, vice-chair or president, (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or (iv) performing a policy-making function in respect of the issuer;

"financial assets" means (i) cash, (ii) securities, or (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

Important Note: See section 3.5(1) of Companion Policy 45-106CP to NI 45-106 which provides guidance as to the meaning of financial assets.

"foreign jurisdiction" means a country other than Canada or a political subdivision of a country other than Canada;

"founder" means, in respect of an issuer, a person who (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and (ii) at the time of the distribution or trade is actively involved in the business of the issuer;

"fully managed account" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"investment fund" has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;

"jurisdiction" means a province or territory of Canada except when used in the term foreign jurisdiction;

"local jurisdiction" means the jurisdiction in which the Canadian securities regulatory authority is situated;

"net assets" means all of the purchaser's total assets minus all of the purchaser's total liabilities. Accordingly, for the purposes of the net asset test, the calculation of total assets would include the value of a purchaser's personal residence and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the purchaser's personal residence. To calculate a purchaser's net assets under the "accredited investor" definition, subtract the purchaser's total liabilities from the purchaser's total assets (including real estate). The value attributed to assets should reasonably



reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of the security;

"non-redemable investment fund" has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;

"person" includes (i) an individual, (ii) a corporation, (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"regulator" means, for the local jurisdiction, the person referred to in Appendix D of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction;

"related liabilities" means (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (ii) liabilities that are secured by financial assets;

"Schedule III bank" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"spouse" means, an individual who (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

"subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

All monetary references are in Canadian Dollars.



APPENDIX "A" to SCHEDULE "B"

Form 45-106F9
Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: convertible promissory note	Issuer: Swarmio Media Holdings Inc.
Purchased from: Swarmio Media Holdings Inc.	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$_____. [Instruction: Insert the total dollar amount of the investment.]	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	



Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)		
4. Your name and signature		
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.		
First and last name (please print):		
Signature:		Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON		
5. Salesperson information		
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>		
First and last name of salesperson (please print):		
Telephone:		Email:
Name of firm (if registered):		
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER		
6. For more information about this investment		
Swarmio Media Holdings Inc. Attention: Vijai Karthigesu Email: vijai@swarmio.media		
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca .		



SCHEDULE "C"
CANADIAN FFBA INVESTOR CERTIFICATE

The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any below category, please contact your broker and/or legal advisor before completing this form. Please note that the Corporation may request additional information from the Purchaser (as defined below) to confirm that the Purchaser falls within the definition of "accredited investor" as outlined below.

TO: SWARMIO MEDIA HOLDINGS INC. (the "Corporation")

In connection with the purchase by the undersigned (the "Purchaser") of securities of the Corporation pursuant to the Subscription Agreement to which this Schedule is attached, the Purchaser or the undersigned on behalf of the Purchaser, as the case may be, certifies that:

- ☐ (a) a director, executive officer or control person of the Corporation, or of an affiliate of the Corporation; or
- ☐ (b) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Corporation, or of an affiliate of the Corporation; or
- ☐ (c) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Corporation, or of an affiliate of the Corporation; or
- ☐ (d) a close personal friend (by reason of the fact that you have directly known such individual well enough and for a sufficient period of time and in a sufficiently close relationship (where such relationship is direct and extends beyond being a relative or a member of the same organization, association or religious group or a client, customer or former client or customer or being a close personal friend of a close personal friend of such individual) to be in a position to assess the capabilities and the trustworthiness of such individual) of a director, executive officer or control person of the Corporation, or of an affiliate of the Corporation; or
- ☐ (e) a close business associate (by reason of the fact that you have had direct sufficient prior business dealings with such individual (where such relationship is direct and extends beyond being a client, customer or former client or customer or being a close business associate of a close business associate of such individual) to be in a position to assess the capabilities and trustworthiness of such individual) of a director, executive officer or control person of the Corporation, or of an affiliate of the Corporation, or
- ☐ (f) a founder of the Corporation, or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend (by reason of the fact that you have directly known such individual well enough and for a sufficient period of time and in a sufficiently close relationship, where such relationship is direct and extends beyond being a relative or a member of the same organization, association or religious group or a client, customer or former client or customer or being a close personal friend of a close personal friend of such individual), or close business associate (by reason of the fact that you have had direct sufficient prior business dealings with such individual, where such relationship is direct and extends beyond being a client, customer or former client or customer or being a close business associate of a close business associate of such individual, to be in a position to assess the capabilities and trustworthiness of such individual) of a founder of the Corporation, or
- ☐ (g) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the Corporation, or
- ☐ (h) a person or company of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons or companies described in subsections (a) to (g) above or an Accredited Investor per Section 1; or
- ☐ (i) a trust or estate of which all of the beneficiaries or a majority of the trustees are persons or companies described in subsections (a) to (g) above or an Accredited Investor per Section 1.

Please complete the following details of whose relationship applies:

 (insert name of applicable person at the Corporation and the Subscriber, if not an individual)



Length of Relationship

Details of Relationship

Prior Business Dealings, if applicable

In NI 45-106 a person or company is considered to be an affiliated entity of another person or company if one is a subsidiary entity of the other, or if both are subsidiary entities of the same person or company, or if each of them is controlled by the same person or company.

In NI 45-106 a person (first person) is considered to control another person (second person) if (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations will not be true and accurate prior to the Closing Time, the undersigned will give immediate written notice of such fact to the Corporation prior to the Closing Time.

Dated: _____

Signed: _____

Witness (If Subscriber is an Individual)

Print the name of Subscriber

Print Name of Witness

If Subscriber is a corporation, print name and title of Authorized Signing Officer



APPENDIX "A" to SCHEDULE "C"

*Risk Acknowledgement Form for Family, Friend and Business Associate Investors in Ontario***WARNING!**

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY ISSUER**1. About your investment**

Type of securities:

Convertible promissory note

Issuer:

SWARMIO MEDIA HOLDINGS INC.**SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER****2. Risk acknowledgement**

This investment is risky. Initial that you understand that:

**Your
initials****Risk of loss** – You could lose your entire investment of \$_____ [Please fill in amount]**Liquidity risk** – You may not be able to sell your investment quickly – or at all.**Lack of information** – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.**3. Family, friend or business associate status**You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you:**Your
initials**

A) You are: [check all applicable boxes]

1. ☐ a director of the issuer or an affiliate of the issuer
☐ an executive officer of the issuer or an affiliate of the issuer
☐ a control person of the issuer or an affiliate of the issuer
☐ a founder of the issuer

OR

2. ☐ a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above
☐ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above

B) You are a family member of _____, who holds the following position at the issuer or an affiliate of the issuer: _____
 You are the _____ of that person or that person's spouse.



C) You are a close personal friend of _____, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.		
D) You are a close business associate of _____, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.		
4. Your name and signature		
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of that person identified in section 5 of this form.		
First and last name (please print):		
Signature:		Date:
5. Contact person at the issuer or an affiliate of the issuer		
<i>[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]</i>		
By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: <i>[check the box that applies]</i>		
☐ family relationship as set out in section 3B of this form		
☐ close personal friendship as set out in section 3C of this form		
☐ close business associate relationship as set out in section 3D of this form		
First and last name of contact person (please print):		
Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):		
Telephone:		Email:
Signature:		Date:
SECTION 6 TO BE COMPLETED BY THE ISSUER		
6. For more information about this investment		
Please contact:		
Swarmio Media Holdings Inc.		
Attention: Vijai Karthigesu		
Email: vijai@swarmio.media		
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca . For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca		
Signature of executive officer of issuer (other than the purchaser):		Date:



APPENDIX "B" to SCHEDULE "C"
WARNING

Risk Acknowledgement
Saskatchewan Close Personal Friends and Close Business Associates

- I acknowledge that this is a risky investment:
 - I am investing entirely at my own risk.
 - No securities regulatory authority or regulator has evaluated or endorsed the merits of these Securities.
 - The person selling me these Securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
 - I will not be able to sell these Securities for 4 months.
 - I could lose all the money I invest.
 - I do not have a 2-day right to cancel my purchase of these Securities or the statutory rights of action for misrepresentation I would have if I were purchasing the Securities under a prospectus. I do have a 2-day right to cancel my purchase of these Securities if I receive an amended offering document.

I am investing \$_____ in total; this includes any amount I am obliged to pay in future.

I am a **close personal friend** or **close business associate** of _____ (state name), who is a _____ (state title i.e. founder, director, senior officer or control person) of
Swarmio Media Holdings Inc.

I acknowledge that I am purchasing based on my close relationship with _____ (state name of founder, director, executive officer or control person) whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date _____

Signature of Purchaser _____

Print Name of Purchaser _____

Sign 2 copies of this document. Keep one copy for your records.

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

You may not receive any written information about the issuer or its business

The issuer of your securities is a non-reporting issuer

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. You can only sell the securities of a non-reporting issuer in very limited circumstances. You may never be able to sell these securities.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. There may be no market for these securities. You may never be able to sell these securities.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at <http://www.spsc.gov.sk.ca>.

You will not receive advice



If you have any questions about the issuer or its business, ask for written clarification before you purchase the Securities. You should consult your own professional advisers before investing in the Securities.

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

For more information on the exempt market, refer to the Securities Division - Financial and Consumer Affairs Authority - Government of Saskatchewan's website at www.fcaa.gov.sk.ca.



SCHEDULE "D"
FOREIGN PURCHASER'S CERTIFICATE

Capitalized terms not specifically defined in this Schedule D have the meanings ascribed to them in the Subscription Agreement to which this Schedule D is attached.

TO: SWARMIO MEDIA HOLDINGS INC. (the "Corporation")

The undersigned Subscriber, a resident of a jurisdiction other than Canada, hereby represents and warrants to the Corporation, and acknowledges as an integral part of the attached Subscription Agreement, as follows:

1. The Subscriber is, and each beneficial purchaser for whom the Subscriber may be acting as trustee or agent is, a resident of a country (an "**International Jurisdiction**") other than Canada and the decision to subscribe for the Note was taken in such International Jurisdiction.
2. The delivery of the Subscription Agreement, the acceptance of it by the Corporation and the issuance of the Note to the Subscriber, or any beneficial purchaser, complies with all laws applicable to the Subscriber and such beneficial purchaser, including the laws of such purchaser's jurisdiction of residence, and all other applicable laws, and will not require the Corporation to register the Note nor will it cause the Corporation to become subject to, or require it to comply with, any disclosure, prospectus, filing or reporting requirements under any applicable laws of the International Jurisdiction or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction.
3. If the undersigned Subscriber, or any other purchaser for whom it is acting hereunder, is resident in or otherwise subject to applicable securities laws of the United Kingdom (meaning herein, England, Scotland, Wales and Northern Ireland):
 - (a) the Subscriber is either: (i) purchasing the Note as principal for its own account, (ii) acting as agent for a disclosed beneficial purchaser who is disclosed on the face page of the Subscription Agreement and who is purchasing the Note as principal for its own account; or (iii) purchasing the Note on behalf of discretionary client(s) in circumstances where section 86(2) of the *Financial Services and Markets Act 2000* ("FSMA") applies;
 - (b) the Subscriber (and if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser): (i) is such a person as is referred to in Article 19 (investment professionals); Article 49 (high net worth companies, unincorporated associations, etc.) or Article 50 (sophisticated investors) of the *Financial Services and Markets Act 2000 (Financial Promotion) Order 2005* (the "**FPO**"); and (ii) has complied with and undertakes to comply with all applicable provisions of the FSMA and other applicable securities laws with respect to anything done by it in relation to the Note in, from or otherwise involving the United Kingdom;
 - (c) the Subscriber acknowledges that the offer detailed in the Subscription Agreement is only directed in the United Kingdom at the following persons (such that such offer is not available in the United Kingdom to any other persons and such that no other persons should rely on the contents of this Subscription Agreement):
 - (i) (in the case of investment professionals as referred to in Article 19 of the FPO) persons having professional experience in matters relating to investments; and
 - (ii) (in the case of high net worth companies, etc. as referred to in Article 49 of the FPO) high net worth companies, unincorporated associations or partnerships or trustees of high value trusts which: (A) in the case of a company, has, or is a member of the same group as an undertaking that has, a called up share capital or net assets of not less than £500,000 (for companies with more than 20 members or subsidiary undertakings of an undertaking with more than 20 members) or net assets of not less than £5,000,000 in any other case; or (B) in the case of an unincorporated association or partnership, has net assets of not less than £5,000,000; or (C) in the case of a trustee of a high value trust, has cash and investments



forming part of the trust's assets (before the deduction of liabilities) with an aggregate value of not less than £10,000,000 (or which has had an aggregate value of not less than £10,000,000 during the year immediately preceding the date of receipt of the Subscription Agreement); and

(iii) (in the case of certified sophisticated investors as referred to in Article 50(1) of the FPO) a person that this communication is directed who:

(A) has a current certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with investments in shares and other securities issued by companies listed or quoted on an investment exchange, whether in the United Kingdom or elsewhere, and

(B) has signed, within the period of twelve months ending with the day on which the communication was made, a statement in the following terms:

"I,, make this statement so that I am able to receive promotions which are exempt from the restrictions on financial promotion in the Financial Services and Markets Act 2000 (as amended). The exemption relates to certified sophisticated investors and I declare that I qualify as such in relation to investments in shares and other securities issued by private companies and by companies listed or quoted on an investment exchange, whether in the United Kingdom or elsewhere.

I accept that the contents of promotions and other material that I receive may not have been approved by an authorised person and that their content may not therefore be subject to controls which would apply if the promotion were made or approved by an authorised person. I am aware that it is open to me to seek advice from someone who specialises in advising on this kind of investment."

(d) it confirms that, to the extent applicable to it, it is aware of, has complied and will comply with its obligations in connection with the *Criminal Justice Act 1993*, the *Proceeds of Crime Act 2002* and Part VIII of the FSMA, it has identified its clients in accordance with the Money Laundering Regulations 2003 (the "**Regulations**") and has complied fully with its obligations pursuant to the Regulations and will, as a condition precedent of any acceptance of this subscription, provide all such information and documents as may be required in relation to it (or any person on whose behalf it is acting as agent) that may be required by the Corporation or any agent or person acting for it in order to discharge any obligations under the Regulations.

4. The Subscriber, and each beneficial purchaser, is knowledgeable of, or has been independently advised as to, the application or jurisdiction of the securities laws of the International Jurisdiction which would apply to the transactions contemplated by the Subscription Agreement (other than the securities laws of Canada).
5. The Subscriber, and each beneficial purchaser, is purchasing the Note pursuant to exemptions from the prospectus and registration requirements (or their equivalent) under the applicable securities laws of that International Jurisdiction or, if such is not applicable, each is permitted to purchase the Note under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption.
6. The Subscriber, and each beneficial purchaser, will not sell, transfer or dispose of the Note except in accordance with all applicable laws, including applicable securities laws of Canada (if applicable), and the Subscriber, and each beneficial purchaser, acknowledges that the Corporation shall have no obligation to register any such purported sale, transfer or disposition which violates applicable Canadian or United States securities laws or other securities laws.
7. The Subscriber, and each beneficial purchaser, shall not sell the Note until all applicable hold periods have expired unless the sale is made pursuant to an exemption to applicable securities laws.



The foregoing representations and warranties contained in this Schedule "D" are true and accurate as of the date of this Schedule "D" and will be true and accurate as of the Closing Time. If any such representations or warranties shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Corporation prior to the Closing Time.

Dated: _____

Wittigberg a.s.

Signed: _____

Michal Kutzendörfer
CEO and Member of the Board

Signed: _____

Emil Kováč
Member of the Board

References in this Schedule "D" to "£" are to United Kingdom pounds.



SCHEDULE "E"
FORM OF CONVERTIBLE PROMISSORY NOTE

UNSECURED CONVERTIBLE PROMISSORY NOTE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE <INSERT THE DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE ISSUE DATE>.

Issue Date:	_____	(the "Issue Date")
Issuer:	Swarmio Media Holdings Inc. (the "Corporation")	
Holder:	Wittigsberg a.s.	(the "Holder")
Principal:	US\$500,000	(the "Principal")

ARTICLE 1
TERMS

1.1 Issue

The Corporation, for value received, acknowledges itself indebted and promises to pay to or to the order of the Holder, on the date specified in Section 1.2 at the office of the Holder as set out in the subscription agreement pursuant to which this Note was issued to the Holder or as directed by the Holder, the Principal plus interest accruing at the rate of 10% per annum, calculated daily.

1.2 Payment

Subject to Article 2, the Corporation will repay the Principal on the earliest of:

- (a) the date that is one (1) year from the Issue Date,
- (b) the date the Corporation completes a Sale Transaction, where "Sale Transaction" means:
 - (i) any transaction pursuant to which any person, or any associate or affiliated corporation of such person (other than the Corporation, a subsidiary of the Corporation), who does not control 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities as of the date hereof, acquires ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities; or
 - (ii) the sale of all or substantially all of the Corporation's assets to a person other than a person that was an affiliated corporation of the Corporation; or
- (c) the date following an Event of Default (as defined below) on which the Holder Majority (as defined below) delivers written notice to the Corporation demanding payment,



(in any case, the "Maturity Date").

For the purposes of this Note the "Holder Majority" means the holders of a majority of the principal outstanding pursuant to all of the convertible promissory notes issued by the Corporation in connection with the private placement in which this Note was issued, including this Note.

1.3 Right of Prepayment

The Corporation may repay any amount owing pursuant to this Note in whole or in part at any time without penalty.

ARTICLE 2 CONVERSION

2.1 Definitions

- (a) For the purposes of this Note:
 - (i) "Cap Price" means the price per share equal to \$30,000,000 divided by the Corporation Capitalization;
 - (ii) "Conversion Price" means the lower of: (1) the Cap Price or (2) the Discount Price;
 - (iii) "Corporation Capitalization" means, as of immediately prior to the Qualified Financing or Sale Transaction, as applicable, all of the issued and outstanding shares in the capital of the Corporation (on an as-converted basis), assuming exercise or conversion of all outstanding vested and unvested options, warrants and other convertible securities, but excluding (A) this Note and (B) all other convertible promissory notes;
 - (iv) "Discount Price" means the price per share of the shares sold in the Qualified Financing multiplied by 80%;
 - (v) "Qualified Financing" means an equity raise involving the issuance of shares in the capital of the Corporation at a fixed pre-money valuation with gross proceeds to the Corporation of at least \$5,000,000; and
 - (vi) Capitalized terms used but not defined herein shall have the meanings given to such terms in the subscription agreement entered into on or about the Issue Date between the Holder and the Corporation pursuant to which this Note has been issued.

2.2 Mandatory Conversion

- (a) Upon a Qualified Financing, the Principal and interest owing pursuant to this Note (the "Obligations") shall be automatically converted into common shares of the Corporation in an amount equal to the quotient obtained by dividing the total Obligations by the greater of:
 - (i) CAD\$0.05;
 - (ii) The closing price of the Corporation's common shares on the CSE on the trading day prior to the Issue Date (adjusted to reflect any splits, consolidations or similar changes affecting the common shares between the Issue Date and the date of conversion); or
 - (iii) The Conversion Price.



2.3 Sale Transaction

- (a) Upon a Sale Transaction, the Holder shall be entitled to convert the Obligations into common shares of the Corporation in an amount equal to the quotient obtained by dividing the total Obligations by the greater of:
 - (i) CAD\$0.05;
 - (ii) The closing price of the Corporation's common shares on the CSE on the trading day prior to the Issue Date (adjusted to reflect any splits, consolidations or similar changes affecting the common shares between the Issue Date and the date of conversion); or
 - (iii) The Cap Price;
 by providing written notice electing such conversion to the Corporation not more than 5 days prior to the closing of the Sale Transaction.
- (b) The Corporation will provide written notice (the "Sale Transaction Notice") to the Holder at least fifteen (15) days prior to a Sale Transaction stating that a Sale Transaction is proposed and specifying the anticipated closing date of the Sale Transaction.
- (c) The right to convert this Note under Section 2.1 or Section 2.2 terminates upon the closing of a Sale Transaction.

2.4 Issuance of Shares

The Corporation will, as of the time the conversion is effected as set out in Section 2.4, issue to the Holder so many common shares of the Corporation as are properly required to satisfy the conversion provisions set out in herein. As promptly as practicable, but in no case later than 10 days, after the issue of such shares, the Corporation will deliver or cause to be delivered to the Holder a certificate or a direct registration system notice representing such shares.

2.5 Conversion Date

The conversion of the Note is deemed to occur (a) in the case of a conversion pursuant to Section 2.1, upon the closing of the Qualified Financing, or (b) in the case of a conversion pursuant to Section 2.2, immediately prior to the closing of the Sale Transaction. The rights of the Holder terminate at such time and the Holder will be treated as having become the holder of record of shares of the applicable class at that time. Notwithstanding the foregoing, if the Corporation fails to issue such shares to the Holder pursuant to Section 2.3, the Holder retains all rights contained in this Note until such shares are issued.

ARTICLE 3 DEFAULT AND REMEDIES

3.1 Default

The Principal and other money owing hereunder is immediately payable on written demand by a Holder Majority following any of the following events (each an "Event of Default"):

- (a) Payment: if the Corporation makes a default in payment of the Principal or in payment of any indebtedness or liability of the Corporation to the Holder when due;
- (b) Issuance of Shares: if the Corporation fails to issue shares to the Holder pursuant to Section 2.3;



- (c) Winding Up: if an order is made or an effective resolution passed for the winding-up or liquidation of the Corporation, or if a petition is filed for the winding-up of the Corporation and such petition is not stayed, withdrawn or dismissed within 30 days;
- (d) Insolvency: if the Corporation becomes insolvent within the meaning of the *Bankruptcy and Insolvency Act* (Canada);
- (e) Bankruptcy or Receivership: if a bankruptcy petition is filed or presented against the Corporation, or if any proceedings with respect to the Corporation are commenced under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), United States Bankruptcy Act or any similar legislation providing protection for the benefit of the Corporation; or if an execution, sequestration, or any other process of any court becomes enforceable against the Corporation or if a distress or analogous process is levied upon the property of the Corporation or any part of the property of the Corporation, unless in any such case such petition, proceeding or process is stayed, withdrawn, dismissed or vacated, as the case may be, within 10 days; or
- (f) Appointment of Trustee or Receiver: any trustee in bankruptcy, interim receiver, receiver, receiver and manager, custodian, sequestrator, administrator, monitor or liquidator of any other person with similar powers is appointed in respect of the Corporation or any of its property.

3.2 Enforcement

Upon the occurrence of an Event of Default, all of the Obligations, at the Holder Majority's option on written notice to the Corporation, shall become immediately due and payable and the Holder may, at its option, proceed to enforce payment and performance of the Corporation's obligations hereunder and to exercise any or all of the rights and remedies contained in this Note, or otherwise afforded by law, in equity or otherwise.

ARTICLE 4 GENERAL

4.1 Notice

Any notice, consent or approval required or permitted to be given in connection with this Note (in this Section referred to as a "Notice") must be in writing and is sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by email, at the email addresses set out on the subscription agreement pursuant to which the Holder subscribed for this Note from the Corporation or at such other address as may be communicated by one party to the other in writing after the date hereof. Any Notice delivered or transmitted to a party as provided above is deemed to have been given and received on the day it is delivered or transmitted if it is delivered or transmitted on a business day before 5:00 p.m. local time in the place of delivery or receipt. If the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a business day then the Notice is deemed to have been given and received on the next business day.

4.2 Enurement and Amendment

- (a) This Note may not be transferred or assigned by the Holder without the prior written consent of the Corporation. This Note enures to the benefit of the Holder and its successors and permitted assigns, and is binding upon the Corporation and its successors.
- (b) This Note may be amended with the approval of the Corporation.
- (c) Any provision hereof may be changed, waived, discharged or terminated by an instrument in writing executed by the Corporation and the Holder Majority and any such instrument so executed shall be binding on the Holder. Notwithstanding the foregoing, to the extent that any amendment would have a material adverse effect on the interests of the Holder, which effect would be borne solely by



the Holder relative to the other holders of Notes, the consent in writing of the Holder to the amendment shall also be required.

4.3 Governing Law

This Note is made under and governed by and is to be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

4.4 Currency

Except as otherwise stated herein, all amounts are stated in United States currency. If, for the purposes of conversion of the Obligations, there is a requirement to compare or use amounts in United States currency and Canadian currency, the rate of exchange to be used will be the daily rate of exchange of US to Canadian dollars quoted by the Bank of Canada for the business day immediately prior to the date the Obligations convert.

4.5 Further Assurances

The Corporation will execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any further acts, deeds, transfers, assignments and assurances as the Holder may reasonably require for the better accomplishing and effectuating of this Note.

[EXECUTION PAGE FOLLOWS]



IN WITNESS WHEREOF the Corporation has caused this Note to be signed by a duly authorized officer.

SWARMIO MEDIA HOLDINGS INC.

By: _____

Name:

Title:

I have authority to bind the Corporation



Exhibit I

Appendix A

PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, "CSE or the "Exchange") collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange's obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.



**This is Exhibit “U” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakem

A COMMISSIONER FOR TAKING AFFIDAVITS



NINE COURT
No. 9, Jalan 22/38
46300 Petaling Jaya
Selangor

Tel No: 03 7890 4118
Fax No: 03 7865 0633

Partners

Richard Wee
Darren Lai

General Email:

justright@richardweechambers.com

Senior Associates

Chew Zhen Tao

Associates

Fatin Ismail
Wong Zi Ying
Kimberly Chan

Your Ref : *Kindly advise.*

Our Ref : RWC230443/RW/ZY/KC

Date : 18.05.2023

SWARMIO MEDIA INC. (903087-5)

Suite 505, 1809,
Barrington Street,
Halifax, NS B3J 3K8,
CANADA.

By Email

[Email: jonathan@swarmio.media,
vijai@swarmio.media]

[Attn: Chief Finance Officer, Mr. Jonathan Visva]

Dear Sirs,

Re: Retainer Services Agreement between TGC Marketing Sdn Bhd and SWARMIO Media Inc - Demand for Overdue Service Fee

We refer to the above matter wherein we act for TGC Marketing Sdn Bhd ("**our Client**").

2. We are instructed by our Client as follows: -

- 2.1. Vide a Retainer Services Agreement dated 25.03.2022 ("**the said Agreement**"), our Client has been appointed by your Company as the Service Provider to fulfil esports tournament organising, event, marketing, partnership, broadcast, production, creative and design and consultation support;
- 2.2. Vide the said Agreement, your Company has agreed to pay our Client a sum of USD20,000 within 7 days after the confirmation and signing of the said Agreement;



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The Law Firm of Ingles Laurel Calderon, Philippines



Richard Wee Chambers

- 2.3. Your Company also agreed to pay our Client an amount of USD45,000 per month ("**the said Retainer Fee**") starting from 01.05.2022 till 01.04.2023;
- 2.4. The said Retainer Fee shall be due and payable within 15 days after the receipt of the invoice;
- 2.5. Our Client has issued numerous invoices to your Company, being the Retainer Fee from 01.11.2022 till 01.04.2023;
- 2.6. Your Company has made a total payment of USD299,327.05 to our Client;
- 2.7. However, to date, a balance sum of **USD279,371.05** remain in arrears, and is due and payable to our Client ("**the Outstanding Sum**");
- 2.8. Your Company has also on various occasions acknowledged the Outstanding Sum is due and owing to our Client via email on 04.02.2023, 10.02.2023 and 24.03.2023 respectively;
- 2.9. Our Client has sent three overdue reminders on 16.04.2023, 24.04.2023 and 01.05.2023 respectively to your Company.
3. We have been instructed by our Client that to date, despite numerous reminders, requests and/or demands from our Client, you have nevertheless failed, refused and/or neglected to make and/or caused the full payment of the Outstanding Sum to our Client in a proper and timely manner.
4. In this regard, we are thus instructed by our Client that you are indebted to our Client for the total sum of **USD279,371.05** being the Outstanding Sum. We are therefore instructed to demand from you, which we hereby do, payment of the Outstanding Sum of **USD279,371.05**.
5. **TAKE NOTICE** that the Outstanding Sum of **USD279,371.05** shall be paid to us as solicitors of our Client or to our Client directly within **seven (7) days** of the date hereof.
6. We also instructed to give you **NOTICE** that failure, omission and/or negligence on your side to fully settle the Outstanding Sum will trigger the relevant clause in the said Agreement to initiate an arbitration in Malaysia. Our Client reserves their right under the said Agreement to claim all costs and expenses pursuant to the said arbitration, including but not limited to all legal fees and disbursements; costs which have been avoided had you adhered to and honoured the terms and conditions of payment as per the said Agreement.
7. Your Company's immediate cooperation with the contents of this letter would help avoid perilous arbitration and litigation.



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Page 2 of 3

Richard Wee Chambers

8. Our Client's rights remain, at all material times, fully reserved.

Thank you.

Yours faithfully,
RICHARD WEE CHAMBERS

RWC

Wong Zi Ying
Associate

c.c. 1. Client

By Email



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CIVIC Legal LLC, Singapore
The Law Firm of Ingles Laurel Calderon, Philippines



Page 3 of 3

RE: Statement of Final Notice and Legal Action Reminder June 16, 2023

Ari Scheer <AScheer@generationiacp.com>

Thu, Jun 8, 2023 at 11:25 AM

To: Vijai Karthigesu <vijai@swarmio.media>, "jonathan@swarmio.media" <jonathan@swarmio.media>

Hi Vijai,

You were absent from our scheduled meeting yet again today.

As per the email thread below, in addition to the months' notice which we provided you so you can speak with us about the matter... I am trying to be friendly once again to ensure you are aware that in one week (Friday June 16, 2023) you will have left us no choice but to take legal action. We have offered to take a shares for debt settlement but you have pushed back every time. The amount outstanding is now closing in on \$200k. We are trying to work with you Vijai but we need you to play a role.

Regards,

Ari Scheer

Head of Issuer Services

22 St. Clair Avenue East, 18th floor

Toronto, On M4T 2S3

Direct: 416.956.0743

Mobile: 416.809.8830

Toll Free: 866.557.0774



From: Ari Scheer

Sent: Wednesday, May 17, 2023 10:42 AM

To: Vijai Karthigesu <vijai@swarmio.media>

Subject: Statement of Final Notice and Legal Action

Importance: High

Hi Vijai,

I have tried being patient, there is zero communication, you cancel every meeting and I have tried providing you options that do not affect your balance sheet but to no avail. Out of professional courtesy to those I know that are invested in your company...I will be providing you a hard stop date of Friday June 16, 2023. If we do not receive a minimum of 50% of the outstanding amount in cash with the remainder due in a month from that date (July 14, 2023) and/or a shares for debt agreement **paid in full** with shares transferred by June 16, 2023...you will be forcing me to take legal action. Which will make it difficult for you to raise funds when due diligence gets done.

Vijai, I think we have upheld and continue to uphold our end of the bargain...it is time for you to do the same.

Please feel free to contact me but at this point there will be no exceptions made.

Regards,

Ari Scheer

Head of Issuer Services

22 St. Clair Avenue East, 18th floor

Toronto, On M4T 2S3

Direct: 416.956.0743

Mobile: 416.809.8830

Toll Free: 866.557.0774



[iptp.net #940572] Swarmio - Overdue invoice(s)

Mira Pham <billing@iptp.net>

Mon, Jun 5, 2023 at 12:44 AM

Reply-To: billing@iptp.net

To: vladimir@swarmio.media

Cc: accounting@swarmio.media, jonathan@swarmio.media, vijai@swarmio.media

Dear Jonathan,

Unfortunately, debt keep increasing, now is amount of \$13191.91 - Statement attached.

The situation now make us concerns. It is very important for us to know a specific plan on when the remaining amount will be sorted.

Please get back to us ASAP.

On Tue May 30 05:59:56 2023, Mira Pham wrote:

> Dear Jonathan,

>

> Could you please confirm whether you received my messages ?

>

> We really need your confirmation when the remaining outstanding will
> be solved.

>

> On Thu May 25 06:45:42 2023, Mira Pham wrote:

> > Dear Jonathan,

> >

> > Since there is no update from you so far.

> >

> > Please let us know if we can do any thing to assist with the
> > settlement. Otherwise, kindly inform us your payment schedule ASAP.

> >

> > We look forward to hearing from you soon.

> >

> > On Fri May 19 06:00:25 2023, Mira Pham wrote:

> > > Dear Jonathan,

> > >

> > > Hope my previous email could reach you well.

> > >

> > > Please kindly advise how soon we can expect to resolve the
> > > remaining

> > > debt on your account.

> > >

> > > Thank you,

> > >

> > > On Mon May 15 06:49:50 2023, Mira Pham wrote:

> > > > Dear Jonathan,

> > > >

> > > > We would like to draw your kind attention to the below request.

> > > > Could

> > > > you please advise the expected payment date ?

> > > >

> > > > Hope to hear from you soon.

> > > >

> > > > On Tue May 09 05:32:22 2023, Mira Pham wrote:

> > > > > Dear Jonathan,

> > > > >

> > > > > I am sharing here attached your latest statement of account.

> > > > >

> > > > > Would you be kind to let us know your payment plan for the
> > > > > accumulated

> > > > > debt of 10404.09 USD ?

> > > >

>

--

Kind regards,
DocuSign Envelope ID: 3D6B1CCB-F985-4FDE-AFE1-BC578A7C70C1
IPTP Networks
E: pham_minh@iptp.vn <mailto:pham_minh@iptp.vn>
T: +84 2871099858 Ext: 0504
www.iptp.net



Swarmio Inc.pdf

6K

**This is Exhibit "V" referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakhim

A927328440B742A...

A COMMISSIONER FOR TAKING AFFIDAVITS.

Court File No. _____

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SWARMIO MEDIA HOLDINGS INC. ET AL**

CONSENT

Grant Thornton Limited hereby consents to act as the Court-appointed Monitor in this proceeding should an Initial Order be granted by the Court.

Dated at Toronto this 8th day of June, 2023.

GRANT THORNTON LIMITED

Per: 

Name: Daniel Wootton, CIRP, LIT

Title: Sr. Vice President

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SWARMIO MEDIA HOLDINGS INC. ET AL

Court File No.:

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

Proceedings commenced at Toronto

CONSENT

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Lawyers for Grant Thornton Limited, as proposed Monitor

**This is Exhibit “W” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Faleim

R927326410B742A...

A COMMISSIONER FOR TAKING AFFIDAVITS.

June 20, 2023

Swarmio Media Holdings Inc.
Suite 1430, 800 West Pender St.
Vancouver, BC V6C 2V6

Attention: Vijai Karthigesu, Chief Executive Officer

Re: Debtor-in-Possession Financing of Swarmio Media Holdings Inc., et al

A. Swarmio Media Holdings Inc. (the "**Company**"), Swarmio Inc. and Swarmio Media Inc. (collectively, the "**Borrowers**") intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") for an initial order (the "**Initial Order**"), among other things, commencing proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"), imposing a stay of proceedings in favour of the Borrowers (the "**Initial Stay**"), appointing Grant Thornton Limited as Monitor of the Borrowers (in such capacity, the "**Monitor**"), approving this Term Sheet and granting the DIP Lender's Charge (as defined herein).

B. In the event that the Initial Order is granted, and prior to the expiry of the Initial Stay, the Borrowers will seek: (i) an order amending and restating the Initial Order to, *inter alia*, extend the stay of proceedings and increase the DIP Lender's Charge (as may be further amended and restated from time to time, the "**ARIO**"); and (ii) an order approving and authorizing the Company, in consultation with the Monitor, to conduct a Court-supervised sale and investment solicitation process ("**SISP**") within the CCAA Proceedings (as amended and restated from time to time, the "**SISP Order**").

C. The Borrowers require funding to satisfy the cashflow requirements of the CCAA Proceedings and the SISP, and other short-term liquidity requirements.

D. Triaxcess Ltd. (the "**Lender**") has agreed to establish a debtor-in-possession loan facility in the maximum aggregate principal amount of \$1,500,000, subject to and in accordance with the terms and conditions of this term sheet (this "**Term Sheet**").

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

SUMMARY OF TERMS FOR DIP FACILITY

1. **Borrowers:** Swarmio Media Holdings Inc., Swarmio Inc. and Swarmio Media Inc., on a joint and several basis.
2. **Lender:** Triaxcess Ltd.
3. **DIP Facility:** Non-revolving facility in the maximum aggregate principal amount of \$1,500,000 (the "**DIP Facility**").
4. **Purpose:** The DIP Facility shall be available to fund: (i) working capital needs of the Borrowers; (ii) professional fees and expenses incurred by the Borrowers and the Monitor in respect of the CCAA Proceedings and the SISP, in each case in accordance with the cash flow projections approved by the Monitor and the Lender (the "**Cash Flow Projections**"); (iii) the Recoverable Expenses (as defined below); and (iv) such other costs and expenses of the Borrowers as may be agreed to by the Lender, together with the Monitor, in writing.

VK



The amount and purpose of the DIP Facility may be amended by the Borrowers, the Lender, and the Monitor, in writing. The Borrowers may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrowers, except in accordance with the Cash Flow Projections or with the prior written consent of the Lender and the Monitor.

5. Advances:

Subject to the funding conditions set out in Sections 12 and 13 of this Term Sheet, the DIP Facility shall be available by multiple advances as follows:

- (a) upon the issuance of the Initial Order, \$135,000, or such lesser amount as may be approved by the Initial Order and secured by the DIP Lender's Charge (the "First Advance"), shall be advanced to the Borrowers to finance working capital requirements for the 10-day period immediately following the date of the Initial Order; and
- (b) upon the issuance of the ARIO, the balance of the DIP Facility, being \$1,365,000, shall be advanced to the Borrowers in one or more draws upon receipt of a written draw request by the Lender from the Borrowers (each a "Subsequent Advance", and together with the First Advance, collectively, "Advances").

The Borrowers shall provide the Lender with no less than two (2) business days' written notice for any requested Advance, which notice shall state the purpose for which the Advance is to be used by the Borrowers. The Borrowers and the Lender agree that the full amount of the DIP Facility shall be advanced on or before July 21, 2023.

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the DIP Facility at any time unless the Borrowers are in material compliance with the provisions of this Term Sheet.

6. Interest:

Interest shall accrue on amounts Advanced under the DIP Facility at a rate equal to 12% per annum (the "Interest"). Interest shall be calculated on the daily outstanding balance owing under the DIP Facility from the date that each drawdown payment is made by the Lender, and shall accrue and be paid on the Maturity Date (as defined herein).

7. Commitment Fee:

The Borrowers shall pay a commitment fee in the amount of \$28,000 (the "Fee"), representing 2% of the total amount available under the DIP Facility, which shall be fully earned upon the execution of this Term Sheet and shall be paid on the Maturity Date. For certainty, the Fee shall be secured by the DIP Lender's Charge.

8. Recoverable Expenses:

The Borrowers shall pay all fees and expenses (collectively, the "Recoverable Expenses") incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the Initial Order, the ARIO, the SISP Order, the DIP Lender's Charge (as defined below) and with the enforcement of the Lender's rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender. For greater certainty, "Recoverable Expenses" shall include all reasonable fees and expenses incurred by the Lender in connection with the CCAA Proceedings and all Court attendances in respect thereof. If the

Lender has paid any expenses for which the Lender is entitled to reimbursement from the Borrowers, such expenses shall be added to the DIP Facility and shall accrue Interest at the rate set out above. All such fees and expenses and Interest thereon shall be secured by the DIP Lender's Charge whether or not any funds under the DIP Facility are advanced.

9. Security:

All debts, liabilities and obligations of the Borrowers to the Lender under or in connection with the DIP Facility (including, without limitation, Interest, Recoverable Expenses and the Fee), this Term Sheet and any other documents executed in connection therewith shall be secured by a Court-ordered priority charge (the "**DIP Lender's Charge**") granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the "**Property**"), subject in priority only to:

- (a) an administration charge in the maximum aggregate amount of \$100,000 under the Initial Order and increased to \$300,000 under the ARIO for the payment of the fees and expenses of the Monitor, counsel to the Borrowers and counsel to the Monitor (the "**Administration Charge**"); and
- (b) the security interest granted by the Company to 2184907 Ontario Inc., in all of the present and after-acquired personal property of the Company, in the principal amount of \$1,000,000 (the "**218 Security**"). For certainty, the DIP Lender's Charge shall rank subordinate to the 218 Security solely in respect of the present and after-acquired personal property of the Company, but the DIP Lender's Charge shall constitute a first-ranking charge against all other Property of the Borrowers.

A directors' charge in the maximum aggregate amount of \$100,000 under the Initial Order and the ARIO as security for the indemnity provided to the directors and officers of the Borrowers against obligations and liabilities they may incur after the commencement of the CCAA Proceedings (the "**Directors' Charge**") shall be permitted but shall rank subordinate to the DIP Lender's Charge under the terms of the Initial Order and the ARIO.

10. Maturity Date:

Unless otherwise agreed to by the Lender and the Borrowers in writing, the term of the DIP Facility shall expire, and the Borrowers shall repay all obligations owing to the Lender under this Term Sheet, on the earliest of the following (the "**Maturity Date**"):

- (a) September 15, 2023;
- (b) the closing of a sale or investment transaction resulting from the SISP, which transaction has been approved by an order of the Court;
- (c) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrowers' creditors, and by an order of the Court;

(d) the date on which the CCAA Proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a proceeding under the *Bankruptcy and Insolvency Act* (the "BIA"); and

(e) the occurrence of an Event of Default (as defined herein), subject to a cure period of five (5) business days, beginning on the date of the occurrence of such Event of Default.

11. Repayment: The aggregate principal amount owing under the DIP Facility plus all accrued and unpaid Interest, Recoverable Expenses and the Fee, shall become immediately due and payable on the Maturity Date.

12. Funding Conditions; First Advance: The availability of the First Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the Lender in writing:

(a) the Court shall have issued the Initial Order, in a form satisfactory to the Lender, including:

- i. approving this Term Sheet and the DIP Facility;
- ii. granting the DIP Lender's Charge in favour of the Lender;
- iii. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;
- iv. providing that the DIP Lender's Charge shall be valid and effective to secure all of the obligations of the Borrowers to the Lender hereunder, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;
- v. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and
- vi. provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrowers, other than as permitted herein and the DIP Lender's Charge.

(b) the Initial Order shall not have been vacated, stayed, appealed or amended in a manner not acceptable to the Lender, acting reasonably; and

(c) no Event of Default shall have occurred.

13. Funding Conditions; Subsequent Advances: The availability of each Subsequent Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the Lender in writing:

- (a) the Court shall have issued the ARIO, in a form satisfactory to the Lender, including:
 - i. approving this Term Sheet and the DIP Facility;
 - ii. granting the increased DIP Lender's Charge in favour of the Lender;
 - iii. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;
 - iv. providing that the DIP Lender's Charge shall be valid and effective to secure all of the obligations of the Borrowers to the Lender hereunder, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrowers;
 - v. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and
 - vi. provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrowers, other than as permitted herein and the DIP Lender's Charge.
- (b) the Court shall have issued the SISP Order, in a form satisfactory to the Lender;
- (c) the ARIO and SISP Order shall not have been vacated, stayed, appealed or amended in a manner not acceptable to the Lender, acting reasonably; and
- (d) no Event of Default shall have occurred.

14. Covenants: The Borrowers covenant and agree with the Lender, so long as any amounts are outstanding by the Borrowers to the Lender hereunder, to:

- (a) promptly on the receipt by the Borrowers of the same, give the Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the Initial Order, the ARIO, the SISP Order, or any other Court order in the CCAA Proceedings, including, without limitation, any application to the Court for the granting of new or additional security that will or may

have priority over the DIP Lender's Charge, or otherwise for the variation of the priority of the DIP Lender's Charge;

- (b) provide the Lender with any additional financial information reasonably requested by the Lender, to the extent that it is readily available;
- (c) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 4 of this Term Sheet, or such other purposes that may be agreed to by the Lender and the Monitor, in writing;
- (d) provide the Lender and the Monitor with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;
- (e) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (f) pay all claims which, under law, may rank prior to or *pari passu* with the DIP Lender's Charge due and payable from and after the commencement of the CCAA Proceedings, as and when such amounts are due;
- (g) not make any payment to any director, officer, investor or related party of the Borrowers (except salary and wages in the normal course) without the prior written consent of the Lender and the Monitor;
- (h) keep the Borrowers' assets fully insured against such perils in such manner, and only to the extent, as would be customarily insured by companies owning similar assets;
- (i) not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the Directors' Charge and the DIP Lender's Charge) over any of the Borrowers' Property, whether ranking in priority to or subordinate to the DIP Lender's Charge; and
- (j) conduct all activities in the ordinary course and in material compliance with the Cash Flow Projections.

15. Events of Default: The DIP Facility shall be subject to the following events of default (each, an "Event of Default"):

- (a) the Borrowers' failure to pay any amount due hereunder when due and payable;
- (b) any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet is not complied with or fulfilled to

the satisfaction of the Lender;

- (c) the seeking or support by the Borrowers of any Court order (in the CCAA Proceedings or otherwise) which is adverse to the interests of the Lender;
- (d) the issuance of any Court order (in the CCAA Proceedings or otherwise) which is adverse to the interests of the Lender;
- (e) the failure by the Borrowers to comply with the Initial Order, the ARIO, the SISP Order, or any other Court order in the CCAA Proceedings;
- (f) the occurrence of any material adverse change in: (i) the business, operations, or financial condition of the Borrowers; (ii) the Property of the Borrowers; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Borrowers to perform their obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Borrowers' Property or for the obligations of the Borrowers to be satisfied from the realization thereof;
- (g) the Borrowers become bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of any Borrower, or any Borrower's Property;
- (h) the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of the Borrowers, except pursuant to a transaction resulting from the SISP or as may be otherwise approved by the Lender in writing;
- (i) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek, or the result of which would be, to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the DIP Facility, the DIP Lender's Charge or its priority; (ii) for monetary, injunctive or other relief against the Lender or the Borrowers' Property; or (iii) preventing, hindering or otherwise delaying the exercise by the Lender of any of its rights and remedies hereunder, pursuant to the Initial Order, the ARIO or under applicable law, or the enforcement or realization by the Lender against any of its collateral; unless the Borrowers are contesting such matter in good faith and no final order has been made in respect thereof.

16. Remedies and Enforcement

Following the occurrence of an Event of Default, and the expiration of the cure period prescribed in Section 10(c), upon written notice to the Borrowers and the Monitor, the Lender shall have the right, subject to the Lender obtaining an Order from the Court lifting the stay under the CCAA Proceedings, to:

- (a) enforce the DIP Lender's Charge and realize on the Property and any other collateral securing the DIP Facility;
- (b) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act*, the *Mortgages Act* or any legislation of similar effect; and
- (c) exercise all such other rights and remedies available to the Lender under this Term Sheet, the Initial Order, the ARIO, any other order of the Court or applicable law.

No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

- 17. Further Assurances:** The Borrowers will, at their own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to any other provisions set out hereunder.
- 18. Assignment:** The Borrowers shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender. The Lender may assign or sell its rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Borrowers.
- 19. Governing Law:** The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 20. Currency:** All dollar amounts herein are in Canadian Dollars.
- 21. Acceptance:** This Term Sheet is open for acceptance until 5:00 p.m. (Toronto time) on June 20, 2023. The Borrowers may accept this Term Sheet by returning a countersigned copy of this Term Sheet to the Lender (by electronic transmission or personal delivery).

[Signature Page Follows]

VK



Dated this 20th day of June, 2023.

TRIAXCESS LTD.

By: 

Name: Elie Jeitani

Title: Authorized Signatory

I have authority to bind the Corporation.

ACCEPTANCE

TO THE DIP LENDER:

For good and valuable consideration received, Swarmio Media Holdings Inc., Swarmio Inc. and Swarmio Media Inc. hereby accept and agree to comply with the provisions of the Term Sheet set out above, on a joint and several basis.

Dated this 20th day of June, 2023.

SWARMIO MEDIA HOLDINGS INC.

By: 
Name: Vijai Karthigesu
Title: Chief Executive Officer
I have authority to bind the Corporation.

SWARMIO INC.

By: 
Name: Vijai Karthigesu
Title: Chief Executive Officer
I have authority to bind the Corporation.

SWARMIO MEDIA INC.

By: 
Name: Vijai Karthigesu
Title: Chief Executive Officer
I have authority to bind the Corporation.

**This is Exhibit “X” referred to in the affidavit
of VIJAI KARTHIGESU, SWORN BEFORE ME
this 20th day of June, 2023**

DocuSigned by:

Monica Fakeim

A927328446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS.

Swarmio Media Holdings Inc., Swarmio Inc., and Swarmio Media Inc.
Weekly Cash Flow Projection
Prepared as at June 20, 2023

Week Ended (CDN \$)		23-Jun-23 Week 1	30-Jun-23 Week 2	07-Jul-23 Week 3	14-Jul-23 Week 4	21-Jul-23 Week 5	28-Jul-23 Week 6	04-Aug-23 Week 7	11-Aug-23 Week 8	18-Aug-23 Week 9	Total
Cash Receipts											
Collections	Note 1 & 9	3,885	-	-	-	4,436	-	-	-	7,982	16,303
Debtor in Possession Financing	Note 2	135,000	500,000	500,000	365,000	-	-	-	-	-	1,500,000
Other Projected Financing		-	-	-	-	-	-	-	-	-	-
Total Cash Receipts		138,885	500,000	500,000	365,000	4,436	-	-	-	7,982	1,516,303
Cash Disbursements											
Operational											
Salary and Benefits	Note 3	(48,999)	(154,205)	(48,999)	-	(48,999)	(143,155)	(48,999)		(48,999)	(542,355)
Salary Arrears		-	-	-	-	-	-	-	-	-	-
Content and Processing Fees		(3,691)	-	-	-	(4,215)	-	-	-	(7,583)	(15,489)
Data Processing		(2,715)	(4,102)	(2,131)	(791)	(4,872)	(2,601)	(2,265)	(5,268)	(2,601)	(27,346)
Infrastructure		-	(42,699)	-	-	-	(42,699)	-	-	(42,699)	(128,097)
Payment Integration Services		-	(13,964)	-	-	-	(13,964)	-	-	(13,964)	(41,892)
Administrative / Office		(1,095)	(6,630)	-	-	(1,095)	(6,630)	-	(1,095)	(6,630)	(23,175)
Advertising and Marketing	Note 4	(3,000)	(12,600)	-	(3,000)	-	(12,600)	(3,000)	-	(12,600)	(46,800)
Inventory Purchases	Note 5	(5,000)	(5,000)	-	(5,000)	-	(5,000)	(5,000)	-	(5,000)	(30,000)
Other Costs	Note 6	(194)	-	-	-	(3,912)	-	-	-	(784)	(4,890)
Restructuring Fees	Note 7	-	-	-	-	-	-	-	-	-	-
Legal Fees		-	(100,000)	(75,000)	-	(25,000)	-	-	(50,000)	(50,000)	(300,000)
Monitor Fees		-	(100,000)	(50,000)	-	(25,000)	-	-	(25,000)	(50,000)	(250,000)
Total Cash Disbursements		(64,694)	(439,200)	(176,130)	(8,791)	(113,093)	(226,649)	(59,264)	(81,363)	(240,860)	(1,410,044)
Net Cash Flow		74,191	60,800	323,870	356,209	(108,657)	(226,649)	(59,264)	(81,363)	(232,878)	106,259
Opening Cash		-	74,191	134,991	458,861	815,070	706,413	479,764	420,500	339,137	
Closing Cash		74,191	134,991	458,861	815,070	706,413	479,764	420,500	339,137	106,259	

Disclaimers

1. This statement of projected cash flow of Swarmio Media Holdings Inc. (the "**Company**") is prepared by the Company.
2. The Company has prepared the Cash Flow Projection based on probably and hypothetical assumptions that reflect the Company's planned course of action for the period of June 19, 2023 to August 18, 2023. Management is of the view that, as at the date of filing the Cash Flow Projection, the assumptions used to develop the projection represent the most probably set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for, and are consistent with, the purpose of the Cash Flow Projection.
3. The information contained in the Cash Flow Projection is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. This Cash Flow Projection should not be used for any other purpose, and creditors are cautioned that the information provided in the cash flow could vary based on changing future circumstances.
4. The Cash Flow Projection period is intended to cover a sufficient period of time for a sale process to be conducted and a successful purchaser identified.

Notes:

1. Collections are based on the Company's best estimate on the receipt sales.
2. The Company plans to use Debtor in Possession financing to support operations during the Cash Flow Projection for the period.
3. Salary and related payments are based on contractual arrangements in place with the respective employees.
4. Advertising and Marketing relates to the maintenance of critical relationships or events that are considered of high value to the Company's continued operation.
5. Inventory relates to purchases of telecom pre-paid cards for marketing and operations during the Cash Flow Projection period.
6. Other Costs relate to small operational costs expected to be incurred in the normal course of business.
7. Restructuring Fees relate to the estimated cost of these Proceedings and include the Company's counsel, Monitor's fees, and the Monitor's Counsel's fees.
8. The Company's Cash Flow Projection does not contemplate the payment of pre-filing creditors and only inter-period costs for ongoing operations.

June 20, 2023



Swarmio Media Holdings Inc.,
Swarmio Inc., and Swarmio Media Inc.
Per. Vijai Karthigesu, CEO

**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**

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

Applicants

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

Proceeding commenced at TORONTO

**AFFIDAVIT OF VIJAI KARTHIGESU
(INITIAL APPLICATION)**

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Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	WEDNESDAY, THE 21 st
	)	
JUSTICE STEELE	)	DAY OF JUNE, 2023

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

INITIAL ORDER

THIS APPLICATION, made by Swarmio Media Holdings Inc., Swarmio Inc., and Swarmio Media Inc. (collectively, the “**Applicants**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) was heard this day by Zoom video conference.

ON READING the affidavit of Vijai Karthigesu sworn June 20, 2023 and the Exhibits thereto (“**First Karthigesu Affidavit**”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and Grant Thornton Limited (“**GT**” or the “**Monitor**”) and on reading the consent of GT to act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the First Karthigesu Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or

legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance, technology infrastructure services, reimbursements in accordance with the Disbursement Procedures (as defined and described in the First Karthigesu Affidavit), and security services;
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate.

12. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer,

the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

STAY OF PROCEEDINGS

14. THIS COURT ORDERS that until and including July 1, 2023 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right,

contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, technology and software infrastructure providers, contractors, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, technology and software infrastructure, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any

obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 39 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors 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 that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis as agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the sales process;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save

and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 37 and 39 hereof.

DIP FINANCING

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Triaxcess Ltd. (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$135,000 unless permitted by further Order of this Court.

33. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the agreement between the Applicants and the DIP Lender dated as of June 20, 2023 (the "**DIP Term Sheet**"), filed.

34. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security

documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 37 and 39 hereof.

36. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 5 days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

37. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

With respect to the Applicants, Swarmio Inc. and Swarmio Media Inc.:

First – Administration Charge (to the maximum amount of \$100,000)

Second – DIP Lender's Charge (to the maximum amount of \$135,000); and

Third – Directors' Charge (to the maximum amount of \$100,000).

Solely with respect to the Applicant, Swarmio Media Holdings Inc.:

First – Administration Charge (to the maximum amount of \$100,000)

Second – 218 Security (as defined in the First Karthigesu Affidavit);

Third – DIP Lender's Charge (to the maximum amount of \$135,000); and

Fourth – Directors' Charge (to the maximum amount of \$100,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent

to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; *provided that*, solely with respect Swarmio Media Holdings Inc., the DIP Lender's Charge and the Directors' Charge shall rank subordinate to 218 Security (as defined in the First Karthigesu Affidavit), but, for greater certainty, the DIP Lender's Charge and the Directors' Charge shall rank in priority to all other Encumbrances.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

42. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge, the DIP Term Sheet, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

44. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), RSO 1990, c S.5 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of the Canadian Securities Exchange (collectively, the "**Securities Legislation**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicant failing to make any Securities Filings required by the Securities Provisions.

45. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure

by the Applicants to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “**Regulators**”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

SERVICE AND NOTICE

46. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) 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.

47. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<www.grantthornton.ca/swarmio>’.

48. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

49. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

GENERAL

50. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order, or apply for advice and directions in the discharge of their powers and duties hereunder.

51. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

52. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the

Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

53. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

54. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

55. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

56. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SWARMIO MEDIA HOLDINGS INC., SWARMIO INC., AND SWARMIO MEDIA INC.,

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

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at TORONTO

INITIAL ORDER

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TAB 4

Court File No. — CV-23-00701377-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) ~~WEEKDAY~~ WEDNESDAY, THE #21st
JUSTICE — STEELE)
DAY OF ~~MONTH~~ JUNE, ~~20YR~~ 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
~~[APPLICANT'S NAME] (the "Applicant")~~
SWARMIO MEDIA HOLDINGS INC., SWARMIO INC., AND SWARMIO MEDIA INC.,

Applicants

INITIAL ORDER

THIS APPLICATION, made by ~~the Applicant~~ Swarmio Media Holdings Inc., Swarmio Inc., and Swarmio Media Inc. (collectively, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by Zoom video conference.

ON READING the affidavit of ~~[NAME]~~ Vijai Karthigesu sworn ~~[DATE]~~ June 20, 2023 and the Exhibits thereto ("First Karthigesu Affidavit"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME][†] although duly served as appears from the affidavit of service of [NAME]~~ sworn [DATE] the Applicants and Grant Thornton Limited ("GT" or the "Monitor") and on reading the consent of ~~[MONITOR'S NAME]~~ GT to act as the Monitor,

[†] ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a company~~Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the ~~Applicant~~Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The ~~Applicant is~~Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

² ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

5. **{THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled to continue to utilize the central cash management system³ currently in place as described in the First Karthigesu Affidavit ~~of [NAME] sworn [DATE]~~ or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.**}**

6. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the ~~Applicant~~Applicants shall be entitled but not required to pay all reasonable expenses incurred by

~~³ This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

the ~~Applicant~~Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance, technology infrastructure services, reimbursements in accordance with the Disbursement Procedures (as defined and described in the First Karthigesu Affidavit), and security services; ~~and~~
- (b) payment for goods or services actually supplied to the ~~Applicant~~Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the ~~Applicant~~Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for resiliated~~⁴ in accordance with the CCAA, the ~~Applicant~~Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the ~~Applicant~~Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant~~Applicants ~~is~~are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants to any of ~~its~~their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, ~~and to dispose of redundant or non-material assets not exceeding \$● in any one transaction or \$● in the aggregate~~⁵

⁴ ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

⁵ ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

(b) ~~terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate}; and~~

~~(c) —pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,~~

~~all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").~~

12. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall provide each of the relevant landlords with notice of the ~~Applicant~~Applicants's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the ~~Applicant~~Applicants's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ~~Applicant~~Applicants, or by further Order of this Court upon application by the ~~Applicant~~Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the ~~Applicant disclaims [or resiliates]~~Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~[or resiliation]~~ of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer~~[or resiliation]~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer~~[or resiliation]~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ~~Applicant~~Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer~~[or resiliation]~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the ~~Applicant~~Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

~~NO STAY OF PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY~~

14. THIS COURT ORDERS that until and including ~~[DATE—MAX. 30 DAYS]~~July 1, 2023 or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the ~~Applicant~~Applicants to carry on any business which the ~~Applicant is~~Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Applicant~~Applicants, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~Applicants or statutory or regulatory mandates for the supply of

goods and/or services, including without limitation all computer software, communication and other data services, technology and software infrastructure providers, contractors, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the ~~Applicant~~Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Applicant~~Applicants, and that the ~~Applicant~~Applicants shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses, technology and software infrastructure, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~Applicants in accordance with normal payment practices of the ~~Applicant~~Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ~~Applicant~~Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

obligations of the ~~Applicant~~Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**")⁸ on the Property, which charge shall not exceed an aggregate amount of \$●100,000, as security for the indemnity provided in paragraph ~~{20}~~19 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~37 and ~~{40}~~39 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the ~~Applicant's~~Applicants' directors 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 that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~{20}~~19 of this Order.

⁷ ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

⁸ ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~Applicants and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant's~~Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, in ~~its~~their dissemination, to the DIP Lender and its counsel ~~on a [TIME INTERVAL]~~basis of financial and other information as agreed to between the ~~Applicant~~Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the ~~Applicant~~Applicants in ~~its~~their preparation of the ~~Applicant~~Applicants's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, ~~but not less than [TIME INTERVAL], or as otherwise~~ agreed to by the DIP Lender;
- (e) advise the ~~Applicant~~Applicants in ~~its~~their development of the ~~Plan and any amendments to the Plan~~sales process;

- (f) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in

pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ~~Applicant~~Applicants and the DIP Lender with information provided by the ~~Applicant~~Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the ~~Applicant~~Applicants as part of the costs of these proceedings. The ~~Applicant is~~Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant~~Applicants on a ~~[TIME INTERVAL]~~weekly basis ~~and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$●~~
~~[, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.~~

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the ~~Applicant~~Applicants's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$●100,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~38~~37 and ~~40~~39 hereof.

DIP FINANCING

32. **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME]~~Triaxcess Ltd. (the "**DIP Lender**") in order to finance the ~~Applicant's~~Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$●135,000 unless permitted by further Order of this Court.

33. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~agreement between the ~~Applicant~~Applicants and the DIP Lender dated as of ~~[DATE]~~June 20, 2023 (the "~~Commitment Letter~~DIP Term Sheet"), filed.

34. **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the ~~Commitment Letter~~DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant is~~Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's

Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~138~~37 and ~~140~~39 hereof.

36. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ~~5~~5 days notice to the ~~Applicant~~Applicants and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~Applicants or the Property under or pursuant to the ~~Commitment Letter~~DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the ~~Applicant~~Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the ~~Applicant~~Applicants against the obligations of ~~the Applicant~~the Applicants to the DIP Lender under the ~~Commitment Letter~~DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the ~~Applicant~~Applicants and for the appointment of a trustee in bankruptcy of the ~~Applicant~~Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the ~~Applicant~~Applicants or the Property.

37. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the ~~Applicant~~Applicants under the CCAA, or any proposal filed by the ~~Applicant~~Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows⁹:

With respect to the Applicants, Swarmio Inc. and Swarmio Media Inc.:

First – Administration Charge (to the maximum amount of \$●100,000);

Second – DIP Lender's Charge (to the maximum amount of \$135,000); and

Third – Directors' Charge (to the maximum amount of \$●100,000).

Solely with respect to the Applicant, Swarmio Media Holdings Inc.:

First – Administration Charge (to the maximum amount of \$100,000)

Second – 218 Security (as defined in the First Karthigesu Affidavit);

Third – DIP Lender's Charge (to the maximum amount of \$135,000); and

Fourth – Directors' Charge (to the maximum amount of \$100,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on

~~⁹ The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person; provided that, solely with respect Swarmio Media Holdings Inc., the DIP Lender's Charge and the Directors' Charge shall rank subordinate to 218 Security (as defined in the First Karthigesu Affidavit), but, for greater certainty, the DIP Lender's Charge and the Directors' Charge shall rank in priority to all other Encumbrances.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the ~~Applicant~~Applicants also ~~obtains~~obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

42. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge, the ~~Commitment Letter~~DIP Term Sheet, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the ~~Applicant~~Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the ~~Applicant~~Applicants of any Agreement to which ~~it is~~they are a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant~~Applicants entering into the ~~Commitment Letter~~DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the ~~Applicant~~Applicants pursuant to this Order, the ~~Commitment Letter~~DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~Applicants' interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

44. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the “**Securities Filings**”) that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), RSO 1990, c S.5 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of the Canadian Securities Exchange (collectively, the “**Securities Legislation**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicant failing to make any Securities Filings required by the Securities Provisions.

45. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or

stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “Regulators”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

SERVICE AND NOTICE

46. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~Applicants of more than \$1000, and (C) 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.

47. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<www.grantthornton.ca/swarmio>’.

48. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Applicant's~~Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

49. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

GENERAL

50. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order, or apply for advice and directions in the discharge of ~~its~~their powers and duties hereunder.

51. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~Applicant~~Applicants, the Business or the Property.

52. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the ~~Applicant~~Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such

assistance to the ~~Applicant~~Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

53. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Applicants and the Monitor be at liberty and ~~is~~are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

54. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

55. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

56. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SWARMIO MEDIA HOLDINGS INC., SWARMIO INC., AND SWARMIO MEDIA INC.,

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at TORONTO

INITIAL ORDER

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APPLICATION RECORD
(Returnable June 21, 2023)

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