

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
RIVERBED TECHNOLOGY, INC., <i>et al.</i> , ¹)	Case No. 21-11503 (___)
)	
Debtors.)	(Joint Administration Requested)
)	

**DECLARATION OF DAN SMOOT, PRESIDENT AND
CHIEF EXECUTIVE OFFICER OF RIVERBED TECHNOLOGY, INC.,
IN SUPPORT OF CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

I, Dan Smoot, hereby declare under penalty of perjury:²

1. I am the President and Chief Executive Officer of Riverbed Technology, Inc. (“Riverbed Technology,” and together with the other above-captioned debtors and debtors in possession, the “Debtors,” and collectively with their non-debtor affiliates, “Riverbed”).

2. I joined Riverbed in June 2018 as Riverbed Technology’s Chief Customer Officer and served in that capacity until August 2019, when I became Riverbed Technology’s Chief Operating Officer. I served as Riverbed Technology’s Chief Operating Officer until June 2021, when I became Riverbed Technology’s President and Chief Executive Officer. I also am the President and Chief Executive Officer of each of the Debtors and currently serve on the Debtors’ boards of directors.

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: Riverbed Technology, Inc. (8754); Aternity LLC (8754); Riverbed Holdings, Inc. (6675); and Riverbed Parent, Inc. (2610). The location of the debtors’ service address in these chapter 11 cases is: 680 Folsom Street, San Francisco, California 94107.

² Capitalized terms used but not defined herein have the meanings ascribed to them in the contemporaneously filed *Joint Prepackaged Chapter 11 Plan of Reorganization of Riverbed Technology, Inc. and Its Debtor Affiliates* (as amended, supplemented, or modified from time to time, and including all supplements and exhibits thereto, the “Plan”) or the *Disclosure Statement for the Joint Prepackaged Chapter 11 Plan of Reorganization of Riverbed Technology, Inc. and Its Debtor Affiliates* (as amended, supplemented, or modified from time to time, and including all exhibits thereto, the “Disclosure Statement”), as applicable.

3. I have over 30 years of executive experience in the technology sector, with particular expertise in sales, sales operations, channels, and corporate operations. Prior to joining Riverbed, I spent four years at Salesforce in the roles of Executive Vice President of Global Partner Sales (February 2016 to June 2018) and Executive Vice President of Market Readiness (September 2014 to February 2016). Prior to joining Salesforce, I served as the Senior Vice President of Global Customer Operations for VMware (May 2012 to September 2014) and as President, Americas Region for Life Technologies (December 2011 to May 2012). I had previously spent twelve years at Cisco in the roles of Vice President, Worldwide Sales, Operations, and Marketing, Cisco Capital (August 2009 to December 2011), Vice President, World Wide Customer Operations (August 2004 to August 2009), and Director of Sales (July 1999 to August 2004). Prior to joining Cisco, I spent eight years at Siemens (1991 to 1999) in the role of General Manager. I received a Bachelor's degree in Social Ecology from University of California, Irvine in 1989.

4. As President and Chief Executive Officer of the Debtors, I am generally familiar with the Debtors' day-to-day operations, business and financial affairs, and books and records. I am above eighteen years of age and I am competent to testify. I submit this declaration (this "Declaration") to assist the Court and interested parties in understanding why the Debtors filed these chapter 11 cases and in support of the Debtors' chapter 11 petitions and the relief requested in the motions filed along with the petitions (collectively, the "First Day Motions"). The facts set forth in each First Day Motion are incorporated herein by reference.

5. I am familiar with the contents of each First Day Motion and believe that the relief requested therein is necessary for the Debtors to smoothly transition into chapter 11 and to continue ordinary course operations postpetition.

6. The statements set forth in this Declaration are based upon my personal knowledge and experience, my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, and information obtained from other members of the Debtors' management team and third-party advisors. I am authorized to submit this Declaration on behalf of the Debtors and, if called upon to testify, I could and would testify competently to the facts set forth herein.

Introduction

7. Riverbed is a leading provider of IT optimization products and services, including a suite of best-in-class network and application visibility, management, and performance enhancement solutions to many of the world's largest organizations. Through its industry-leading products, Riverbed offers integrated solutions that allow the world's largest organizations to fully optimize the performance of their networks and applications. Founded in 2002 and headquartered in San Francisco, Riverbed employs a global workforce of over 1,400 employees and has sold its solutions to over 30,000 customers worldwide (including 99% of the Fortune 100) to date and maintains over 7,500 active customer contracts.

8. Riverbed commenced these chapter 11 cases to implement a comprehensive, value-maximizing financial restructuring through a fully solicited and prepackaged plan (the "Plan"), which has been unanimously accepted by all creditors entitled to vote and is supported by Riverbed's equity sponsors. The proposed restructuring pursuant to the Plan will eliminate approximately \$1.1 billion of Riverbed's existing funded debt, provide Riverbed with \$100 million of new equity capital, and pay all trade, vendor, and employee obligations in full.

9. Riverbed filed these chapter 11 cases and is pursuing confirmation and consummation of the Plan as the best option to right-size its capital structure and position itself for long-term success. Like many similar businesses, Riverbed faced significant COVID-19-related

headwinds in 2020, including global supply chain disruptions and labor shortages, which adversely affected Riverbed's financial performance. With factories shut down and stay-at-home orders instituted across the globe, Riverbed faced challenges maintaining its global supply chain as well as driving sales through a suddenly fully-remote salesforce. Although it faced an unprecedented labor shortage, Riverbed prioritized maintaining a sufficiently sizeable workforce to service client needs and fulfill orders in a consistently timely fashion. These factors, combined with Riverbed's substantial debt service obligations, significantly constrained Riverbed's liquidity through 2020. Compounding these challenges, one of Riverbed's key markets—the wide area network optimization market—has experienced a general decline in recent years as part of a transition by organizations to alternative location-independent computing technologies.

10. In December 2020, to de-stress the business and address significant upcoming funded debt maturities, Riverbed executed a voluntary amend-and-extend and debt-for-debt exchange transaction (the "2020 Refinancing"). Through the 2020 Refinancing, Riverbed (a) extended the maturity of most of its first lien term loan debt from April 2022 to December 2025 and (b) refinanced nearly all of Riverbed's then-outstanding unsecured notes (due in 2023) with second lien term loans maturing in December 2026. Additionally, in April 2021, to address its ongoing liquidity challenges, Riverbed entered into a \$35 million asset-based revolving credit facility (the "ABL Facility"), which was upsized to \$50 million in May 2021, and which allowed Riverbed to meet its near-term liquidity needs.

11. Despite these measures, the continued economic fallout from COVID-19, including a sustained decrease in workforce participation and declined demand during the pandemic for Riverbed's products and services, continued to hinder Riverbed's revenue growth and frustrate Riverbed's overall financial performance. Combined with Riverbed's substantial debt service

obligations, these challenges kept Riverbed in a difficult liquidity position and made clear the need for Riverbed to reach a comprehensive deleveraging and liquidity-enhancing solution with its key stakeholders.

12. Accordingly, in mid-2021, Riverbed began exploring various strategic alternatives to reduce its funded debt obligations and revise its business plan for long-term success. In the following months, Riverbed engaged in discussions with certain of its key stakeholders, including an *ad hoc* group of First Lien Lenders and Second Lien Lenders (the “Ad Hoc Group”), an *ad hoc* subgroup thereof of First Lien Lenders (the “Ad Hoc 1L Subgroup”), and Riverbed’s equity sponsors, regarding a comprehensive balance sheet solution. After extensive, arm’s-length negotiations, Riverbed and these key stakeholders reached agreement on the comprehensive deleveraging and liquidity-enhancing transactions set forth in the restructuring support agreement executed on October 13, 2021 (the “Restructuring Support Agreement” or “RSA,” and the transactions contemplated thereby, the “Restructuring Transactions”). Concurrently therewith, to facilitate the implementation of the Restructuring Transactions, certain members of the Ad Hoc Group extended \$65 million in bridge financing to Riverbed in the form of new first lien secured notes (the “Bridge Notes”), which provided Riverbed with the necessary funding to repay the ABL Facility in full, fund Riverbed’s operations, and bridge to consummation of the Restructuring Transactions.

13. The key terms of the Restructuring Transactions, as set forth in the RSA and the Plan, are as follows:

- Allowed Bridge Notes Claims will be paid in full in cash on the Plan’s Effective Date.
- General Unsecured Claims, including trade claims, vendor claims, and employee claims, will be **unimpaired and reinstated**.
- Each Holder of an Allowed First Lien Secured Claim will receive (a) payment in full in Cash of all accrued and unpaid interest as of the Effective Date, (b) its pro rata share of the Exit Facility Term Loans totaling \$900 million,

and (c) its pro rata share of the First Lien Convertible Preferred Equity with an initial liquidation preference of approximately \$239 million.

- Each Holder of an Allowed Second Lien Secured Claim will receive its pro rata share of the Second Lien New Common Equity, which is equal to 100% of the New Common Equity, subject to dilution.
- Each Unsecured Notes Claim will be cancelled, released, and extinguished without any distribution on account thereof.
- The Reorganized Debtors will raise \$100 million of new money through the issuance of New Money Convertible Preferred Equity to the New Money Commitment Parties on the Plan's Effective Date.
- Existing Interests will be cancelled on the Plan's Effective Date.

14. The RSA contemplated two methods for implementing the Restructuring Transactions: either (a) a voluntary out-of-court exchange transaction (the "Out-of-Court Exchange"); or (b) the filing of voluntary chapter 11 cases and seeking confirmation and consummation of the Plan. Accordingly, on October 22, 2021 (the "Solicitation Commencement Date"), the Debtors launched a dual solicitation process: simultaneously soliciting consents to the Out-of-Court Exchange with votes on the Plan from the Debtors' applicable creditors and equity holders.³ On the same day, the Debtors sent a notice of the proposed restructuring (the "Combined Hearing Notice")⁴ to all interested parties, posted the Combined Hearing Notice on the Debtors' public restructuring website (along with the Plan and Disclosure Statement), and arranged for a short-form version of the Combined Hearing Notice to be published in *The New York Times*, the *Financial Times*, and the *San Francisco Chronicle*.⁵

³ Riverbed's dual-solicitation process is discussed in greater detail in the Disclosure Statement.

⁴ The Combined Hearing Notice clearly disclosed (a) the Debtors' expectation to commence these chapter 11 cases in the event the Out-of-Court Exchange was not consummated and (b) the Debtors' initial proposed timeline for these chapter 11 cases.

⁵ A short-form version of the Combined Hearing Notice was published in *The New York Times* (national edition) on October 27, 2021, in the *Financial Times* (worldwide edition) and the *San Francisco Chronicle* on October 28, 2021, and in *The New York Times* (international edition) on November 1, 2021.

15. By the Consent and Voting Deadline,⁶ the Debtors received the requisite consents to implement the Restructuring Transactions through the Out-of-Court Exchange, and the Plan was accepted by 100% of creditors in all classes entitled to vote on the Plan.⁷

16. Riverbed elected to file these chapter 11 cases because consummating the transactions contemplated by the Plan through an in-court restructuring will allow the Debtors to right-size their capital structure while maximizing value for all stakeholders. Among other things, an in-court restructuring will allow the Reorganized Debtors to reorganize in a manner that maximizes tax efficiencies (based on current law), which would have otherwise not been attainable in an out-of-court context. Additionally, implementing the Restructuring Transactions through these chapter 11 cases rather than through the Out-of-Court Exchange will provide the Reorganized Debtors with a more stable go-forward equity structure. In an out-of-court scenario, over one thousand existing equityholders would have their equity interests diluted to zero while remaining equityholders of the reorganized business. Although such equityholders would effectively have only a de minimis economic interest, they would remain shareholders under Delaware law. By proceeding with an in-court transaction, the Reorganized Debtors have the opportunity to fully resolve these potential legacy equityholder issues and have a clean go-forward equity structure upon emergence. An in-court restructuring also gives the Debtors the benefit and certainty of a confirmation order and a plan discharge under section 1141 of the Bankruptcy Code.

17. By filing these chapter 11 cases, the Debtors seek to implement the value-maximizing Restructuring Transactions through timely confirmation and consummation of the

⁶ The Debtors extended the Consent and Voting Deadline from November 5, 2021 at 5:00 p.m. (prevailing Eastern Time) to November 10, 2021 at 5:00 p.m. (prevailing Eastern Time).

⁷ See Declaration of James Sean McGuire on Behalf of Stretto Regarding Solicitation of Votes and Tabulation of Ballots Accepting or Rejecting the Joint Prepackaged Chapter 11 Plan of Reorganization of Riverbed Technology, Inc. and Its Debtor Affiliates, filed contemporaneously herewith (the "Stretto Voting Declaration").

Plan. As the Plan has already been unanimously accepted by all creditor classes entitled to vote on it, the Debtors intend to proceed swiftly to confirmation of the Plan and to emerge from chapter 11 shortly after confirmation. A prolonged stay in chapter 11 would not only be unnecessary but would result in unneeded uncertainty among employees, customers, and vendors—as well as in significant incremental administrative costs. With that in mind, the Debtors have done, and will continue to do, the work needed to facilitate an expeditious, consensual restructuring.

18. The Debtors have selected the Plan as the optimal value-maximizing alternative to right-size their capital structure and to position the Debtors, with \$100 million of new equity capital, for long-term success. The Plan represents the successful culmination of a year of intense and hard-fought restructuring efforts by the Debtors and their key stakeholders, is a significant compromise, and demonstrates the continued commitment to Riverbed's future by the Debtors' key creditor constituencies. In my opinion, consummation of the Restructuring Transactions through these chapter 11 cases and the Plan will put the Reorganized Debtors in a strong position to navigate a challenging macroeconomic environment and to kick-start their go-forward business plan. Accordingly, the Debtors and I believe that consummation of the Restructuring Transactions through the Plan will ultimately maximize value for all stakeholders.

Riverbed's History and Business Operations

19. Riverbed was founded in 2002 with the objective of enabling “location-independent” computing through products and services that allow networks and applications to run unaffected and unimpeded by computer and user location. Riverbed's first foray into location-independent computing involved solving latency and bandwidth limitation problems associated with “wide area networks” (“WANs”). A WAN is a computer network that extends over a large geographic area—from as small as a local region, to one or more countries or

continents, to worldwide. WANs are contrasted with “local area networks” (“LANs”), or computer networks that extend over a limited geographic area, such as a home, a school, or an office building.

20. Computing over a LAN is usually fast, easy, and inexpensive because the locations are grouped around a central hub and the distances involved in the network are short. However, once a company expands its business beyond the confines of one office, the company often encounters WAN-related latency and bandwidth challenges. For applications and data to travel across a network takes time (latency) and transmission capacity (bandwidth). The greater the distances and the more locations involved, the slower that networks and applications may run for users. In any organization that relies upon computer technology, slow networks and applications can hamper workforce productivity and business performance.

21. In its early years, Riverbed’s business focused principally on WAN optimization. In 2004, Riverbed launched SteelHead, a suite of best-in-class WAN optimization tools built on proprietary software and delivered on hardware or digitally. In the following years, building on its founding premise of enabling location-independent computing, Riverbed expanded into providing solutions that enable organizations to visualize, optimize, remediate, and accelerate the performance of any network for any application, while also supporting business objectives to mitigate cyber security risk. These solutions include: (a) network performance management and IT infrastructure management products, which provide comprehensive network and application visibility through performance monitoring and visualization tools; and (b) network and application acceleration products, which provide fast and reliable application delivery and performance through latency-minimizing, bandwidth-maximizing, and transmission coordination tools.

22. Riverbed completed an initial public offering in 2006 and remained a public company until 2015, when it was acquired by Thoma Bravo, L.P., a leading technology-focused private equity investment firm, and Teachers' Private Capital, the private equity arm of Ontario Teachers' Pension Plan (together, the "Sponsors").

23. In the following year, Riverbed acquired Aternity LLC ("Aternity"), a world-class "digital experience management" ("DEM") provider, further expanding Riverbed's suite of IT optimization solutions for the world's largest organizations. Riverbed's DEM solutions include application performance management, end-user experience management, and device performance monitoring products. These offerings permit organizations to collect data directly from end-user devices and to measure and analyze their users' digital experience (*e.g.*, device and application health, user behavior information, wait times).

24. In July 2019, Riverbed formed a new Aternity division focused fully on DEM. Due to this organizational change, Riverbed restructured its operations to better align its organizational and business structure to accommodate for two separate divisions, including establishing a specific leadership team focused exclusively on Aternity and separating the sales force and accounting functions for Aternity and Riverbed products. In 2021, the Debtors determined that they could serve the market and their customers more effectively by reintegrating the Aternity division into Riverbed's main operations, and plan to no longer maintain a divisional split between the two product lines.

25. Today, Riverbed is a leading worldwide provider of IT optimization products and services, catering to four core solution areas: WAN optimization, software-defined WAN, application acceleration, and network performance management. Through these offerings, Riverbed addresses the critical infrastructure and app acceleration challenges customers face in

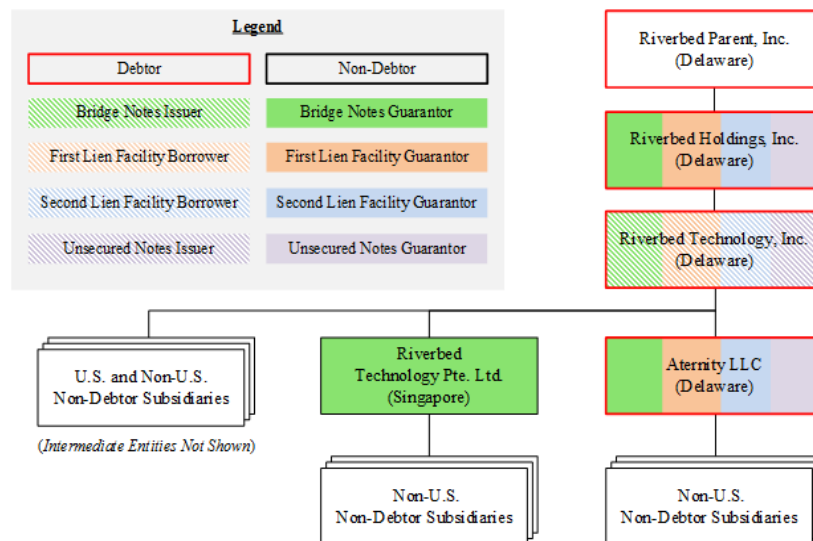
today’s digital, cloud, and mobile world, and also provides rich, transaction-level visibility into all drivers of end-user experience. Riverbed has a global workforce of over 1,400 employees and has sold its products to over 30,000 customers worldwide, including 99% of the Fortune 100.

26. Riverbed has substantial operations outside of the United States, and expects that its operations outside of the United States will continue in the ordinary course of business during these chapter 11 cases.⁸ All of Riverbed’s international entities are non-Debtor affiliates, and the Bridge Notes are Riverbed’s only funded indebtedness outside of the United States (guaranteed by non-Debtor Riverbed Technology Pte. Ltd (Singapore)). The Holders of the Bridge Notes Claims have agreed to forbear from exercising remedies under the Bridge Notes in connection with the Restructuring Support Agreement.

Riverbed’s Organizational Structure and Prepetition Capital Structure

I. Riverbed’s Organizational Structure.

27. Riverbed’s current organizational structure is reflected, in simplified form, in the following chart. A comprehensive organizational chart is attached hereto as **Exhibit A**.



⁸ Riverbed has numerous global locations, including offices in India, the United Kingdom, Australia, Singapore, South Korea, Japan, the United Arab Emirates, the Netherlands, France, and Romania, and has relationships with several suppliers and customers located outside of the United States.

28. All of the Debtors, other than Riverbed Parent, Inc., are obligors in respect of the Bridge Notes, the First Lien Facility, the Second Lien Facility, and the Unsecured Notes (each as defined below). Other than non-Debtor Riverbed Technology Pte. Ltd., which is a guarantor of the Bridge Notes, the non-Debtors are not obligors under these financing arrangements.

II. Riverbed's Prepetition Capital Structure.

29. As of the Petition Date, the Debtors have approximately \$1.98 billion in aggregate outstanding principal of funded debt obligations, as reflected below:⁹

<u>Funded Debt</u>	<u>Approximate Outstanding Principal Amount</u>
Bridge Notes	\$65,000,000
First Lien Facility	\$1,138,522,358
Second Lien Facility	\$770,512,456
Unsecured Notes	\$9,459,000
Total Funded Debt Obligations	\$1,983,493,814

A. Bridge Notes.

30. On October 13, 2021, Riverbed Technology issued \$65 million of Bridge Notes pursuant to that certain first lien note purchase agreement of the same date (as amended, supplemented, or otherwise modified from time to time, the "Bridge Notes Purchase Agreement"). The Bridge Notes are guaranteed by Debtors Riverbed Holdings, Inc. and Aternity and non-Debtor Riverbed Technology Pte. Ltd., and secured on a first-priority basis (*pari passu* with the First Lien Facility (as defined below)) by substantially all of the Debtors' assets and on an exclusive first-priority basis on substantially all of non-Debtor Riverbed Technology Pte. Ltd.'s assets.

31. The Bridge Notes mature on January 13, 2022. Interest on the Bridge Notes accrues

⁹ References to the "Debtors" in paragraphs 29 through 38 do not include Debtor Riverbed Parent, Inc., which is not (a) an obligor under the Bridge Notes Purchase Agreement, the First Lien Credit Agreement, the Second Lien Credit Agreement, or the Unsecured Notes, or (b) a grantor/pledgor under any related security agreements.

at a rate per annum equal to LIBOR (with a 1.0% floor) plus 6.0%. As of the Petition Date, the Debtors' outstanding obligations under the Bridge Notes total \$65 million in principal amount.

B. First Lien Facility.

32. On April 24, 2015, Riverbed entered into a first lien term loan facility (the "First Lien Facility," and the loans thereunder, the "First Lien Loans") pursuant to that certain credit agreement of the same date (as amended, supplemented, or otherwise modified from time to time, the "First Lien Credit Agreement"). Riverbed Technology is the borrower under the First Lien Facility, which is guaranteed by Debtors Riverbed Holdings, Inc. and Aternity, and secured on a first-priority basis (*pari passu* with the Bridge Notes) by substantially all of the Debtors' assets.

33. In connection with the 2020 Refinancing, the First Lien Credit Agreement was amended to extend the maturity of most of the First Lien Loans (the "First Lien Extended Loans") from April 24, 2022 to December 31, 2025. The maturity of the remaining First Lien Loans (the "First Lien Non-Extended Loans"), held by First Lien Lenders that did not consent to the 2020 Refinancing, was not extended. As of the Petition Date, the outstanding principal amount of the First Lien Extended Loans totals approximately \$1.06 billion, and the outstanding principal amount of the First Lien Non-Extended Loans totals approximately \$76 million.

34. Interest on the First Lien Extended Loans accrues at a rate per annum equal to LIBOR (with a 1.0% floor) plus 6.0%, while interest on the First Lien Non-Extended Loans accrues at a rate per annum equal to LIBOR (with a 1.0% floor) plus 3.25%. As of the Petition Date, the Debtors' outstanding obligations under the First Lien Facility total approximately \$1.14 billion in aggregate principal amount.

C. Second Lien Facility.

35. On December 31, 2020, the Debtors entered into a second lien term loan facility (the “Second Lien Facility,” and the loans thereunder, the “Second Lien Loans”) pursuant to that certain second lien credit agreement of the same date (as amended, supplemented, or otherwise modified from time to time, the “Second Lien Credit Agreement”). The Second Lien Loans were used to partially refinance the First Lien Facility and to refinance nearly all of the Unsecured Notes, in each case, through a debt-for-debt exchange where the original debt was exchanged for Second Lien Loans. Riverbed Technology is the borrower under the Second Lien Facility, which is guaranteed by Debtors Riverbed Holdings, Inc. and Aternity, and secured on a second-priority basis by substantially all of the Debtors’ assets.

36. The Second Lien Facility matures on December 31, 2026. Interest on the Second Lien Facility accrues at a rate per annum equal to LIBOR plus 11.00%, which is comprised of LIBOR (with a 0% floor) plus 6.50% per annum payable in cash and 4.50% per annum payable in kind. As of the Petition Date, the Debtors’ outstanding obligations under the Second Lien Facility total approximately \$770.5 million in principal amount.

D. Unsecured Notes.

37. On or about March 9, 2015, Riverbed Technology issued \$525 million in 8.875% unsecured senior notes due 2023 (the “Unsecured Notes”) pursuant to an indenture of the same date (as amended, supplemented, or otherwise modified from time to time, the “Unsecured Notes Indenture”). The Unsecured Notes are guaranteed by Riverbed Holdings, Inc. and Aternity.

38. In connection with the 2020 Refinancing, the Debtors refinanced nearly all of the Unsecured Notes with Second Lien Loans through the voluntary debt-for-debt exchange described

above. The Unsecured Notes that were not exchanged remained outstanding. Following the 2020 Refinancing, and as of the Petition Date, approximately \$9.5 million in principal amount of the Unsecured Notes remains outstanding.

E. Equity.

39. The equity interests of Debtor Riverbed Parent, Inc., the ultimate parent of the other Debtors, consist of class A common stock (non-voting) and class B common stock (voting). The class A common stock has priority over class B common stock with respect to dividend payments and receipt of liquidation value. As of the Petition Date, approximately 77% of Riverbed Parent, Inc.'s equity interests are held by the Sponsors, with the remainder held by various institutional investors and over one thousand of the Debtors' current and former employees.

Events Leading to These Chapter 11 Cases

40. The Debtors have taken a proactive approach over the past year to address its overleveraged balance sheet and recent liquidity challenges.

- In December 2020, certain of the Debtors consummated the 2020 Refinancing, (a) extending the maturity of most of the First Lien Loans from April 2022 to December 2025 and (b) refinancing nearly all of the Unsecured Notes maturing in 2023 with Second Lien Loans maturing in December 2026.
- In April 2021, certain of the Debtors entered into the \$35 million ABL Facility to address its ongoing liquidity challenges. In May 2021, to further address its liquidity shortfall, the ABL Facility was upsized to \$50 million.
- In August and September 2021, Riverbed engaged Kirkland & Ellis LLP as restructuring counsel, GLC Advisors & Co., LLC and GLCA Securities, LLC as investment banker, and AlixPartners, LLC as restructuring advisor, to explore potential broader restructuring solutions.
- Through September and into October 2021, the Debtors and their advisors engaged in discussions with certain key stakeholders, including the Ad Hoc Group, the Ad Hoc 1L Subgroup, and the Sponsors, and analyzed a range of deleveraging and liquidity-enhancing alternatives.
- On October 13, 2021, following extensive, arm's-length negotiations, the Debtors and the Restructuring Support Parties reached agreement on the

comprehensive deleveraging and liquidity-enhancing Restructuring Transactions embodied in the Restructuring Support Agreement and the Plan.¹⁰

- Concurrent with the signing of the RSA, certain of the Debtors entered into the Bridge Notes Purchase Agreement, raising \$65 million in bridge financing to (a) repay the ABL Facility in full, (b) fund operations, and (c) bridge to consummation of the Restructuring Transactions.

41. The Restructuring Support Agreement and the Plan provide for the reorganization of the Debtors as a going concern with a substantially deleveraged capital structure and sufficient liquidity to implement the Debtors' go-forward business plan. Consummation of the Restructuring Transactions through the Plan will: (a) reduce the Debtors' total funded debt by more than \$1.1 billion, through partial equitization of the First Lien Secured Claims and full equitization of the Second Lien Secured Claims; and (b) provide the Debtors with \$100 million of new equity capital from the New Money Commitment Parties, in exchange for the Reorganized Debtors' issuance of the New Money Convertible Preferred Equity to such parties.

III. The Debtors' Prepetition Dual-Solicitation Process.

42. On the Solicitation Commencement Date (October 22, 2021), which occurred 25 days before the Petition Date, the Debtors launched a dual solicitation process, soliciting both (a) votes on the Plan and (b) consents to the Out-of-Court Exchange. Riverbed distributed a solicitation cover letter, the Disclosure Statement, Plan, ballots, and consent forms by first-class mail and email to all Holders in the Voting Classes and by first-class mail (for the Out-of-Court Exchange) to all Holders of Existing Interests (excluding current and former Riverbed employees). Riverbed also sent the Combined Hearing Notice by first-class mail to all interested parties, arranged for a short-form Combined Hearing Notice to be published in *The New York Times*,

¹⁰ The "Restructuring Support Parties" refer to: Holders of (a) 100% of the Bridge Notes Claims; (b) approximately 67.4% in principal amount of the First Lien Secured Claims; (c) approximately 84% in principal amount of the Second Lien Secured Claims; and (d) approximately 77% of the Existing Interests.

Financial Times, and *San Francisco Chronicle*, posted the Disclosure Statement, Plan, Combined Hearing Notice, and the solicitation cover letter on its public restructuring website, and sent the Non-Voting Status Notice and Opt-Out Form to Holders of Claims or Interests deemed to accept or reject the Plan (other than employee equityholders).¹¹

43. The Plan was unanimously accepted by all creditors entitled to vote on the Plan, as reflected in the below summary of voting results,¹² and the Debtors filed these chapter 11 cases to implement the Restructuring Transactions through the Plan.

Voting Class	Voting Class Description	Total Ballots Counted				Class Voting Result
		Accepting		Rejecting		
		Number	Amount or Shares	Number	Amount or Shares	
4	First Lien Secured Claims	402 100.0%	\$1,138,522,358.66 100.0%	0 0.0%	\$0.00 0.0%	Accepts
5	Second Lien Secured Claims	202 100.0%	\$770,512,456.43 100.0%	0 0.0%	\$0.00 0.0%	Accepts

IV. Proposed Timeline for These Chapter 11 Cases.

44. Under the Restructuring Support Agreement, the Debtors agreed to certain milestones to ensure an orderly and timely implementation of the Restructuring Transactions. The Debtors have requested through the Scheduling Motion (as defined below) that the Combined Hearing be held on December 2, 2021 (or as soon thereafter as the Court's schedule allows), and the Debtors intend to emerge from chapter 11 shortly after the Combined Hearing.

45. In my opinion, preserving value for the benefit of the Debtors' estates depends, in large part, on the Debtors proceeding promptly to confirmation of the Plan and to emergence from chapter 11 shortly thereafter. Emerging swiftly from chapter 11 will permit the Debtors to

¹¹ The "Non-Voting Status Notice and Opt-Out Form" refers to the *Notice of Non-Voting Status of Certain Claims and Interests and (II) Opportunity for Holders of Such Claims or Interests to Opt Out of the Plan Release* annexed as Exhibit 5 to the proposed order in the Scheduling Motion (as defined below).

¹² See Stretto Voting Declaration.

minimize uncertainty from employees, customers, and vendors, potential disruptions to their supply chain and business, and incremental and unnecessary professional fees and other administrative costs. Given that the Plan has been unanimously accepted by all creditors entitled to vote on the Plan and that the Debtors have taken extensive prepetition and ongoing noticing efforts to ensure that all interested parties will have had ample notice of and an opportunity to participate in these chapter 11 cases, the expeditious confirmation of the Plan and the consummation of the Restructuring Transactions are in the best interests of the Debtors, their estates, and all interested parties.

V. The Debtors' Use of Cash Collateral.

46. During these chapter 11 cases, the Debtors will need to use the cash generated from their operations, as well as their current cash on hand, to (a) satisfy payroll obligations, (b) honor all obligations under their customer contracts, (c) maintain insurance coverage, (d) pay taxes, and (e) make any other payments essential to the continued management, operation, and preservation of the Debtors' businesses.

47. I believe that the proceeds of the Bridge Notes, along with continued revenue generated from the Debtors' ongoing operations, will provide the Debtors with sufficient cash to operate their businesses during these chapter 11 cases without the need for the Debtors to obtain debtor-in-possession financing.

48. Accordingly, prior to the Petition Date, the Debtors and their advisors engaged with the Prepetition Secured Parties (as defined in the Cash Collateral Motion) in arm's-length negotiations to reach an agreement on the Debtors' use of cash collateral during these chapter 11 cases, as set forth in the proposed interim order attached to the Cash Collateral Motion. I believe that the terms of this agreement, including the Budget (defined therein) and the form and amount

of adequate protection provided to the Prepetition Secured Parties, are fair and appropriate under the circumstances and in the best interests of the Debtors' estates.

VI. First Day Motions.

49. On the Petition Date, the Debtors filed the following First Day Motions:

- **Cash Collateral Motion.** *Debtors' Motion for Entry of Interim and Final Orders Pursuant to Sections 105, 361, 362, 503, and 507 of the Bankruptcy Code, and Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure: (I) Authorizing the Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief.*
- **Cash Management Motion.** *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Perform Intercompany Transactions and (II) Granting Related Relief.*
- **All Claims Motion.** *Debtors' Motion for Entry of Interim and Final Orders Authorizing Payment of Certain Prepetition Claims in the Ordinary Course of Business.*
- **Utilities Motion.** *Debtors' Motion for Entry of Interim and Final Orders (I) Determining Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, and (III) Approving the Debtors' Proposed Procedures for Resolving Adequate Assurance Requests.*
- **Wages Motion.** *Debtors' Motion for Entry of an Order Authorizing the Debtors to (I) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (II) Continue Employee Benefits Programs.*
- **Customer Programs Motion.** *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and (II) Honor Certain Prepetition Obligations Related Thereto.*
- **Insurance Motion.** *Debtors' Motion for Entry of an Order Authorizing the Debtors to (I) Maintain Insurance and Surety Coverage Entered Into Prepetition and Pay Related Prepetition Obligations, and (II) Renew, Supplement, Modify, or Purchase Insurance and Surety Coverage.*
- **Taxes Motion.** *Debtors' Motion for Entry of an Order Authorizing the Payment of Certain Taxes and Fees.*

- **NOL Motion.** *Debtors' Motion for Entry of Interim and Final Orders Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock and Preferred Stock.*
- **Automatic Stay Motion.** *Debtors' Motion Seeking Entry of an Order (I) Restating and Enforcing the Worldwide Automatic Stay, Anti-Discrimination Provisions, and Ipso Facto Protections of the Bankruptcy Code, (II) Approving the Form and Manner of Notice, and (III) Granting Related Relief.*
- **Scheduling Motion.** *Debtors' Motion for Entry of an Order (I) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing, (II) Approving Related Dates, Deadlines, Notices, and Procedures, (III) Approving the Solicitation Procedures and Related Dates, Deadlines, and Notices, and (IV) Conditionally Waiving the Requirements that (A) the U.S. Trustee Convene a Meeting of Creditors and (B) the Debtors File Schedules of Assets and Liabilities, Statements of Financial Affairs, and Rule 2015.3 Financial Reports.*
- **Creditor Matrix Motion.** *Debtors' Motion Seeking Entry of an Order (I) Authorizing the Debtors to (A) File a Consolidated List of Creditors in Lieu of Submitting a Separate Mailing Matrix for Each Debtor, (B) File a Consolidated List of the Debtors' Thirty Largest Unsecured Creditors, (C) Redact Certain Personal Identification Information, and (II) Granting Related Relief.*
- **Joint Administration Motion.** *Debtors' Motion for Entry of an Order Directing Joint Administration of Chapter 11 Cases.*
- **Stretto 156(c) Retention Application.** *Debtors' Application for Appointment of Stretto as Claims and Noticing Agent.*

50. I have reviewed and am familiar with the content of each of the First Day Motions and have consulted with the Debtors' advisors to ensure that I understand each First Day Motion and the relief requested therein. To the best of my knowledge and belief, the factual statements contained in each of the First Day Motions are true and accurate and each such factual statement is incorporated herein by reference.

51. Based on my knowledge, and after reasonable inquiry, I believe that the approval of the relief requested in the First Day Motions is: (a) necessary to enable the Debtors to transition into, and operate efficiently and successfully in, chapter 11 with minimal disruption or loss of productivity and value; (b) critical to the Debtors' achieving a successful restructuring; and (c) in

the best interest of the Debtors' estates and their stakeholders. I believe that, if the Court does not grant the relief requested by the Debtors in the First Day Motions, the Debtors' business and their estates will suffer immediate and irreparable harm. Accordingly, for the reasons set forth herein and in the First Day Motions, the Court should grant the relief requested in each of the First Day Motions.

* * * * *

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

Dated: November 17, 2021

By: /s/ Dan Smoot

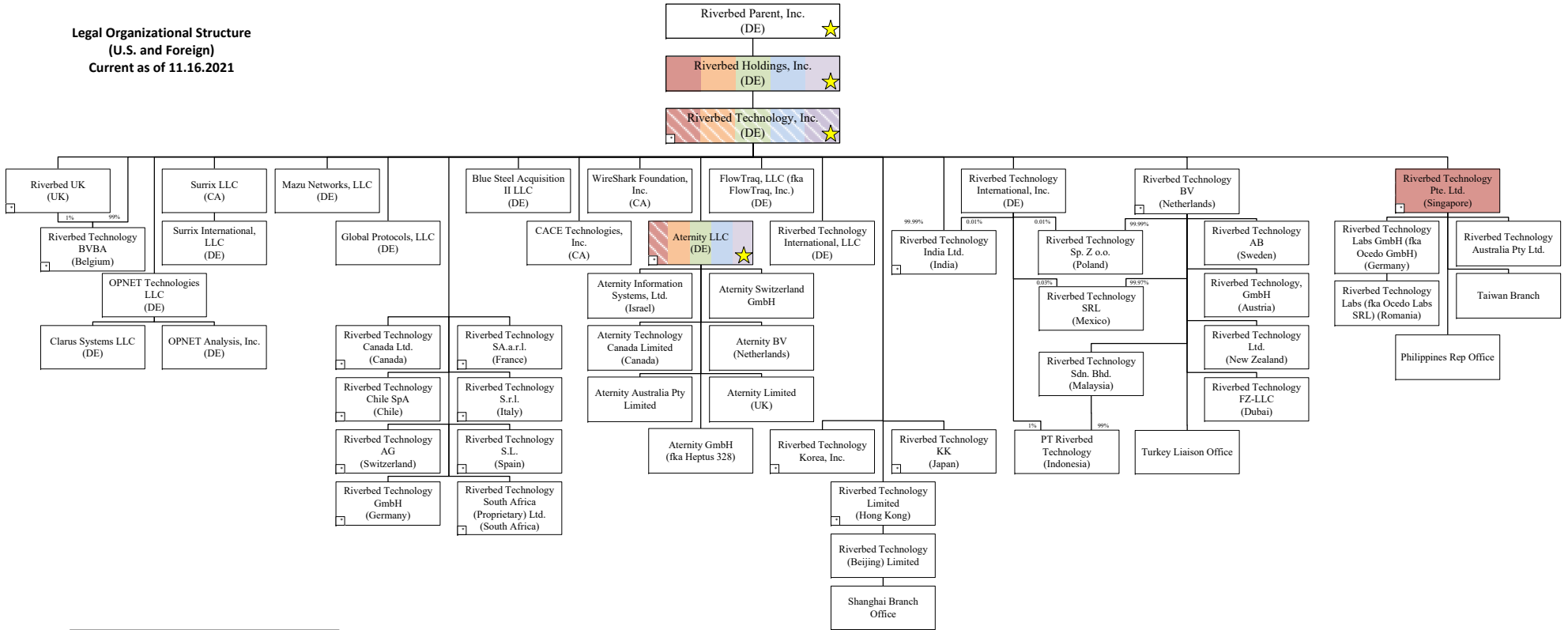
Name: Dan Smoot

Title: President and Chief Executive Officer of Riverbed Technology, Inc. on behalf of itself and each of its Debtor affiliates

Exhibit A

Organizational Chart

**Legal Organizational Structure
(U.S. and Foreign)
Current as of 11.16.2021**



Legend

	Bridge Notes Issuer		Bridge Notes Guarantor
	First Lien Term Loan - Old Borrower		First Lien Term Loan - Old Guarantor
	First Lien Term Loan - New Borrower		First Lien Term Loan - New Guarantor
	Second Lien Term Loan Borrower		Second Lien Term Loan Guarantor
	Senior Notes Issuer		Senior Notes Guarantor
	Debtor Entity		

* Indicates 100% of equity in these entities is pledged to Bridge Notes Collateral Agent as collateral for the 1L and 2L term loans and the Bridge Notes.
All ownership percentages are 100% unless specified otherwise.

