Court File No. CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Applicant

NOTICE OF MOTION
(Re: Approval of Second DIP Agreement)
(Returnable August 20, 2020)

Peraso Technologies Inc. will make a motion to Justice Conway of the Ontario Superior Court of Justice (Commercial List) on Thursday, August 20, 2020 at 10:30 a.m., or as soon after that time as the motion can be heard by videoconference via Zoom due to the COVID-19 crisis. The videoconference details can be found in Schedule "A" to this Notice of Motion. Please advise Nicholas Avis if you intend to join the hearing of this motion by emailing navis@stikeman.com.

PROPOSED METHOD OF HEARING:

This motion is to be heard by videoconference.

THE MOTION IS FOR:

1. An Order (the "**Second DIP Approval Order**"), substantially in the form contained at Tab 3 of the Applicant's Motion Record, that, *inter alia*:

(a) approves the debtor-in-possession financing agreement (the "**Second DIP Agreement**") between the Applicant, as borrower, and Roadmap Capital General Partner Ltd. and Roadmap Peraso LP III (U.S. and Offshore) (collectively, the "**Second DIP Lenders**"), as lenders, and grants a charge over the Applicant's property in favour of the Second DIP Lenders (the "**Second DIP Lenders' Charge**"); and

(b) seals certain portions of the unredacted Affidavit of Ronald Glibbery, to be affirmed (the "**Sixth Glibbery Affidavit**"); the unredacted Second DIP Agreement; and the unredacted Fourth Report of the Monitor (the "**Fourth Report**").

THE GROUNDS FOR THIS MOTION ARE:

Background

2. On June 3, 2020, the Applicant sought and received an Initial Order granting it protection under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 (the "**CCAA**") due to, among other things, a pending liquidity crisis;

3. To alleviate its liquidity constraints, on July 2, 2020, the Applicant sought and obtained an order that, among other things:

(a) approved a debtor-in-possession financing agreement (the "**First DIP Agreement**") between the Applicant, as borrower, and Roadmap Capital General Partner Ltd., Roadmap Peraso LP III (U.S. and Offshore) and XCOM Labs, Inc. (collectively, the "**First DIP Lenders**"), as lenders;

(b) granted a charge over the Applicant's property in favour of the First DIP Lenders (the "**First DIP Lenders' Charge**"); and

(c) granted a stay of proceedings to and including August 14, 2020 (the "**Stay Period**");

4. The Applicant now requires additional funds and, to this effect, has been engaged in a broad and extensive search for additional interim financing;

5. On August 13, 2020, this Court granted an order that extended the Stay Period to and including August 28, 2020;

The Search for Additional Financing

6. The Applicant contacted numerous potential lenders, many of whom entered into non-disclosure agreements to begin a due diligence process;

7. The Applicant is currently in advanced discussions with a certain number of potential interim lenders and believes that it may reach an interim lending agreement or other funding agreement with one or more of them in the coming days and weeks;

8. The Second DIP Lenders are ready and willing to provide the Applicant with short-term financing to support the Applicant while it continues discussions with the other potential interim lenders;

9. The Applicant's financial situation is such that it requires the funds provided by the Second DIP Agreement to ensure that it has sufficient liquidity to conclude and subsequently implement a transaction with one of the potential interim lenders;

The Second DIP Agreement

10. The Second DIP Agreement is a secured non-revolving credit facility that, if approved by this Court, will be advanced in full on August 20, 2020;

11. The terms of the Second DIP Agreement are substantially identical to the terms of the First DIP Agreement, albeit with an increased interest rate;

12. The Second DIP Agreement provides that any funds advanced thereunder are to be secured by the Second DIP Lenders' Charge, and the Second DIP Lenders' Charge is to have priority over the First DIP Lenders' Charge;

13. The Applicant intends to return to this Court prior to the end of the Stay Period to seek approval of a longer-term solution;

Sealing

14. The Applicant seeks to seal certain portions of the unredacted Sixth Glibbery Affidavit, the unredacted Second DIP Agreement and the unredacted Fourth Report because they contain commercially sensitive information;

15. The Applicant is concerned that Ubiquiti could use the materials requested to be sealed to the Applicant's detriment in the pending litigation between the Applicant and Ubiquiti;

16. The information that the Applicant is seeking to seal is similar in nature to the information that this Court sealed in connection with the First DIP Agreement, and the Applicant's sealing request is animated by the same concerns that the Court previously found sufficient to justify sealing;

Other Grounds

17. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

18. The provisions of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, including s. 137(2) thereof;

19. The provisions of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, including r. 2.03, 3.02 and 37 thereof; and

20. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

(a) The unredacted Sixth Glibbery Affidavit and the exhibits attached thereto;

(b) The Fourth Report of the Monitor; and

(c) Such further and other evidence as counsel may advise and this Court may permit.

August 19, 2020

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Schedule "A"

ZOOM Particulars
August 20, 2020 at 10:30 a.m. Eastern Time (Toronto)

Join Zoom Meeting
https://zoom.us/j/99209222242?pwd=WHBBRnBVSHYzOGxaS0tKTWVBMmM1QT09
Meeting ID: 992 0922 2242
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Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE AUGUST 20, 2020)

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