

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

B E T W E E N:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SANDVINE CORPORATION, SANDVINE HOLDINGS UK LIMITED, PROCERA
NETWORKS, INC., PROCERA HOLDING, INC. AND NEW PROCERA GP COMPANY

Applicants

FACTUM OF THE APPLICANTS

January 21, 2026

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PART I - NATURE OF THE APPLICATION

1. This motion is brought by Sandvine Corporation (“**Sandvine Canada**”), and the other applicant companies (collectively, the “**Applicants**”, and together with the partnership Procera II LP, the “**Sandvine Entities**”, and collectively with certain non-filing entities, “**Sandvine**” or the “**Company**”), in order to seek an extension of the Stay Period (as defined below) in these CCAA Proceedings.

2. Sandvine was a Canadian application and network optimization company, whose technology facilitated internet access for hundreds of millions of people around the world. The primary purpose of the CCAA Proceedings was to conduct a Court-approved Sale and Investment Solicitation Process (the “**SISP**”), in order to secure a going-concern, value-maximizing solution for Sandvine and its stakeholders, while ensuring continuity of service to Sandvine’s customers.

3. This purpose has been fulfilled. The SISP has been completed, and the Stalking Horse Transaction Agreement was selected as the successful bid in the SISP and approved by the Court. The transactions contemplated by the Stalking Horse Purchase Agreement have closed, and the restructured business has emerged as new entities under the AppLogic Networks umbrella (collectively, the “**NewCos**”).

4. Given the critical nature of Sandvine’s services, the Stalking Horse Transaction Agreement provided for the provision of certain services by Sandvine Canada and Procera US (together, the “**OldCos**”) to Sandvine’s customers located in jurisdictions which Sandvine had committed to exiting by no later than the end of 2025 (as defined below, the “**Transition Customers**”), in order to assist the Transition Customers with the discontinuance of Sandvine’s services in an orderly and responsible manner. Further, the Transition Services Agreement, which was approved by the

Court at the same time as the Stalking Horse Transaction Agreement, provided for certain post-closing services to be provided by NewCos to OldCos (and vice versa) (the “**Transition Services**”).

5. To allow for the continued provision of the Transition Services and the orderly wind-down of the OldCos, the Applicants seek an order (the “**Stay Extension Order**”), which will extend the Stay Period (as defined below) to and until January 30, 2027. The requested extension of the Stay Period is in the best interests of the Applicants and their stakeholders and should be approved.

PART II - SUMMARY OF FACTS

6. The facts are more fully set out in the Affidavit of Michael T. Sullivan.¹

A. The CCAA Proceedings

7. On November 7, 2024, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted the Applicants protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**,” and the within proceedings, the “**CCAA Proceedings**”) pursuant to an initial order (the “**Initial Order**”). The Initial Order, among other things, appointed KSV Restructuring Inc. as monitor of the Applicants in these proceedings (the “**Monitor**”) and granted a stay of proceedings in respect of the Applicants (the “**Stay Period**”).²

8. On November 15, 2024, the Court granted an order which, among other things, approved the SISP and authorized the Sandvine Entities to enter into the Stalking Horse Transaction Agreement. Following the completion of the SISP, the Stalking Horse Transaction was determined

¹ Affidavit of Michael T. Sullivan, sworn January 19, 2026 [Sullivan Affidavit]. Capitalized terms not otherwise defined have the same meaning as in the Sullivan Affidavit.

² Sullivan Affidavit at paras. 6, 23.

to be the successful bid, and on January 30, 2025, the Court granted the Assignment, Approval and Vesting Order, which among other things approved the Stalking Horse Transaction and the transactions contemplated therein (the “**Transactions**”). The Assignment, Approval, and Vesting Order also approved the Transition Services Agreement.³

9. On January 30, 2025, the Court also granted the Post-Closing Administration Order, which was designed to facilitate the continued operation of the Sandvine Entities following the closing of the Transactions, including with respect to their obligations under the Transition Services Agreement. The Post-Closing Administration Order therefore, among other things: (i) expanded the powers of the Monitor in order to ensure that the OldCos continued to operate and perform their obligations under the Transition Services Agreement and Stalking Horse Transaction Agreement, and to assist the OldCos in winding-down their business, and (ii) extended the Stay Period to June 30, 2025.⁴

10. On June 25, 2025, the Court granted an order which, among other things, extended the Stay Period to January 30, 2026 (the “**January Stay Extension Order**”). The January Stay Extension Order was granted in order to facilitate the Applicants’ continued provision of the Transition Services, and to continue the wind-down activities of the OldCos.⁵

11. Since the January Stay Extension Order, the Applicants, with the assistance of the Monitor, and their respective advisors, have: (i) continued to provide services to the Transition Customers to assist with the discontinuance of the OldCos’ services; (ii) continued to provide Transition Services to ensure that the NewCos can maintain going concern operations; (iii) continued to

³ Sullivan Affidavit at paras. 7-8.

⁴ Sullivan Affidavit at para. 9.

⁵ Sullivan Affidavit at paras. 10, 13.

facilitate the transition of the Delayed Transfer Employees;⁶ and (iv) entered into the Transition Services Extension Agreement (as defined below).⁷

B. Update on the CCAA Proceedings

(a) The Transition Customers and Transition Services

12. The CCAA Proceedings were precipitated by the designation of Sandvine Canada and certain of the other Applicants and Non-Applicant Stay Parties on the U.S. Department of Commerce’s Entity List (the “**Entity List**”) as a result of the alleged misuse of Sandvine’s products in Egypt. In connection with the removal of Sandvine from the Entity List (which occurred on October 23, 2024), Sandvine made several significant changes to its governance and business model, including by committing to terminate the provision of its services by March 31, 2025 for government of Egypt customers and by December 31, 2025 for non-governmental Egyptian customers and all of its customers in the Additional Terminated Jurisdictions (collectively, the “**Transition Customers**”).⁸

13. As Sandvine’s services were critical to facilitating internet access, the Stalking Horse Transaction Agreement provided that the OldCos would continue to provide certain services to the Transition Customers pursuant to a Transition Services Agreement.⁹ The Transition Services

⁶ The “**Delayed Transfer Employees**” refers to certain employees of the United Arab Emirates branch of Procera US, which are to be transferred to NewCos: Sullivan Affidavit at para. 18(b).

⁷ Sullivan Affidavit at para. 13.

⁸ Sullivan Affidavit at paras. 14-15.

⁹ Sullivan Affidavit at para. 16.

Agreement further contemplated that certain Transition Services would be provided by the NewCos to the OldCos,¹⁰ while others would be provided by the OldCos to the NewCos.¹¹

14. The Transition Services provided by the NewCos include a license validation service, which allows for the termination of licenses that continue to be owned by the OldCos' exiting customers, should any of these Transition Customers violate their EULAs with the OldCos (the **"Ongoing Business Compliance Monitoring Services"**). The Transition Services Agreement provides that the Ongoing Business Compliance Monitoring Services will continue until the earlier of either December 31, 2026, or the date that the OldCos and the NewCos mutually determine that the Ongoing Business Compliance Monitoring Services are not required for each Transition Customer. These services are important as they are consistent with the commitments that Sandvine made to the U.S. Department of Commerce.¹²

15. Following the closing of the Transactions, the NewCos provided Transition Services to the OldCos to allow the OldCos to fulfill their obligations to the Transition Customers, and the OldCos provided certain Transition Services to the NewCos pursuant to the Transition Services Agreement, all subject to the continuing oversight of the Court as part of the CCAA Proceedings.¹³ In accordance with the Transition Services Agreement, Sandvine terminated the provision of its

¹⁰ See Sullivan Affidavit at para. 17 for a detailed summary of the Transition Services provided by the NewCos to the OldCos.

¹¹ See Sullivan Affidavit at para. 18 for a detailed summary of the Transition Services provided by the OldCos to the NewCos.

¹² Sullivan Affidavit at para. 17(b).

¹³ Sullivan Affidavit at para. 12.

services to government of Egypt customers on March 31, 2025, and terminated the provision of its services to the remaining Transition Customers on December 31, 2025.¹⁴

(b) Transition Services Extension Agreement

16. On December 30, 2025, the NewCos and OldCos entered into an agreement (the “**Transition Services Extension Agreement**”) which extended the transition period for the OldCos to provide the NewCos with Employee Transition Services and OldCo Transition Services. The transition period in respect of such services was extended to the earlier of: (i) December 31, 2026, or such later date as the Parties may mutually agree in writing; or (ii) the date on which the Parties mutually agree in writing that the relevant services are no longer required.¹⁵

17. The Transition Services Extension Agreement will, among other things: (i) allow the parties to complete the transition of the Delayed Transfer Employees; and (ii) allow for the OldCos to continue providing the NewCos with administrative work (including the maintenance of accounting records, tax filings and compliance returns, and managing of bank accounts), until the Delayed Transfer Employees are transitioned and the period for the Ongoing Business Compliance Monitoring Services expires. All Transition Services, including the Ongoing Business Compliance Monitoring Services, are expected to expire at the same time at the end of 2026.¹⁶

¹⁴ Sullivan Affidavit at para. 19.

¹⁵ Sullivan Affidavit at para. 20.

¹⁶ Sullivan Affidavit at paras. 21-22.

PART III - THE ISSUES AND THE LAW

18. The issue on this motion is whether the Stay Period should be extended up to and including January 30, 2027.

A. The Stay Period Should be Extended

19. Pursuant to section 11.02 of the CCAA, the Court may grant an extension of a stay of proceedings where: (i) circumstances exist that make the order appropriate; and (ii) the debtor company satisfies the Court that it has acted, and is acting, in good faith and with due diligence. There is no statutory time limit on how long a stay of proceedings can be extended.

20. The Stay Period currently expires on January 30, 2026. The Applicants, as supported by the Monitor, propose that the Stay of Proceedings be extended up to and including January 30, 2027, for the following reasons:

- (a) the Applicants require the extension of the Stay Period in order to allow for the continued provision of the Ongoing Business Compliance Monitoring Services in accordance with the Transition Services Agreement previously approved by the Court¹⁷ (which services will continue until December 31, 2026), and to complete the wind-down activities of the OldCos;¹⁸
- (b) based on the amounts contained in the Administrative Expense Reserve and the Transition Services Fees Reserve (and, if necessary, the obligation of the NewCos under the Stalking Horse Transaction Agreement to fund any deficiency in these

¹⁷ *Sandvine Corporation et al. (Re)*, [2025 CanLII 15118](#) (ONSC) at para. 16.

¹⁸ Sullivan Affidavit at para. 25; Fourth Report of the Monitor dated January 20, 2026, at para. 4.0.2(c)-(d) [Fourth Report].

reserves), the Applicants will have sufficient cash reserves to continue their wind-down activities through the proposed extension of the Stay Period;¹⁹

- (c) the Applicants have acted, and continue to act, in good faith and with due diligence in the CCAA Proceedings;²⁰
- (d) no creditor will be prejudiced by the extension being sought;²¹ and
- (e) as of the date of the Fourth Report, neither the Applicants nor the Monitor are aware of any parties opposed to the extension.²²

21. The proposed extension of the Stay Period is in the best interests of the Applicants and their stakeholders and should be approved by the Court.

PART IV - NATURE OF THE ORDER SOUGHT

22. The Applicants therefore request that this court grant the proposed Stay Extension Order substantially in the form of the draft order attached at Tab 3 of the Motion Record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 21st day of January, 2026:



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¹⁹ Sullivan Affidavit at para. 26; Fourth Report at para. 4.0.2(f). The Administrative Expense Reserve and the Transition Services Fees Reserve were provided for the Stalking Horse Transaction Agreement, in order to ensure that sufficient funds remain in the Applicants' estates post-closing to continue to administer the CCAA Proceedings and the Chapter 15 Proceedings and to provide for the Transition Services.

²⁰ Sullivan Affidavit at para. 27; Fourth Report at para. 4.0.2(a).

²¹ Fourth Report at para. 4.0.2(b).

²² Fourth Report at para. 4.0.2(e).

TO: THE ATTACHED SERVICE LIST

SCHEDULE “A”: LIST OF AUTHORITIES

1. *Sandvine Corporation et al. (Re)*, [2025 CanLII 15118](#) (ONSC)

I certify that I am satisfied as to the authenticity of every authority.

Date January 21, 2026



Signature
Karin Sachar

SCHEDULE “B”
TEXT OF STATUTES, REGULATIONS & BY-LAWS

COMPANIES’ CREDITORS ARRANGEMENT ACT

R.S.C., 1985, c. C-36, as amended

Stays, etc. — initial application

11.02 (1) A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 10 days,

- (a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*;
- (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
- (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Stays, etc. — other than initial application

(2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

- (a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);
- (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
- (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Burden of proof on application

(3) The court shall not make the order unless

- (a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

Restriction

(4) Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

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Court File No: CV-24-00730836-00CL

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PROCEEDING COMMENCED AT TORONTO

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