



MAGNET FORENSICS INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD VIA LIVE AUDIO WEBCAST ON MARCH 23, 2023

To the holders (the “Shareholders”) of subordinate voting shares (“SV Shares”) and multiple voting shares (“MV Shares”), and together with the SV Shares, the “Shares”):

NOTICE IS HEREBY GIVEN that, pursuant to an interim order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) dated February 15, 2023 (as the same may be amended, the “Interim Order”), a special meeting (the “Meeting”) of the Shareholders of Magnet Forensics Inc. (the “Company” or “Magnet”) will be held via live audio webcast online at <https://meetnow.global/MZ6YJTX>, on March 23, 2023 at 2:00 p.m. (Toronto time) to:

- (i) consider pursuant to the Interim Order and, if deemed advisable, to pass, with or without variation, a special resolution (the “Arrangement Resolution”), the full text of which is attached as Appendix “B” to the accompanying management information circular (the “Circular”) of the Company, approving a statutory plan of arrangement (the “Arrangement”) involving the Company and Morpheus Purchaser Inc. (the “Purchaser”), a newly created corporation, which is an affiliate of Thoma Bravo Discover Fund III, L.P., a Delaware limited partnership, and Thoma Bravo Discover Fund IV, L.P., a Delaware limited partnership, all of which are affiliated with Thoma Bravo, L.P., pursuant to the arrangement agreement dated as of January 20, 2023 between the Company and the Purchaser (the “Arrangement Agreement”), under Section 182 of the *Business Corporations Act* (Ontario) (the “OBCA”), all as more particularly set forth in the accompanying Circular; and
- (ii) transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Arrangement has been unanimously recommended by a special committee (the “Special Committee”) of independent directors of the Company. The Special Committee’s recommendation is based on consultation with its legal advisors and careful consideration of, among other things, the formal valuation of the Shares in accordance with the requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and fairness opinion prepared by CIBC World Markets Inc. (the “CIBC Formal Valuation and Fairness Opinion”) and the fairness opinion prepared by Morgan Stanley & Co. LLC (the “MS Fairness Opinion” and together with the CIBC Formal Valuation and Fairness Opinion, the “Formal Valuation and Fairness Opinions”). Based upon and subject to the assumptions, qualifications and limitations set forth therein, the CIBC Formal Valuation and Fairness Opinion concluded, among other things, that as of the date of the CIBC Formal Valuation and Fairness Opinion, the Consideration (as defined in the CIBC Formal Valuation and Fairness Opinion) to be received by the holders of SV Shares (other than the Rolling Shareholders (as defined in the Circular)) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such shareholders. CIBC was paid a fixed fee for the CIBC Formal Valuation and Fairness Opinion. As of the date of the MS Fairness Opinion and based on and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley set forth therein, the MS Fairness Opinion concluded that the Consideration (as defined in MS Fairness Opinion) to be received by the holders of SV Shares (other than SVS Excluded Shares (as defined in the MS Fairness Opinion)) pursuant to the Arrangement Agreement was fair, from a financial point of view, to the holders of such SV Shares. The Special Committee having received the Formal Valuation and Fairness Opinions, and after receiving legal and financial advice and considering various other factors, unanimously recommended that the board of directors of the Company (the “Board”) approve the Arrangement, including the execution, delivery and performance by the Company of the Arrangement Agreement and the voting support agreements entered into with the Purchaser and directors and certain officers of the Company and that the Shareholders (other than the Rolling Shareholders) vote in favour of the special resolution approving the Arrangement.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY (WITH THE CONFLICTED DIRECTORS ABSTAINING) DETERMINED, AFTER RECEIVING THE RECOMMENDATION OF THE SPECIAL COMMITTEE OF INDEPENDENT DIRECTORS, THAT THE CONSIDERATION TO BE RECEIVED

BY SHAREHOLDERS (OTHER THAN THE ROLLING SHAREHOLDERS) IS FAIR, FROM A FINANCIAL POINT OF VIEW, AND THAT THE ARRANGEMENT IS IN THE BEST INTERESTS OF THE COMPANY AND UNANIMOUSLY (WITH THE CONFLICTED DIRECTORS ABSTAINING FROM VOTING) RECOMMENDS THAT SHAREHOLDERS (OTHER THAN THE ROLLING SHAREHOLDERS) VOTE FOR THE ARRANGEMENT RESOLUTION.

In approving the Arrangement and making its recommendation, the Board considered a number of factors as described in the Circular under the heading “*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*”.

Shareholders as at the close of business on February 16, 2023 (the “**Record Date**”) are entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof. Only Shareholders whose names have been entered in the register of Magnet as at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this notice of special meeting is the Circular, a proxy form and a letter of transmittal (for registered Shareholders) (the “**Letter of Transmittal**”). The accompanying Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this notice of special meeting. Any adjourned or postponed meeting resulting from an adjournment or postponement of the Meeting will be held at a time and place to be specified either by Magnet before the Meeting or at the discretion of the Chair at the Meeting.

In order for registered Shareholders (other than the Rolling Shareholders) to receive the consideration of C\$44.25 in cash per SV Share held and for the Rolling Shareholders to receive the consideration of C\$39.00 in cash per Share held (excluding approximately 15.9 million MV Shares and approximately 0.2 million SV Shares held by the Rolling Shareholders (collectively, the “**Rollover Shares**”), they must complete, sign and return the Letter of Transmittal together with their Share certificate(s) and any other required documents and instruments to the depositary named in the Letter of Transmittal, in accordance with the procedures set out therein.

The Board and the management of Magnet urge you to participate in the Meeting and to vote your Shares. The Company will hold the Meeting in a virtual-only format, which will be conducted via live audio webcast online at <https://meetnow.global/MZ6YJTX>. Registered Shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out in the Circular.

Registered Shareholders are encouraged to vote in advance of the Meeting (i) by mail by sending the form of proxy to the Company’s transfer agent in the envelope enclosed with the form of proxy; (ii) by telephone within North America toll free at 1-866-732-VOTE (8683), or by international direct dial at 312-588-4290; or (iii) over the Internet at www.investorvote.com. Proxies must be received no later than March 21, 2023 at 2:00 p.m. (Toronto time), or in the case of any adjournment(s) or postponement(s) of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment or postponement. The Chair of the Meeting reserves the right to accept late proxies and to waive the proxy cut-off, at their sole discretion, with or without notice.

Non-registered (or beneficial) Shareholders who have not duly appointed themselves as proxyholder will be able to attend and listen to the Meeting as guests, but guests will not be able to participate or vote at the Meeting. A Shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a non-registered (or beneficial) Shareholder who wishes to appoint themselves to attend) must carefully follow the instructions in the Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with the Company’s transfer agent, Computershare Investor Services Inc., after submitting their form of proxy or voting instruction form. Failure to register the proxyholder with the Company’s transfer agent in advance of the deadline will result in the proxyholder not receiving an Invite Code to participate in the Meeting and only being able to attend as a guest. Non-registered (or beneficial) Shareholders whose Shares are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered Shareholder deals with in respect of the Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts and similar plans; or (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant, should carefully follow the instructions of their Intermediary to ensure that their Shares are voted at the Meeting in accordance with such Shareholder’s instructions, to arrange for their Intermediary to complete the necessary transmittal documents and to ensure that they receive payment of the consideration for their Shares if the Arrangement is completed. If you are a non-registered (or beneficial) Shareholder, please refer to the section in the Circular entitled “*Proxyholder Matters – Voting of Proxies – Non-Registered Shareholders*” for information on how to vote your Shares.

Pursuant to the Interim Order, registered Shareholders (other than the Rolling Shareholders in respect of Rollover Shares) have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Shares in accordance with the provisions of Section 185 of the OBCA, as modified by the Interim Order and the final order of the Court (the “**Final Order**”) and the plan of arrangement pertaining to the Arrangement (the “**Plan of Arrangement**”). A registered Shareholder (other than a Rolling Shareholders in respect of Rollover Shares) wishing to exercise rights of dissent with respect to the Arrangement must send to the Company a written objection to the Arrangement Resolution, which written objection must be received by the Company at 2220 University Avenue East, Suite 300, Waterloo, Ontario N2K 0A8, Attention: Vivian Leung, General Counsel, by no later than 5:00 p.m. (Toronto time) on March 21, 2023 (or by 5:00 p.m. on the second business day immediately preceding the date that any adjourned or postponed Meeting is reconvened), and must otherwise strictly comply with the dissent procedures set forth in Section 185 of the OBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement, and described in the Circular. The registered Shareholders’ (other than the Rolling Shareholders in respect of Rollover Shares) right to dissent is more particularly described in the Circular, and copies of the Plan of Arrangement, the Interim Order and the text of Section 185 of the OBCA are set forth in Appendix “A”, Appendix “C” and Appendix “E”, respectively, of the Circular. Anyone who is a non-registered (or beneficial) Shareholder and who wishes to exercise a right of dissent should be aware that only registered Shareholders (other than the Rolling Shareholders in respect of Rollover Shares) are entitled to exercise a right of dissent. Accordingly, a non-registered (or beneficial) Shareholder who desires to exercise a right of dissent must make arrangements for the Shares beneficially owned by such holder to be registered in the name of such holder prior to the time the notice of dissent is required to be received by the Company or, alternatively, make arrangements for the registered Shareholder of such Shares to exercise the right of dissent on behalf of such Shareholder. A Shareholder wishing to exercise a right of dissent may only exercise such rights with respect to all Shares registered in the name of such Shareholder. It is recommended that you seek independent legal advice if you wish to exercise a right of dissent. **Failure to strictly comply with the requirements set forth in Section 185 of the OBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement, may result in the loss of any right of dissent.**

The Circular, this notice of special meeting and the form of proxy or voting instruction form, as applicable, are being mailed to Shareholders of record as at the Record Date and are available under the Company’s profile on the System for Electronic Document Analysis and Retrieval, online at www.sedar.com. **SHAREHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR PRIOR TO VOTING.**

Your participation as a Shareholder is very important to the Company. The Company cannot complete the Arrangement without the requisite Shareholder approvals. Please ensure your Shares are represented at the Meeting. If you have any questions or need assistance completing your form of proxy or voting instruction form, please contact our strategic shareholder advisor and proxy solicitation agent, Laurel Hill Advisory Group by telephone at 1-877-452-7184 (toll-free within North America) or at 1-416-304-0211 (for collect calls outside North America) or by email at assistance@laurelhill.com.

Dated at Waterloo, Ontario, this 16th day of February, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*Carol Leaman*”

Director, Chair of the Special Committee