These materials are important and require your immediate attention. They require holders of subordinate voting shares and multiple voting shares of Magnet Forensics Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors. If you require any assistance with the procedures for voting, including to complete your proxy, please contact Magnet Forensics Inc.'s strategic shareholder advisor and proxy solicitation agent, Laurel Hill Advisory Group, at 1-877-452-7184 (toll-free within North America) or at 1-416-304-0211 (outside of North America) or by email at assistance@laurelhill.com.

MAGNET FORENSICS INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD VIA LIVE AUDIO WEBCAST ON MARCH 23, 2023

and

MANAGEMENT INFORMATION CIRCULAR

with respect to an

ARRANGEMENT

involving

MAGNET FORENSICS INC.

and

MORPHEUS PURCHASER INC.

THE BOARD OF DIRECTORS OF MAGNET FORENSICS INC. 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 MAGNET FORENSICS INC. AND UNANIMOUSLY (WITH THE CONFLICTED DIRECTORS ABSTAINING FROM VOTING) RECOMMENDS THAT SHAREHOLDERS (OTHER THAN THE ROLLING SHAREHOLDERS) VOTE FOR THE ARRANGEMENT RESOLUTION.

Dated: February 16, 2023

Dear Fellow Shareholder:

The Board of Directors (the "**Board**") of Magnet Forensics Inc. (the "**Company**" or "**Magnet**") is pleased to invite you to participate in a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of subordinate voting shares ("**SV Shares**") and multiple voting shares ("**MV Shares**", and together with the SV Shares, the "**Shares**") of Magnet to be held virtually via live audio webcast on March 23, 2023 at 2:00 p.m. (Toronto time).

The Meeting is being called for you to consider a special resolution approving a statutory plan of arrangement (the "**Arrangement**") under which 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. ("**Thoma Bravo**"), will acquire:

(i) all of the issued and outstanding SV Shares, other than certain SV Shares held by Messrs. Jad Saliba, Director, President and Chief Technology Officer of the Company, and Adam Belsher, Director and Chief Executive Officer of the Company, and associates and affiliates thereof (collectively, with Mr. Jim Balsillie, Chair of the Board, and his associates and affiliates, the "**Rolling Shareholders**"), at a price of C$44.25 in cash per SV Share;

(ii) all of the issued and outstanding Shares held or controlled by the Rolling Shareholders at a price of C$39.00 in cash per Share, other than an aggregate of approximately 15.9 million MV Shares and approximately 0.2 million SV Shares (collectively, the "**Rollover Shares**"); and

(iii) all of the Rollover Shares which will be exchanged for the consideration payable to the respective Rolling Shareholder in accordance with the terms of their rollover agreement at an implied value of C$39.00 per Rollover Share, as provided for in an Arrangement Agreement dated January 20, 2023 between Magnet and the Purchaser (the "**Arrangement Agreement**").

In making its recommendation to the Board that Shareholders (other than the Rolling Shareholders) vote FOR the Arrangement, a special committee (the "**Special Committee**") of independent directors of the Company considered a number of benefits to the Arrangement including, but not limited to, the following:

- **Special Committee and Board Oversight.** The Arrangement and the Arrangement Agreement are the result of a robust negotiation process that was undertaken at arm's length with the oversight and participation of the Special Committee as advised by independent and highly qualified legal and financial advisors, which resulted in an agreement with terms and conditions that provide the Shareholders with significant, immediate and certain value, on terms that are reasonable in the judgment of the Special Committee and the Board.

- **Market Check and Increased Offer.** The Company, with the assistance of Morgan Stanley & Co. LLC ("**Morgan Stanley**"), conducted a comprehensive market check subsequent to the receipt of the initial proposal from Thoma Bravo to determine the potential interest of other parties in an alternative transaction with the Company and increase competitive tension in any negotiations with Thoma Bravo. During the market check, Morgan Stanley had discussions with eight potential strategic and financial purchasers, other than Thoma Bravo, which the Special Committee had determined represented the most synergistic, highest ability to pay buyers. Three such potential purchasers entered into non-disclosure agreements and all three such potential purchasers participated in a presentation with management of the Company. Subsequently, one financial sponsor engaged in subsequent due diligence. All potential purchasers, including Thoma Bravo, were managed on the same timeline, and of those that executed non-disclosure agreements, received equal access to the Company's management and due diligence information. Each of CIBC World Markets Inc. and Morgan Stanley were provided with access to the same financial and other information. The Company continued to have discussions with Thoma Bravo over the course of the market check. The market check did not result in any proposal that was superior to the offer from the Purchaser.

  During the course of the market check, the initial offer received from the Purchaser was increased by C$6.00 per Share to C$40.00 per Share, as compared to the initial proposal from Thoma Bravo of C$34.00 per Share, and following additional negotiations with the Purchaser and the Rolling Shareholders was increased by a further C$4.25 per SV

Share to the final offer price of C$44.25 per SV Share (other than with respect to the SV Shares held by the Rolling Shareholders), representing an increase of approximately 30% to the initial proposal of Thoma Bravo. This was obtained, in part, by requesting that the Rolling Shareholders agree to accept a purchase price of C$39.00 per Share, which was C$5.25 per Share, or approximately 11.9%, less than that offered to other holders of SV Shares. The final offer price of C$44.25 per SV Share (other than with respect to the SV Shares held by the Rolling Shareholders) is well above the mid-point of the fair market value range of C$36.50 to C$48.75 per Share set forth in the CIBC Formal Valuation and Fairness Opinion (as defined below).

- **Attractive Premium to Shareholders.** The Consideration to be received by holders of SV Shares (other than the Rolling Shareholders) pursuant to the Arrangement represents a premium of approximately:
    - 15% to the closing price on the Toronto Stock Exchange ("**TSX**") of the SV Shares on January 19, 2023, the last trading day prior to the announcement of the Arrangement;
    - 41% to the 90-trading day volume weighted average trading price per SV Share as of January 19, 2023;
    - 160% to the Company's initial public offering price of the SV Shares of C$17.00; and
    - 87% to the closing price on October 5, 2022, the last day prior to Thoma Bravo's submission of its initial non-binding proposal for the acquisition of the Company.

  Furthermore, the all-cash consideration of C$44.25 per Share for holders of SV Shares (other than the Rolling Shareholders) exceeds the 52-week high closing price of the SV Shares on the TSX as of January 19, 2023, the day prior to announcement of the Arrangement.

- **Favourable Multiple Comparisons.** The Special Committee considered the highly favourable comparison of the following multiples implied by the Non-RS Consideration to be received by holders of SV Shares (other than the Rolling Shareholders) to the multiples implied by precedent transactions comparable to the Arrangement as well as multiples implied by the trading price of industry peers:
    - Aggregate Value for SV Shareholders / Revenue for SV Shareholders multiple of approximately 10x;
    - Aggregate Value for SV Shareholders / Adjusted EBITDA for SV Shareholders multiple of approximately 51x; and
    - Aggregate Value for SV Shareholders / Free Cash Flow for SV Shareholders multiple of approximately 56x,

  with such estimates based on mean street consensus estimates from Thomson Reuters Estimates for both the Company and industry peers for 2023. Further detail on these multiples is disclosed under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement –Multiples Implied by the Non-RS Consideration*".

- **All Cash Consideration.** The consideration to be received by the Shareholders (other than the Rolling Shareholders) pursuant to the Arrangement is all cash, which allows such Shareholders to crystalize the favourable valuation multiples discussed above while achieving certainty of value and liquidity without exposure to either the risks to which the Company is subject on a standalone basis, including those related to competition, industry consolidation, market conditions and the Company's access to growth capital, or the risks, including integration risks, associated with the combination of Magnet and Grayshift, LLC. The consideration payable under the Arrangement will also allow each such Shareholder to dispose of their Shares without incurring brokerage fees or commissions.

- **Formal Valuation and Fairness Opinions.** The Formal Valuation and Fairness Opinions (as defined below), each of which, based upon and subject to the various assumptions made, procedures followed, matters considered and limitations and qualifications set forth therein, concluded that, as of the date of such Formal Valuation and Fairness Opinions, the Consideration (as defined in the Formal Valuation and Fairness Opinions) to be received by the holders of SV Shares (other than the Rolling Shareholders) pursuant to the Arrangement Agreement was fair, from a financial point of view, to such shareholders and, with respect to the CIBC Formal Valuation and Fairness Opinion, which concluded that, based upon and subject to the assumptions, limitations and qualifications set forth therein, the fair market value of the Shares as at January 20, 2023 was in the range of C$36.50 to C$48.75 per Share.

- **Alternatives to the Arrangement.** The Special Committee considered alternatives to the Arrangement, including the alternative of continuing to operate as a standalone company without having consummated a transaction such as the

Arrangement, and the potential effects on the Company, and the implications to the Company of not achieving capability in data extraction from mobile devices and determined that the Arrangement was in the best interests of the Company.

- **Limited Conditions to Closing.** The Arrangement is subject to only a limited number of customary closing conditions and is not subject to any due diligence or financing condition with the result that there is reasonable certainty of completion in a reasonable amount of time. If the Required Regulatory Approvals (as defined in the Circular) are obtained in a timely manner, it is anticipated that the Effective Date (as defined in the Circular) will occur by the second quarter of 2023.

- **Ability to respond to a Superior Proposal.** The terms and conditions of the Arrangement Agreement do not prevent a third party from making an unsolicited Acquisition Proposal (as defined in the Circular). Subject to compliance with the terms of the Arrangement Agreement, the Board is not precluded from considering and responding to an unsolicited Acquisition Proposal that constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal (as defined in the Circular) at any time prior to obtaining the Required Shareholder Approval (as defined in the Circular). In the event that a Superior Proposal is made and not matched by the Purchaser, the Arrangement Agreement may be terminated by the Company subject to the payment by the Company to the Purchaser of the Company Termination Fee (as defined in the Circular), and the Company may enter into a definitive agreement with respect to such Superior Proposal.

In the course of discharging its mandate, the Special Committee received the advice and assistance of management of the Company, its legal advisors and, as described in the accompanying management information circular of the Company (the "**Circular**"), certain financial advisors. The Special Committee considered, among other things, information concerning:

- alternatives to the Arrangement, including the alternative of continuing to operate as a standalone company without having consummated a transaction such as the Arrangement;
- the historical market prices of the SV Shares, the lack of liquidity in the public market for the SV Shares resulting in potential difficulty for holders of SV Shares to dispose of such SV Shares, and the degree of volatility in the market price and the capital markets in the past 12 months;
- the results of the comprehensive market check conducted by the Company, with the assistance of Morgan Stanley, subsequent to the receipt of the initial proposal from Thoma Bravo that did not result in any proposal that was superior to the offer from the Purchaser; and
- the Formal Valuation and Fairness Opinions.

In developing its recommendation to the Board, the Special Committee considered the transaction terms, procedural elements, benefits and risks discussed in the Circular, among other things. The Special Committee was formed and comprised of Carol Leaman (Chair) and Jerome Pickett, two of the three independent directors on the Board. Mr. Jim Balsillie, the third independent director on the Board, was not made a member of the Special Committee given his potential interest in the Arrangement.

The Arrangement has been unanimously recommended by the Special Committee. 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 (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) 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 set forth therein, the MS Fairness Opinion concluded that the Consideration (as defined in the 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 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 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 Meeting will be held via live audio webcast online at https://meetnow.global/MZ6YJTX on March 23, 2023 at 2:00 p.m. (Toronto time).

Shareholders should review the accompanying notice of special meeting of Shareholders and the Circular, which describes, among other things, the background to the Arrangement as well as the reasons for the determinations and recommendations of the Special Committee and the Board. The Circular contains a detailed description of the Arrangement, including certain risk factors relating to the completion of the Arrangement. **You should carefully consider all of the information in the Circular. If you require assistance, you are urged to consult your financial, legal, tax or other professional advisor.**

		Registered Shareholders	**Non-Registered (Beneficial) Shareholders**
		Shares held in own name and represented by a physical certificate or DRS and have a 15-digit control number.	*Shares held with a broker, bank or other intermediary and have a 16-digit control number.*
	Internet	www.investorvote.com	www.proxyvote.com
	Telephone	1-866-732-8683	Call the applicable number listed on the voting instruction form.
	Mail	Return the form of proxy in the enclosed postage paid envelope.	Return the voting instruction form in the enclosed postage paid envelope.

Your vote is important regardless of the number of Shares you own, and we recommend that you vote FOR the Arrangement.

You are encouraged to vote well before the deadline of 2:00 p.m. (Toronto time) on March 21, 2023.

If you have any questions or need help voting, please contact:

Laurel Hill Advisory Group
Toll-free within North America: 1-877-452-7184
Collect outside of North America: 1-416-304-0211
Email: assistance@laurelhill.com

Special Meeting of Shareholders – Live Audio Webcast
March 23, 2023 – 2:00 p.m. (Toronto time)
https://meetnow.global/MZ6YJTX

On behalf of the Company and the Board, I would like to thank all Shareholders for their support of Magnet.

Yours very truly,

(signed) "Carol Leaman"

Director, Chair of the Special Committee
Magnet Forensics Inc.

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

TABLE OF CONTENTS

FREQUENTLY ASKED QUESTIONS

The following are selected questions that Shareholders may have relating to the Meeting and answers to those questions. These questions and answers do not provide all of the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in this Circular, the attached Appendices, the form of Letter of Transmittal and the form of proxy, all of which are important and should be reviewed carefully. ***You are urged to read this Circular in its entirety before making a decision related to your Shares****. All capitalized terms used in these questions and answers but not otherwise defined herein have the meanings set forth under "Glossary of Terms".*

About the Arrangement

1. I own Shares. What will I receive in the Arrangement if it is approved?

Pursuant to the Arrangement Agreement and the Plan of Arrangement, each Shareholder (other than any Rolling Shareholder) will receive $44.25 in cash per SV Share held and each Rolling Shareholder will receive $39.00 in cash per Share held or controlled by the Rolling Shareholder (excluding the Rollover Shares). In addition, the Rollover Shares will be exchanged for the consideration payable to the respective Rolling Shareholder in accordance with the terms of their Rollover Agreement at an implied value of $39.00 per Rollover Share, such that upon completion of the Arrangement, the Rolling Shareholders will be minority shareholders of the Purchaser.

2. What premium does the Non-RS Consideration offered for the SV Shares (excluding the Rollover Shares) represent?

The $44.25 in cash per SV Share to be received by the Shareholders (other than the Rolling Shareholder) (i) represents a premium of approximately: (a) 15% to the closing price on the TSX of the SV Shares on January 19, 2023, the last trading day prior to the announcement of the Arrangement, (b) 41% to the 90-trading day volume weighted average trading price per SV Share as of January 19, 2023, (c) 160% to the Company's initial public offering price of the SV Shares of $17.00 and (d) 87% to the closing price on October 5, 2022, the last day prior to Thoma Bravo's submission of its initial non-binding proposal for the acquisition of the Company, and (ii) is above the 52-week high closing price of the SV Shares on the TSX as of January 19, 2023, the day prior to announcement of the Arrangement.

The following multiples are implied by the $44.25 in cash per SV Share to be received by the Shareholders (other than the Rolling Shareholders):

- Aggregate Value for SV Shareholders / Revenue for SV Shareholders multiple of approximately 10x;
- Aggregate Value for SV Shareholders / Adjusted EBITDA for SV Shareholders multiple of approximately 51x; and
- Aggregate Value for SV Shareholders / Free Cash Flow for SV Shareholders multiple of approximately 56x,

with such estimates based on mean street consensus estimates from Thomson Reuters Estimates for both the Company and industry peers for 2023. Further detail on these multiples is disclosed under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement –Multiples Implied by the Non-RS Consideration*".

3. Did the Special Committee receive a Fairness Opinion in consideration of the proposed Arrangement?

Yes, the Special Committee received the CIBC Formal Valuation and Fairness Opinion, pursuant to which CIBC determined that, as of January 20, 2023, and based upon and subject to the assumptions, qualifications and limitations set forth therein, (i) the fair market value of the Shares was in the range of $36.50 to $48.75 per Share and (ii) 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) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such shareholders. The final offer price of $44.25 per SV Share (other than with respect to the SV Shares held by the Rolling Shareholders) is well above the mid-point of the fair market value range of $36.50 to $48.75 per Share set forth in the CIBC Formal Valuation and Fairness Opinion.

The Special Committee also received the MS Fairness Opinion to the effect that, as of January 20, 2023, and, based upon and subject to the various assumptions made, procedures followed, matters considered, and the limitations and qualifications on the scope of review undertaken by Morgan Stanley, set forth in the MS Fairness Opinion, the Consideration (as defined in the MS Fairness Opinion) to be received by 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.

4. Why did the Special Committee determine that the Arrangement was a superior alternative to continuing as a publicly traded company?

Strategic considerations were of critical importance to the Special Committee's determination to recommend the Arrangement as it considered the Company's prospects as a standalone publicly traded company. These strategic considerations included:

1. *Mobile Extraction Capability* – The increasing proportion of data stored on mobile devices requires the capability to extract data from mobile devices. The Company's current capabilities related to mobile extraction are limited, which was considered a key challenge to future growth, and which had led the Company to pursue Grayshift as an acquisition partner starting in September 2021, as discussed under "*The Arrangement – Background to the Arrangement*".

2. *Rare Strategic Opportunity* – The prospect of an acquisition target or partner of sufficient scale with mobile extraction capability was considered to be diminishing, leaving the Company exposed to the prospect that no superior alternative transaction would be available, and the resulting strategic and execution risks of maintaining the status quo.

3. *Increasing Competition* – Other providers of digital forensics and adjacent services are developing new products and expanding into the Company's areas of core competency. Coupled with the growing significance of mobile extraction, these developments were considered to represent a long-term threat to the Company's continued growth.

For these and other reasons discussed in the Circular, including the premium and certain value represented by the Consideration payable to holders of SV Shares (other than the Rolling Shareholders), the Special Committee determined that the Arrangement represents a compelling opportunity for the Company as compared to the opportunities and risks of continuing to operate as a standalone company without having consummated a transaction such as the Arrangement.

5. Did the Special Committee conduct a market check?

Yes. On the advice of Morgan Stanley, the Special Committee's financial advisor, a comprehensive market check was conducted in order to maximize value for the public shareholders. During the market check, Morgan Stanley had discussions with eight potential strategic and financial purchasers, other than Thoma Bravo, which the Special Committee had determined represented the most synergistic, highest ability to pay buyers. Three such potential purchasers entered into non-disclosure agreements and all three such potential purchasers participated in a presentation with Management. Subsequently, one financial sponsor engaged in subsequent due diligence. All potential purchasers, including Thoma Bravo, were managed on the same timeline, and of those that executed non-disclosure agreements, received equal access to Management and the Company's due diligence information. Each of CIBC and Morgan Stanley were provided with access to the same financial and other information. Morgan Stanley was well-positioned to advise the Special Committee in considering the TB Proposal and alternatives, including its ability to identify potential candidates for an alternative transaction with the Company, given its prior experience in advising Grayshift in connection with its sale process pursuant to which it was acquired by Thoma Bravo in July 2022.

6. What approvals are required for the Arrangement to become effective?

Completion of the Arrangement is subject to the receipt of the (i) Required Shareholder Approval, (ii) Court approval and (iii) Required Regulatory Approvals. The Arrangement is also subject to certain other conditions, including, among other things, that there shall not have occurred a Material Adverse Effect with respect to the Company or any of its Subsidiaries, taken as a whole, since the date of the Arrangement Agreement until the Effective Time, and that Dissent Rights have not been exercised with respect to more than 5% of the issued and outstanding Shares.

7. What happens if the Shareholders do not approve the Arrangement?

If Magnet does not receive the Required Shareholder Approval, the Arrangement will not become effective. Failure to complete the Arrangement could have a material adverse effect on the market price of the SV Shares. If the Arrangement is not completed and the Board decides to seek another transaction, there can be no assurance that it will be able to find a party willing to pay an equivalent or higher price than the Consideration to be paid pursuant to the terms of the Arrangement

Agreement. See "*Risk Factors – Risks Relating to the Arrangement*".

8. When will the Arrangement be completed?

If the Required Regulatory Approvals are obtained in a timely manner, it is anticipated that the Effective Date will occur by the second quarter of 2023. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order or a delay in obtaining the Required Regulatory Approvals. As provided under the Arrangement Agreement, the Company will file the Articles of Arrangement as soon as reasonably practicable and in any event within 5 Business Days after the satisfaction or waiver, if permitted, of the conditions for the completion of the Arrangement. Pursuant to the Arrangement Agreement, the Arrangement must be completed on or prior to July 20, 2023, subject to the right of either the Company or the Purchaser to extend such date in accordance with the terms of the Arrangement Agreement for up to an additional 180 days.

9. When will I receive the Consideration for my Shares?

You will receive the Consideration for your Shares as soon as practicable after the Effective Date, provided you have sent all of the necessary documentation to the Depositary, including in the case of registered Shareholders a duly completed and signed Letter of Transmittal.

10. What will I have to do as a Shareholder to receive the Consideration for my Shares?

If you are a registered Shareholder, you will receive a Letter of Transmittal that you must complete and send with the certificate(s) representing your Shares, as applicable, to the Depositary. Unless you instruct the Depositary otherwise, the Depositary will mail a cheque to you representing the aggregate Consideration you are entitled to in respect of your Shares, less any applicable withholdings, by first class mail as soon as practicable after the Effective Date after receipt of your completed Letter of Transmittal and of your Share certificate(s), together with all other required documents, if applicable. If you are a non-registered (or beneficial) Shareholder, you will receive your payment through your account with your broker, investment dealer, bank, trust company or other Intermediary that holds Shares on your behalf. You should contact your Intermediary if you have questions about this process.

When completing your Letter of Transmittal, you may instruct the Depositary to hold the cheque(s) representing your aggregate Consideration for pick-up or remit such funds by way of wire transfer. Notwithstanding the foregoing, any payments in excess of $25 million will be effected by the Depositary by wire transfer in accordance with the Large Value Transfer System (LVTS) Rules established by the Canadian Payments Association.

11. What are the risks involved with completing the Arrangement?

The risk factors described under "*Risk Factors*" should be carefully considered by Shareholders in evaluating whether to approve the Arrangement Resolution.

12. Will the SV Shares continue to be listed on the TSX after the Arrangement?

No. If the Arrangement is approved, all of the Shares will be acquired by the Purchaser and Magnet expects that the SV Shares will be delisted from the TSX shortly after the completion of the Arrangement. The Purchaser also intends to seek an order that Magnet has ceased to be a reporting issuer following the completion of the Arrangement under the securities legislation of all of the provinces and territories of Canada in which it is currently a reporting issuer.

13. What are the tax consequences of the Arrangement to me as a Shareholder?

This Circular contains a summary of certain Canadian federal income tax considerations for certain Shareholders. See "*Certain Canadian Federal Income Tax Considerations for Shareholders*". This Circular does not contain any information regarding any potential tax considerations outside of Canada. Shareholders who believe they may have other tax considerations are urged to consult their own tax advisors.

14. Who can I contact if I have questions?

If you have any questions or require any assistance with the procedures for voting, including to complete your proxy, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Laurel Hill, at 1-877-452-7184 (toll-free within North America) or at 1-416-304-0211 (outside of North America) or by email at assistance@laurelhill.com.

If you have any questions or require further information about the procedures to complete your Letter of Transmittal, please contact Computershare, the Depositary, at 1-800-564-6253 (toll-free within North America) or by email at corporateactions@computershare.com.

If you have questions about deciding how to vote, you should contact your own financial, legal, tax or other professional advisors.

About the Meeting

1. Why did I receive this information package?

On January 20, 2023, Magnet entered into the Arrangement Agreement with the Purchaser, pursuant to which, among other things, the Purchaser has agreed to acquire all of the issued and outstanding Shares pursuant to the Arrangement. The Arrangement is subject to, among other things, obtaining the Required Shareholder Approval. As a Shareholder as at the close of business on the Record Date (February 16, 2023), you are entitled to receive notice of, and vote at, the Meeting. Magnet is soliciting your proxy, or vote, and providing this Circular in connection with that solicitation.

2. What is a plan of arrangement?

A plan of arrangement is a statutory procedure under Ontario corporate law that allows corporations to carry out transactions with the approval of their shareholders and the Court. The Plan of Arrangement you are being asked to consider will provide for, among other things, the acquisition by the Purchaser of all of the issued and outstanding Shares.

3. What am I being asked to vote on?

You will be voting on the Arrangement Resolution and on any other business that may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

4. Does the Board support the Arrangement?

The Arrangement has been unanimously recommended by the Special Committee. The Special Committee's recommendation is based on consultation with its legal and financial advisors and careful consideration of, among other things (i) alternatives to the Arrangement, including the alternative of continuing to operate as a standalone company without having consummated a transaction such as the Arrangement, (ii) the historical market prices of the SV Shares, the lack of liquidity in the public market for the SV Shares resulting in potential difficulty for holders of SV Shares to dispose of such SV Shares, and the degree of volatility in the market price and the capital markets in the past 12 months, (iii) the results of the comprehensive market check conducted by the Company, with the assistance of Morgan Stanley, subsequent to the receipt of the initial proposal from Thoma Bravo and (iv) subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth therein, the Formal Valuation and Fairness Opinions, as well as a number of other factors as described in this Circular under the heading "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*". The Special Committee has concluded that the Non-RS Consideration is fair, from a financial point of view, and that the Arrangement is in the best interests of the Company.

Having undertaken a thorough review of, and carefully considering, information concerning Magnet, the Purchaser, the Arrangement, the Formal Valuation and Fairness Opinions, the unanimous recommendation of the Special Committee and advice of financial and legal advisors and a number of factors as described in this Circular under the heading "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*", the Board has, with the Rolling Shareholders having recused themselves from the Board meeting, approved the Arrangement and unanimously recommends that Shareholders (other than the Rolling Shareholders) vote **FOR** the Arrangement Resolution.

5. Who is soliciting my proxy?

Your proxy is being solicited by Management and the Purchaser may also assist with the solicitation of proxies. The Company has retained Laurel Hill as its strategic shareholder advisor and proxy solicitation agent for assistance in connection with the solicitation of proxies for the Meeting, and will pay customary fees for such services. If you have any questions or require any assistance with completing your proxy, please contact Laurel Hill by telephone at 1-877-452-7184 (toll-free within North America) or at 1-416-304-0211 (outside of North America) or by email at assistance@laurelhill.com.

6. When is the Meeting and how is it being held?

The Meeting will be held via live audio webcast online at https://meetnow.global/MZ6YJTX, on March 23, 2023 at

2:00 p.m. (Toronto time), unless adjourned or postponed. Shareholders will have an equal opportunity to participate in the Meeting online, regardless of their geographic location.

To attend the Meeting, log in online at https://meetnow.global/MZ6YJTX. It is recommended that you log in at least fifteen minutes before the Meeting starts. To log in, either click:

- "Shareholder" or "Invitation"

  OR

- "Guest" and then complete the online form.

For registered Shareholders, the 15-digit control number located on the form of proxy or in the email notification you received is your "Control Number" and serves as the "Username" for login purposes.

For duly appointed proxyholders, Computershare will provide the proxyholder with your Invite Code by e-mail after the proxy voting deadline has passed and you have been duly appointed and registered as described in "*Proxyholder Matters*". Such Invite Code serves as the "Username" for login purposes.

If you attend the Meeting, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedures.

Attending the Meeting online enables registered Shareholders and duly appointed proxyholders, including non-registered (or beneficial) Shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered Shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting. Guests, including non-registered (or beneficial) Shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. See "*Proxyholder Matters*". Guests can listen to the Meeting but are not able to participate or vote.

7. Who is entitled to vote on the Arrangement Resolution and how will the votes be counted?

Shareholders as at the close of business on the Record Date (February 16, 2023) may vote on the Arrangement Resolution. Only registered Shareholders or duly-appointed proxyholders are entitled to vote at the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by non-registered (or beneficial) Shareholders in order to ensure that their Shares are voted at the Meeting. See "*Proxyholder Matters – Voting of Proxies – Non-Registered Shareholders*".

As at the Record Date, there were 12,305,697 SV Shares and 28,903,303 MV Shares of the Company issued and outstanding. Each SV Share entitles the holder thereof to one vote and each MV Share entitles the holder thereof to ten votes.

8. What if I acquire ownership of Shares after the Record Date?

Only Shareholders as of the close of business on the Record Date are entitled to receive notice of, attend, be heard and vote at the Meeting.

9. What are the voting requirements?

In order to become effective, the Arrangement Resolution will require: (i) the affirmative vote of at least 66⅔% of the votes cast by Shareholders who vote in person or by proxy at the Meeting, with all Shareholders voting as a single class; (ii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting, after excluding the Excluded Votes; (iii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting; and (iv) the affirmative vote of at least a simple majority of the votes cast by holders of MV Shares who vote in person or by proxy at the Meeting. See "*The Arrangement – Key Approvals – Required Shareholder Approval*".

10. What is the quorum for the Meeting?

A quorum of Shareholders for the transaction of business at the Meeting or any adjournment(s) or postponement(s) thereof will be present, irrespective of the number of Persons actually present at the Meeting, if at least two Shareholders representing not less than 25% of the voting rights attaching to the Shares are present in person or represented by proxy at the Meeting.

11. Am I a registered or non-registered Shareholder?

You are a registered Shareholder if your Shares are registered in your name and represented by a share certificate or direct registration system statement. You are a non-registered (or beneficial) Shareholder if your Shares are not registered in your own name but are held in the name of an Intermediary, 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 in the name of a clearing agency of which the Intermediary is a participant.

12. How can I vote my Shares if I am a registered Shareholder?

If you are eligible to vote your Shares and you are a registered Shareholder, you can vote your Shares in any of the following ways:

(a) by mail by sending the form of proxy to the Company's transfer agent in the envelope enclosed with the form of proxy;

(b) by telephone within North America toll free at 1-866-732-VOTE (8683), or by international direct dial at 312-588-4290;

(c) over the Internet at www.investorvote.com;

(d) by completing a ballot online during the Meeting; or

(e) by appointing someone as proxy to participate in the Meeting and vote your Shares for you.

If you have any questions or require assistance in voting your Shares, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Laurel Hill, at 1-877-452-7184 (toll-free within North America) or at 1-416-304-0211 (outside of North America) or by email at assistance@laurelhill.com. For additional information on voting your Shares at the Meeting, please refer to the Virtual AGM User Guide in your proxy package.

13. How can I vote my Shares if I am a non-registered (or beneficial) Shareholder?

If you are a non-registered (or beneficial) Shareholder, and you receive your materials indirectly through an Intermediary, you will receive forms with instructions on how to vote by:

(a) completing, signing and dating your VIF and returning it in accordance with the included instructions;

(b) phoning the toll-free telephone number shown on your VIF and following the instructions;

(c) internet, by visiting the website shown on your VIF and following the online voting instructions; or

(d) appointing yourself as proxy to participate in the Meeting and completing a ballot online during the Meeting.

Please make sure to follow the instructions in the forms you receive.

The Company may utilize the Broadridge QuickVote™ service to assist non-registered (or beneficial) Shareholders that are "non-objecting beneficial owners" with voting their Shares over the telephone. Laurel Hill, the Company's strategic shareholder advisor and proxy solicitation agent, may contact "non-objecting beneficial owners" of Shares to assist in conveniently voting their Shares directly over the phone.

If you require any assistance with the procedures for voting, including to complete your VIF, please contact Laurel Hill at 1-877-452-7184 (toll-free within North America) or at 1-416-304-0211 (outside of North America) or by email at assistance@laurelhill.com. For additional information on voting your Shares at the Meeting, please refer to the Virtual AGM User Guide in your proxy package.

14. How do I appoint a proxy to go to the Meeting and vote my Shares for me?

Shareholders who wish to appoint someone other than the Company proxyholders as their proxyholder to attend and participate at the Meeting as their proxy and vote their Shares must submit their form of proxy or VIF, as applicable, appointing that person as proxyholder and register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed after you have submitted your form of proxy or VIF per the instructions described below. To

register a proxyholder in this manner, Shareholders must visit www.computershare.com/MagnetForensics by 2:00 p.m. (Toronto time) on March 21, 2023 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with an Invite Code via email. Failure to register the proxyholder in advance of the deadline will result in the proxyholder not receiving an Invite Code that is required to vote at the Meeting. Without an Invite Code, proxyholders will not be able to participate or vote at the Meeting but will be able to attend and listen to the Meeting as a guest.

The persons designated by Management in the form of proxy are directors or officers of the Company. **Each Shareholder has the right to appoint as proxyholder a person or company (who need not be a Shareholder) other than the persons designated by Management in the form of proxy to attend and act on the Shareholder's behalf at the Meeting or at any adjournment(s) or postponement(s) thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the form of proxy or by completing another form of proxy.

15. How will my Shares be voted if I vote by proxy?

On any ballot that may be called for, the Shares represented by a properly executed proxy given in favour of the persons designated by Management in the form of proxy will be voted for or against in accordance with the instructions given on the form of proxy. In the absence of such instructions, Shares represented by a proxy will be voted for or against in the discretion of the Persons designated in the proxy, which in the case of the representatives of Management named in the form of proxy will be **FOR** the Arrangement Resolution.

16. Is there a deadline for my proxy to be received?

Yes. Whether or not you are able to attend the Meeting, you are urged to vote your Shares in accordance with the instructions on your form of proxy or voting instruction form so that your Shares can be voted at the Meeting or any adjournment(s) or postponement(s) thereof in accordance with your voting instructions. Your votes must be received by Computershare, Magnet's transfer agent, no later than 2:00 p.m. (Toronto time) on March 21, 2023 or, if the Meeting is adjourned or postponed, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time the Meeting is reconvened.

17. What if there are amendments or if other matters are brought before the Meeting?

The form of proxy confers discretionary authority upon the Persons named therein with respect to amendments or variations to matters identified in the Notice of Special Meeting and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

As of the date of this Circular, the directors and Management are not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Special Meeting or any other matters which are not now known to the directors or Management should properly come before the Meeting or any adjournment(s) or postponement(s) thereof, the Shares represented by properly executed proxies given in favour of the persons designated by Management in the form of proxy will be voted on such matters pursuant to such discretionary authority.

18. How do the Company's directors and officers intend to vote?

As discussed in the section of this Circular entitled "*Summary of Agreements in Connection with the Arrangement — Voting Support Agreements*", all of the directors and certain officers of the Company, solely in their capacity as Shareholders, have agreed, subject to the terms of the applicable Voting Support Agreements, to vote, or cause to be voted, the Supporting Shares held by them in favour of the Arrangement Resolution.

19. What if I change my mind?

A Shareholder who has given a proxy may revoke the proxy by depositing an instrument in writing signed by the Shareholder or by the Shareholder's attorney, who is authorized in writing, or if the Shareholder is a corporation, by an officer, or attorney authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by or on behalf of the Shareholder or by the Shareholder's attorney, who is authorized in writing, and deposited with Computershare at any time up to and including the last Business Day preceding the day of the Meeting, or in the case of any adjournment(s) or postponement(s) of the Meeting, the last Business Day preceding the day of the adjournment or postponement, as applicable, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment(s) or postponement(s) thereof. A Shareholder may also revoke a proxy in any other manner permitted by law, but prior to the exercise of such proxy in respect of any particular matter.

If you are a non-registered (or beneficial) Shareholder, contact your broker or nominee to find out how to change or revoke your voting instructions and the timing requirements, or for other voting questions. Intermediaries may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the proxy or VIF to ensure it is given effect at the Meeting.

If you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke all previously submitted proxies. However, in such a case, you will be provided with the opportunity to vote by ballot on the matters put forth at the Meeting. If you do not wish to revoke all previously submitted proxies, do not accept the terms and conditions.

20. Am I entitled to Dissent Rights?

Only registered Shareholders (other than the Rolling Shareholders in respect of Rollover Shares) are entitled to dissent. Dissent Rights must be exercised by providing written notice to the Company not later than 5:00 p.m. (Toronto time) on March 21, 2023 (or 5:00 p.m. (Toronto time) on the Business Day that is two Business Days immediately preceding any adjourned or postponed Meeting) in the manner described under the heading "*Dissenting Shareholders Rights*". Failure to properly exercise Dissent Rights may result in the loss or unavailability of the right to dissent. If a registered Shareholder properly exercises the Dissent Rights, and the Arrangement is completed, the Dissenting Shareholder will be entitled to be paid the fair value of their Shares as of the close of business on the day before the Arrangement Resolution is adopted. This amount may be the same as, more than or less than the Consideration under the Arrangement.

Non-registered (or beneficial) Shareholders desiring to exercise Dissent Rights must make arrangements for the Shares beneficially owned by such Shareholder to be registered in the Shareholder's name in order to exercise Dissent Rights or, alternatively, make arrangements for the registered holder of such Shares to dissent on the Shareholder's behalf.

GLOSSARY OF TERMS

Unless the context otherwise requires or where otherwise provided, the following words and terms will have the meanings set out below when read in this Circular. Certain of these terms may not conform to defined terms used in the appendices to this Circular.

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only the Company and/or one or more of its Subsidiaries or between one or more of its Subsidiaries, any written offer, inquiry or proposal from any Person or group of Persons other than the Purchaser (or any of its affiliates or any Person acting in concert with the Purchaser or any of its affiliates) relating to (i) any direct or indirect acquisition, purchase, sale or disposition (or any lease, joint venture, royalty, license or other arrangement having the same economic effect as a sale or disposition), in a single transaction or a series of transactions, of (A) assets of the Company (including shares of Subsidiaries of the Company) and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of the Company and its Subsidiaries, taken as a whole, determined based upon the most recent audited annual consolidated financial statements of the Company filed as part of the Company Filings, or contributing 20% or more of the consolidated revenue of the Company and its Subsidiaries, taken as a whole, determined based upon the most recent audited annual consolidated financial statements of the Company filed as part of the Company Filings, or (B) 20% or more of any class of voting or equity securities of the Company or 20% more of any class of voting or equity securities of any one or more of any of the Company's Subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues, determined based upon the most recent annual audited consolidated financial statements of the Company filed as part of the Company Filings, or constitute 20% or more of the consolidated assets of the Company and its Subsidiaries, taken as a whole, determined based upon the most recent audited annual consolidated financial statements of the Company filed as part of the Company Filings; (ii) any direct or indirect take-over bid, tender offer, exchange offer, sale or issuance of securities or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company (including securities convertible into or exercisable or exchangeable for voting or equity securities of the Company) then outstanding; (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license involving the Company or of the surviving entity or the resulting direct or indirect parent of the Company or the surviving entity; or (iv) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries.

"**Adjusted EBITDA**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Adjusted EBITDA for SV Shareholders**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Adjusted EBITDA Margin**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**affiliate**" has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions*, as in effect on the date of the Arrangement Agreement, provided that in no event will a portfolio company or investment fund, in either case, affiliated with the Purchaser or the Sponsor be considered to be an affiliate of the Company or any of its Subsidiaries.

"**Aggregate Value**" or "**AV**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Aggregate Value / Adjusted EBITDA**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Aggregate Value / Free Cash Flow**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Aggregate Value / Revenue**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**allowable capital loss**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations for Shareholders – Holders Resident in Canada – Disposition of SV Shares*".

"**Approved Discussions**" has the meaning ascribed to it under the heading "*Summary of Agreements in Connection with the*

Arrangement – Voting Support Agreements – Rolling Shareholders".

"**Arrangement**" means an arrangement under Section 182 of the OBCA in accordance with the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement, in accordance with the terms of the Interim Order, or made at the direction of the Court in the Final Order with the prior consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated January 20, 2023 between the Purchaser and the Company, including the Schedules thereto, a copy of which is filed on SEDAR under the Company's profile at www.sedar.com, as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Meeting, substantially in the form set out in Appendix "B" to this Circular.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required by the OBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

"**AV for SV Shareholders**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**AV for SV Shareholders / Adjusted EBITDA for SV Shareholders**" has the meaning ascribed to it under the heading "*Non-IFRS Measures*".

"**AV for SV Shareholders / Free Cash Flow for SV Shareholders**" has the meaning ascribed to it under the heading "*Non-IFRS Measures*".

"**AV for SV Shareholders / Revenue for SV Shareholders**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Blakes**" has the meaning ascribed to it under "*The Arrangement – Background to the Arrangement*".

"**Board**" means the board of directors of the Company, as constituted from time to time, but excluding, where the context requires, any Conflicted Director.

"**Board Recommendation**" means the unanimous recommendation of the Board (with the Conflicted Directors abstaining) that the Shareholders (other than the Rolling Shareholders) vote in favour of the Arrangement Resolution.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario or New York, New York.

"**Call-In Notice**" has the meaning ascribed to it under the heading "*The Arrangement – Key Approvals – Regulatory Approvals*".

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to Subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

"**Change in Recommendation**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination*".

"**CIBC**" means CIBC World Markets Inc.

"**CIBC Engagement Agreement**" means the agreement dated November 14, 2022 entered into between the Special Committee on behalf of the Company and CIBC setting out the terms of CIBC's engagement.

"**CIBC Formal Valuation and Fairness Opinion**" has the meaning ascribed to it under the heading "*The Arrangement – Determinations and Recommendations of the Special Committee and the Board – Advice of CIBC*".

"**Circular**" means this management information circular dated February 16, 2023.

"**Closing**" means the closing of the Arrangement contemplated by the Arrangement Agreement.

"**Coattail Agreement**" has the meaning ascribed to it under "*Information Concerning the Meeting – Voting Shares – Take-Over Bid Protection*".

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"**Commitment**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**Commitment Letters**" means the Debt Commitment Letter together with the Equity Commitment Letter.

"**Commitment Parties**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Company**" or "**Magnet**" means Magnet Forensics Inc., a corporation incorporated under the laws of the Province of Ontario.

"**Company Filings**" means all forms, documents and reports, together with all exhibits, financial statements and schedules filed or furnished therewith, and all information, documents and agreements incorporated in any such form, document or report (but not including any document incorporated by reference into an exhibit), required to have been filed with the applicable Securities Authorities since January 1, 2022.

"**Company Group Member**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Fees*".

"**Company Termination Fee**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Fees*".

"**Company Termination Fee Event**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Fees*".

"**Computershare**" means Computershare Investor Services Inc.

"**Confidentiality Agreement**" means the Non-Disclosure Agreement between the Company and an affiliate of the Purchaser, dated November 2, 2022 pursuant to which the Company has provided confidential information about its business to the Purchaser and its representatives.

"**Conflicted Director**" means, in respect of any particular Contract or transaction (including, for greater certainty, the Arrangement and any Acquisition Proposal), any director that has a disclosable interest pursuant to Section 132 of the OBCA and who is thereby not entitled to vote on a resolution to approve the Contract or transaction.

"**Consideration**" means the amount in cash per Share (other than Rollover Shares) equal to the RS Consideration to be paid to Rolling Shareholders and the Non-RS Consideration to be paid to Shareholders other than Rolling Shareholders, in each case pursuant to the Plan of Arrangement, without interest.

"**Contract**" means any written or oral agreement, commitment, engagement, contract, license, lease, obligation, undertaking or other right or obligation to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or affected or to which any of their respective material properties or their material assets is subject.

"**Convertible Consideration**" means, with respect to a holder of Options, DSUs or RSUs (other than a Rolling Shareholder), $44.25, and with respect to a holder of Options, DSUs or RSUs who is a Rolling Shareholder, $39.00.

"**Court**" means the Ontario Superior Court of Justice (Commercial List) in the City of Toronto.

"**COVID-19**" means SARS-CoV-2 or COVID-19, and any evolutions thereof or related or associated epidemics, pandemic or disease outbreaks.

"**Debt Commitment Letter**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Debt Financing**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Definitive Agreements**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement*

– The Arrangement Agreement – Other Covenants – Financing".

"**Demand Distribution**" has the meaning ascribed to it under "*Information Concerning Magnet – Principal Holders of Shares – Investor Rights Agreement – Registration Rights*".

"**Demand for Payment**" has the meaning ascribed to it under "*Dissenting Shareholders Rights*".

"**Demand Registration Right**" has the meaning ascribed to it under "*Information Concerning Magnet – Principal Holders of Shares – Investor Rights Agreement – Registration Rights*".

"**Dentons**" has the meaning ascribed to it under "*The Arrangement – Background to the Arrangement*".

"**Depositary**" means Computershare, in its capacity as depositary for the Arrangement, or such other Person as the Company and the Purchaser agree to engage as depositary for the Arrangement.

"**Director**" means the Director appointed pursuant to Section 278 of the OBCA.

"**Discounted Cash Flow**" or "**DCF**" has the meaning ascribed to it under the heading "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Dissent Notice**" has the meaning ascribed to it under the heading "*Dissenting Shareholders Rights*".

"**Dissent Rights**" has the meaning ascribed to it under the heading "*Dissenting Shareholders Rights*".

"**Dissenting Shareholder**" has the meaning ascribed to it under the heading "*Dissenting Shareholders Rights*".

"**Dissenting Shares**" has the meaning ascribed to it under the heading "*Dissenting Shareholders Rights*".

"**DOJ**" has the meaning ascribed to it under the heading "*The Arrangement – Key Approvals – Regulatory Approvals*".

"**DSU Agreement**" means an agreement evidencing the terms of any DSU.

"**DSU Plan**" means the amended and restated deferred share unit plan of the Company dated June 15, 2022.

"**DSUs**" means deferred share units of the Company issued pursuant to the DSU Plan, or otherwise.

"**EBITDA**" means earnings before interest, taxes, depreciation, and amortization.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Company and the Purchaser agree to in writing before the Effective Date.

"**Equity Commitment Letter**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**ESPP**" means the Employee Stock Purchase Plan of the Company dated June 15, 2022.

"**Excluded Votes**" means the votes attached to the Shares held or controlled by Shareholders referred to in items (a) through (d) of Section 8.1(2) of MI 61-101, being Messrs. Belsher, Saliba, Balsillie and Williams.

"**Final Order**" means the final order of the Court under Section 182 of the OBCA in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Financial Projections**" has the meaning ascribed to it under the heading "*The Arrangement – Formal Valuation and Fairness Opinions – MS Fairness Opinion*".

"**Financing Sources**" means each Person (including, without limitation, each lender, agent, arranger and underwriter) that has committed to provide or otherwise entered into an agreement or agreements in connection with a financing for the transactions

contemplated by the Arrangement Agreement, including (without limitation) any commitment letters, engagement letters, underwriting agreements or indentures relating thereto, together with each affiliate thereof and each officer, director, employee, partner, controlling person, advisor, attorney, agent and representative of each such Person or affiliate and their respective successors and assigns.

"**Formal Valuation and Fairness Opinions**" means, collectively, the CIBC Formal Valuation and Fairness Opinion and the MS Fairness Opinion.

"**forward-looking statements**" has the meaning ascribed to it under "*Caution on Forward-Looking Statements*".

"**Free Cash Flow**" or **"FCF**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Free Cash Flow for SV Shareholders**" or "**FCF for SV Shareholders**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**FTC**" has the meaning ascribed to it under the heading "*The Arrangement – Key Approvals – Regulatory Approvals*".

"**GAAP**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, territorial, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitrator or arbitral body (public or private), commission, commissioner, board, bureau, minister, ministry, governor in council, cabinet, agency or instrumentality, domestic or foreign; (ii) any subdivision, agent or authority of any of the foregoing; (iii) any quasi-governmental or private body including any tribunal, commission, regulatory agency or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iv) any Securities Authority or stock exchange, including the TSX.

"**Grayshift**" has the meaning ascribed to it under "*The Arrangement – Background to the Arrangement*".

"**Guaranteed Obligations**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**Guarantor**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**Holder**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations for Shareholders*".

"**HSR Act**" means Section 7A of the Clayton Act, as added by Title II of the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"**HSR Act Expiration**" means, in respect of the transactions contemplated by the Arrangement Agreement, the expiry, waiver or termination of any applicable waiting periods and any extensions thereof under the HSR Act.

"**Implied Ownership of Holders of SV Shares**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Incentive Plans**" means, collectively: (i) the LTIP, (ii) the DSU Plan and (iii) the Option Plan.

"**Incremental Term Loan Facility**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Interim Order**" means the interim order of the Court under Section 182 of the OBCA in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Intermediary**" has the meaning ascribed to it under the heading "*Proxyholder Matters – Voting of Proxies – Non-Registered Shareholders*".

"**Investment Canada Act**" means the *Investment Canada Act* (Canada) and includes the regulations promulgated thereunder.

"**Investment Canada Approval**" means (a) the Purchaser shall not have received a notice from the responsible Minister under Subsection 25.2(1) or 25.3(2) of the Investment Canada Act within the periods prescribed under the Investment Canada Act; or (b) if the Purchaser has received a notice under Subsection 25.2(1) or 25.3(2) of the Investment Canada Act, the Purchaser shall have received one of the following, as applicable: (i) a notice under Subsection 25.2(4) of the Investment Canada Act indicating that no order for the review of the transactions contemplated by the Arrangement Agreement will be made under Subsection 25.3(1) of the Investment Canada Act; (ii) a notice under paragraph 25.3(6)(b) of the Investment Canada Act indicating that no further action will be taken in respect of the transactions contemplated by the Arrangement Agreement; or (iii) an order by the Governor in Council under paragraph 25.4(1)(b) of the Investment Canada Act authorizing the completion of the transactions contemplated by the Arrangement Agreement.

"**Investor Rights Agreement**" means the Investor Rights Agreement dated May 3, 2021 among the Company, Candestra Holdings Inc., The Saliba 2014 Family Trust, Jad Saliba, Fortis Investments Inc., The Belsher 2014 Family Trust, Adam Belsher, Amolino Holdings Inc., and Jim Balsillie.

"**Investors**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**K&E**" has the meaning ascribed to it under "*The Arrangement – Background to the Arrangement*".

"**Last Twelve Months**" or "**LTM**" has the meaning ascribed to it under the heading "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Laurel Hill**" means Laurel Hill Advisory Group.

"**Law**" means, with respect to any Person, any and all applicable national, federal, provincial, state, municipal or local law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, act, statute, code, rule, regulation, order, injunction, judgment, decree, ruling, award, writ, or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, all policies, guidelines, notices and protocols of any Governmental Entity, as amended.

"**Letter of Transmittal**" means the letter of transmittal sent to Shareholders for use in connection with the Arrangement.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachment, option, right of first refusal or first offer, license, occupancy right, restrictive covenant, assignment, lien (statutory or otherwise), defect of title or encumbrance of any kind.

"**Limited Guarantee**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**LTIP**" means the amended and restated long term incentive plan of the Company dated June 15, 2022.

"**Management**" means the management of Magnet.

"**Matching Period**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants Regarding Non-Solicitation – Right to Match*".

"**Material Adverse Effect**" means any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other changes, events, occurrences, effects, states of facts or circumstances, is or would reasonably be expected to have, both a material and adverse effect on the business, operations, affairs, results of operations, assets, properties, liabilities (contingent or otherwise) or financial condition of the Company and its Subsidiaries, taken as a whole; except any such change, event, occurrence, effect, state of facts or circumstance resulting from or arising in connection with:

(a) any change, development, condition or event affecting the industries in which the Company or any of its Subsidiaries operate;

(b) any change in global, national or regional political conditions (including any general labour strikes or act of espionage, cyberattack, sabotage or terrorism or any outbreak of hostilities or declared or undeclared war or any escalation or worsening thereof) or in general economic, business, banking, regulatory, financial, credit,

currency exchange, interest rate, rates of inflation or capital market conditions in Canada, the United States or elsewhere;

(c) any change in GAAP or regulatory accounting requirements applicable in the industries in which the Company or any of its Subsidiaries conducts business;

(d) any adoption, proposal, implementation or change in Law or in any interpretation, application or non-application of any Laws by any Governmental Entity, in each case after the date hereof;

(e) any natural disaster;

(f) any epidemic, pandemic or outbreaks of illness or disease (including the COVID-19 pandemic and its continuing effect on the Company and the local, national and global economy);

(g) the failure by the Company to meet any internal or public projections, forecasts, guidance or estimates of revenues, earnings or cash flows (it being understood that the cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred) or any seasonal fluctuations in the Company's results;

(h) any action taken (or omitted to be taken) by the Company or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to the Arrangement Agreement or as required by Law;

(i) any actions taken (or omitted to be taken) (i) upon the written request of the Purchaser, or (ii) with the written consent of, or under the authority, direction or control of the Purchaser or its affiliates;

(j) the execution, announcement, pendency or performance of the Arrangement Agreement or the consummation of the Arrangement, including any steps taken pursuant to Section 4.4 of the Arrangement Agreement and any loss or threatened loss or, or adverse change or threatened adverse change in the relationship of the Company and/or any of its Subsidiaries with any of their respective customers, suppliers, officers, employees, partners, lessors, licensors; regulators, creditors, contractors and other Persons with which the Company or any of its Subsidiaries has business relations; or

(k) any change in the market price or trading volumes of any securities of the Company (it being understood that the causes underlying such change in market price or trading volumes may be taken into account in determining whether a Material Adverse Effect has occurred);

provided, however, if any change, event, occurrence, effect, state of facts or circumstance referred to in clauses (a) through and including (f) above, materially and disproportionately adversely effects the Company and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industries and businesses in which the Company and its Subsidiaries operate, such change, event, occurrence, effect, state of facts or circumstance may be taken into account in determining whether a Material Adverse Effect has occurred, but only to the extent of the disproportionate effect, and unless expressly provided in any particular section of the Arrangement Agreement, references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Material Adverse Effect" has occurred.

"**McMillan**" has the meaning ascribed to it under "*The Arrangement – Background to the Arrangement*".

"**Meeting**" means the special meeting of Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in this Circular and agreed to in writing by the Purchaser.

"**Meeting Materials**" has the meaning ascribed to it under "*Proxyholder Matters – Voting of Proxies – Non-Registered Shareholders*".

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Minister**" has the meaning ascribed to it under the heading "*The Arrangement – Key Approvals – Regulatory Approvals*".

"**Morgan Stanley**" means Morgan Stanley & Co. LLC.

"**MS Engagement Agreement**" means the agreement dated November 3, 2022 entered into between the Company on behalf of the Special Committee and Morgan Stanley, setting out the terms of Morgan Stanley's engagement.

"**MS Fairness Opinion**" has the meaning ascribed to it under the heading "*The Arrangement – Determinations and Recommendations of the Special Committee and the Board – Advice of Morgan Stanley*".

"**MV Shares**" means the multiple voting shares in the capital of the Company.

"**Next Twelve Months**" or "**NTM**" has the meaning ascribed to it under the heading "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**Next Twelve Months Revenue**" or "**NTM Revenue**" has the meaning ascribed to it under the heading "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"**NOBO**" has the meaning ascribed to it under "*Proxyholder Matters – Voting of Proxies – Non-Registered Shareholders*".

"**Non-Recourse Party**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – No Liability*".

"**Non-Registered Holder**" has the meaning ascribed to it under "*Proxyholder Matters – Voting of Proxies – Non-Registered Shareholders*".

"**Non-Resident Dissenting Shareholder**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations for Shareholders – Holders Not Resident in Canada – Dissenting Shareholders*".

"**Non-Resident Holder**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations for Shareholders – Holders Not Resident in Canada*".

"**Non-RS Consideration**" means $44.25 in cash per Share to be received by the Shareholders (other than the Rolling Shareholders) pursuant to the Plan of Arrangement, without interest.

"**Non-Solicitation Covenants**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants Regarding Non-Solicitation*".

"**Notice of Special Meeting**" has the meaning ascribed to it under "*Introduction*".

"**NSI Act**" means the *National Security and Investment Act 2021*.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**OBO**" has the meaning ascribed to it under "*Proxyholder Matters – Voting of Proxies – Non-Registered Shareholders*".

"**Offer to Pay**" has the meaning ascribed to it under "*Dissenting Shareholders Rights*".

"**Option Agreement**" means an agreement evidencing the terms of any Option.

"**Option Plan**" means the second amended and restated employee stock option plan of the Company dated June 15, 2022.

"**Options**" means any outstanding options to purchase SV Shares issued pursuant to the Incentive Plans or otherwise.

"**Outside Date**" means July 20, 2023 or such later date as may be agreed to in writing by the Parties to the Arrangement Agreement, subject to the right of either Party to extend the Outside Date from time to time by a specified period of not less than 60 days (provided that in aggregate (for both Parties) such extensions shall not exceed 180 days from July 20, 2023) if the Effective Date has not occurred by the Outside Date as a result of the failure to obtain any of the Required Regulatory Approvals and such Required Regulatory Approval has not been denied by a non-appealable decision of a Governmental Entity, by giving written notice to the other Party to such effect no later than 5:00 p.m. (Toronto time) on the date that is not less than five days prior to the Outside Date then in effect; provided that notwithstanding the foregoing, a Party shall not be permitted to extend the Outside Date if the failure to obtain any of such Required Regulatory Approvals is primarily the result of such Party's wilful breach of its covenants in the Arrangement Agreement.

"**Parties**" means, collectively, the Company and the Purchaser, and "**Party**" means any one of them.

"**Permitted Information Request**" has the meaning ascribed to it under the heading "*Summary of Agreements in Connection with the Arrangement – Voting Support Agreements – Rolling Shareholders*".

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Piggy-Back Distribution**" has the meaning ascribed to it under "*Information Concerning Magnet – Principal Holders of Shares – Investor Rights Agreement – Registration Rights*".

"**Piggy-Back Registration Right**" has the meaning ascribed to it under "*Information Concerning Magnet – Principal Holders of Shares – Investor Rights Agreement – Registration Rights*".

"**Plan of Arrangement**" means the plan of arrangement under Section 182 of the OBCA, substantially in the form set out in Appendix "A", subject to any amendments or variations to such plan made in accordance with the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Pre-Acquisition Reorganization**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Other Covenants – Pre-Acquisition Reorganization*".

"**Pre-IPO Capital Changes**" has the meaning ascribed to it under "*Information Concerning Magnet – Previous Purchases and Sales by the Company – Previous Distributions*".

"**Proposed Amendments**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations for Shareholders*".

"**Proxy-Related Materials**" means this Circular, the Notice of Special Meeting and a form of proxy or VIF, as applicable.

"**Purchaser**" means Morpheus Purchaser Inc., a corporation incorporated under the laws of the Province of Ontario.

"**Purchaser Counsel**" has the meaning ascribed to it under "*The Arrangement – Background to the Arrangement*".

"**Purchaser Group Member**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Fees*".

"**Purchaser Termination Fee**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Fees*".

"**Purchaser Termination Fee Event**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Fees*".

"**Qualifying Termination**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**Recommended Acquisition Proposal**" has the meaning ascribed to it under the heading "*Summary of Agreements in Connection with the Arrangement – Voting Support Agreements – Rolling Shareholders*".

"**Record Date**" means the close of business on February 16, 2023.

"**Required Regulatory Approvals**" means the Investment Canada Approval, the HSR Act Expiration and the UK NSI Approval.

"**Required Shareholder Approval**" has the meaning ascribed to it under "*The Arrangement – Key Approvals – Required Shareholder Approval*".

"**Resident Dissenting Shareholder**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations for Shareholders – Holders Resident in Canada – Dissenting Shareholders*".

"**Resident Holder**" has the meaning ascribed to it under the heading "*Certain Canadian Federal Income Tax Considerations*

for Shareholders – Holders Resident in Canada".

"**Revenue for SV Shareholders**" has the meaning ascribed to it under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement – Multiples Implied by the Non-RS Consideration*".

"**R&G**" has the meaning ascribed to it under "*The Arrangement – Background to the Arrangement*".

"**Rolling Shareholders**" means, collectively, Candestra Holdings Inc., The Saliba 2014 Family Trust, Jad Saliba, Fortis Investments Inc., The Belsher 2014 Family Trust, Adam Belsher, Amolino Holdings Inc. and Jim Balsillie.

"**Rollover Agreements**" means the contribution and exchange agreements dated the date of the Arrangement Agreement between the Purchaser, Pandora Topco, L.P. and each of the Rolling Shareholders.

"**Rollover Shares**" means, collectively: (i) 101,344 of the SV Shares and 6,092,809 of the MV Shares beneficially owned or controlled by Adam Belsher; (ii) 101,344 of the SV Shares and 6,394,530 of the MV Shares beneficially owned or controlled by Jad Saliba; and (iii) 3,409,478 of the MV Shares beneficially owned or controlled by Jim Balsillie.

"**RS Consideration**" means $39.00 in cash per Share (other than Rollover Shares) to be received by the Rolling Shareholders pursuant to the Plan of Arrangement, without interest.

"**RSU Agreement**" means an agreement evidencing the terms of any RSU.

"**RSUs**" means any outstanding restricted share units issued pursuant to the LTIP or otherwise.

"**Second Request**" has the meaning ascribed to it under the heading "*The Arrangement – Key Approvals – Regulatory Approvals*".

"**Secretary of State**" has the meaning ascribed to it under the heading "*The Arrangement – Key Approvals – Regulatory Approvals*".

"**Securities Authority**" means the Ontario Securities Commission, any other applicable securities commission or regulatory authority of a province or territory of Canada or any other jurisdiction with authority in respect of the Company, the Purchaser and/or the Subsidiaries.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Shareholders**" means the registered and/or beneficial holders of Shares, as the context requires.

"**Shares**" means, collectively, the SV Shares and the MV Shares.

"**Special Committee**" has the meaning ascribed to it under the heading "*The Arrangement – Background to the Arrangement*".

"**Sponsor**" means Pandora Topco, L.P.

"**Subsidiary**" means a Person that is controlled directly or indirectly by another Person and includes a Subsidiary of that Subsidiary.

"**Superior Proposal**" means any unsolicited bona fide written Acquisition Proposal to acquire not less than all of the outstanding Shares (other than Shares held by the Persons or group of Persons making such Acquisition Proposal) or all or substantially all of the assets of the Company on a consolidated basis that:

(a) did not result from or involve a breach of Article 5 of the Arrangement Agreement;

(b) is not subject to any financing condition, and in respect of which it has been demonstrated to the satisfaction of the Board, acting in good faith after consultation with its financial advisor(s) and outside legal counsel, that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal;

(c) is not subject to a due diligence or access to information condition; and

(d) in respect of which the Board (or any relevant committee thereof) determines, in its good faith judgment,

after consulting with its outside legal counsel and financial advisors: (i) is reasonably capable of being completed, without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person or group of Persons making such proposal; and (ii) would, if consummated in accordance with its terms but without assuming away the risk of non-completion, result in a transaction which is more favorable, from a financial point of view, to the Shareholders (other than the Rolling Shareholders) than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to Section 5.4(2) of the Arrangement Agreement).

"**Superior Proposal Notice**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement - Covenants Regarding Non-Solicitation – Right to Match*".

"**Supporting Shareholders**" means the Rolling Shareholders and the other directors and certain officers of the Company who have signed Voting Support Agreements.

"**Supporting Shares**" has the meaning ascribed to it under "*Summary of Agreements in Connection with the Arrangement – Voting Support Agreements*".

"**SV Shares**" means the subordinate voting shares in the capital of the Company.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereto.

"**taxable capital gain**" has the meaning ascribed to it under "*Certain Canadian Federal Income Tax Considerations for Shareholders – Holders Resident in Canada – Disposition of SV Shares*".

"**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employer health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; and (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on amounts of the type described in clause (i) above or this clause (ii).

"**TB Proposal**" has the meaning ascribed to it under "*The Arrangement – Background to the Arrangement*".

"**Thoma Bravo**" means Thoma Bravo, L.P.

"**Thoma Bravo Funds**" means Thoma Bravo Discover Fund III, L.P., a Delaware limited partnership, and Thoma Bravo Discover Fund IV, L.P., a Delaware limited partnership.

"**Thoma Bravo Related Entities**" has the meaning ascribed to it under the heading "*The Arrangement – Formal Valuation and Fairness Opinions – MS Fairness Opinion – General*".

"**TSX**" means the Toronto Stock Exchange.

"**UK NSI Approval**" means either:

(a) following the notification of the transactions contemplated by the Arrangement Agreement in accordance with the requirements of the NSI Act and the Arrangement Agreement, the Secretary of State notifies the Purchaser pursuant to Section 14(8)(b)(ii) of the NSI Act that no further action will be taken in relation to the transactions contemplated by the Arrangement Agreement or otherwise that the transactions contemplated by the Arrangement Agreement are not a "notifiable acquisition" within the meaning of the NSI Act; or

(b) if a Call-In Notice is given in relation to the transactions contemplated by the Arrangement Agreement, the Secretary of State either: (i) gives a final notification confirming that no further action will be taken in relation to the transactions contemplated by the Arrangement Agreement under the NSI Act, or (ii) makes a final order permitting the transactions contemplated by the Arrangement Agreement to proceed and such order not being revoked or varied before Closing.

"**VIF**" means a voting instruction form.

"**Voting Support Agreements**" has the meaning ascribed to it under the heading "*Summary of Agreements in Connection with the Arrangement – Voting Support Agreements*".

MAGNET FORENSICS INC.
MANAGEMENT INFORMATION CIRCULAR

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set out under "Glossary of Terms". All terms defined in this Circular under the heading "The Arrangement – Formal Valuation and Fairness Opinions – MS Fairness Opinion" are solely for use in the disclosure under that heading.

INTRODUCTION

This Circular is furnished in connection with the solicitation of proxies by and on behalf of Management for use at the Meeting to be held via live audio webcast on March 23, 2023 at 2:00 p.m. (Toronto time) and any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of special meeting (the "Notice of Special Meeting").

Proxies will be solicited primarily by mail or by any other means Management may deem necessary. The Company has retained Laurel Hill as its strategic shareholder advisor and proxy solicitation agent for assistance in connection with the solicitation of proxies for the Meeting, and will pay customary fees of $175,000 for such services in addition to certain out-of-pocket expenses. The Company may also reimburse brokers and other Persons holding Shares in their name, or in the name of nominees for their costs incurred in sending proxy materials to their principals to obtain their proxies. The costs of solicitation will be borne by the Company. The Company is not sending Proxy-Related Materials in connection with the Meeting to registered Shareholders or non-registered Shareholders using the notice-and-access provisions set out in NI 54-101.

All summaries of, and references to, the Arrangement Agreement and the Voting Support Agreements in this Circular are subject to, and qualified in their entirety by, reference to the complete text of the Arrangement Agreement and the Voting Support Agreements, copies of which are available under Magnet's profile on SEDAR at www.sedar.com. Shareholders may contact the Company's investor relations department by phone at 226-243-6337 or by e-mail at PR@magnetforensics.com to obtain without charge a copy of the Arrangement Agreement and the Voting Support Agreements. All references to the Plan of Arrangement in this Circular are subject to, and qualified in their entirety by, reference to the complete text of the Plan of Arrangement, a copy of which is attached as Appendix "A" hereto. **You are urged to carefully read the full text of the Arrangement Agreement and the Plan of Arrangement**.

The information contained in this Circular concerning the Purchaser and its affiliates, including the Thoma Bravo Funds and Thoma Bravo, has been provided by the Purchaser for inclusion in this Circular. Although Magnet has no knowledge that any statement contained herein taken from, or based on, such information and records or information provided by the Purchaser are untrue or incomplete, Magnet assumes no responsibility for the accuracy of the information contained in such documents, records or information or for any failure by the Purchaser to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Magnet.

No person has been authorized to give any information or make any representation in connection with the Arrangement other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized and should not be relied upon in making a decision as to how to vote on the Arrangement.

This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase securities in connection with the Arrangement, or the solicitation of a proxy, in any jurisdiction, to or from any person to whom it is unlawful to make such offer, solicitation or an offer or proxy solicitation in such jurisdiction. The delivery of this Circular does not, under any circumstances, imply or represent that there has been no change in the information set forth herein since the date of this Circular.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and are urged to consult with their own legal, tax, financial or other professional advisors.

NO SECURITIES REGULATORY AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

The information contained herein is given as at February 16, 2023, except where otherwise indicated.

MEANING OF CERTAIN REFERENCES

In this Circular, unless otherwise indicated, all references to "$" are to Canadian dollars and all references to "US$" are to U.S. dollars.

CAUTION ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular constitute forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "**forward-looking statements**"). The use of any of the words "anticipate", "continue", "expect", "may", "will", "proposed", "should", "believe", "is subject", "estimate", "intend", "would", "could", "might" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements included in this Circular should not be unduly relied upon. These forward-looking statements speak only as of the date of this Circular.

In particular, this Circular includes forward-looking statements including statements pertaining to the following:

- completion of the Arrangement and the anticipated benefits thereof;
- the timing of the Arrangement, including the anticipated Effective Date;
- the ability of the Company and the Purchaser to satisfy, in a timely manner, the conditions to, and to complete, the Arrangement;
- the timing and receipt of all regulatory, court, Shareholder and other approvals for the Arrangement;
- the anticipated timing for, and receipt of, the Final Order;
- the treatment of Shareholders under tax Laws;
- the effect on the Company if the Arrangement is not completed or completed on different terms than those described herein; and
- the business, operations and obligations of the Company after the Effective Time.

In addition, forward-looking statements respecting the anticipated benefits of the Arrangement are based upon a number of factors, including the terms and conditions of the Arrangement Agreement, and current industry, economic and market conditions.

Some of the risks that could cause results to differ materially from those expressed in the forward-looking statements include:

- the inability to obtain required consents or approvals of the Arrangement (including the Required Regulatory Approvals and Court approval) and Shareholder approval of the Arrangement Resolution in accordance with the required timelines contained in the Arrangement Agreement;
- the inability to satisfy the other conditions to the Arrangement Agreement prior to the Outside Date, if at all;
- general global economic, market and business conditions;
- governmental and regulatory requirements and actions by governmental authorities;
- fluctuations in foreign exchange or interest rates;
- stock market volatility and market valuations; and
- the other factors discussed under the heading "*Risk Factors*".

In respect of the forward-looking statements and information concerning the anticipated benefits, expectations and timing of the Arrangement, the Company has provided such in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of the Company to receive, in a timely manner and on satisfactory terms, the necessary Shareholder and third-party approvals (including the Final Order); the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement; and other expectations and assumptions concerning the Arrangement. Anticipated dates may change for a number of reasons, such as the inability to secure the necessary Shareholder

and third-party approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Arrangement. Accordingly, Shareholders should not place undue reliance on the forward-looking statements and information contained in this Circular.

Additional information on other factors that could cause actual events or actual results to differ materially from those contemplated by the forward-looking statements and information contained in this Circular may be found in the Company's filings with the Canadian securities regulatory authorities on SEDAR, including the risk factors described in the "*Risk Factors*" section of the Company's annual information form dated March 9, 2022, and in the "*Summary of Factors Affecting our Performance*" section of the Company's management's discussion and analysis for the year ended December 31, 2021 and for the three and nine months ended September 30, 2022. The forward-looking statements and information contained in this Circular are based on the Company's expectations, estimates and projections as of the date hereof, and should not be relied upon as representing the Company's estimates as of any subsequent date.

The forward-looking statements contained in this Circular are expressly qualified by this cautionary statement. Except as required under applicable securities Laws, the Company does not undertake or assume any obligation to publicly update or revise any forward-looking statements. Shareholders should read this entire Circular and consult their own professional advisors to assess the legal issues, risk factors and other aspects of the Arrangement prior to voting their Shares.

DOCUMENTS INCORPORATED BY REFERENCE

Any annual information form, annual or interim financial statement and related management's discussion and analysis, material change report (excluding confidential material change reports), business acquisition report, information circular, news releases containing financial information for financial periods more recent than the most recent annual or interim financial statements, and such other news releases that expressly indicate that they are incorporated by reference in this Circular or disclosure document filed pursuant to an undertaking to a securities regulatory authority by the Company with any securities commission or similar regulatory authority and in each case, filed by the Company with the Canadian Securities Administrators subsequent to the date of this Circular and prior to the Effective Date will be deemed to be incorporated by reference in this Circular, as well as any document so filed by the Company that expressly states it is to be incorporated by reference into this Circular. These documents will be available under the Company's profile on SEDAR at www.sedar.com.

Any statement contained herein, or in any document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded, for the purposes of this Circular, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Circular, except as so modified or superseded.

NON-IFRS MEASURES

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

This Circular makes reference to certain non-IFRS financial measures and non-IFRS ratios relating to Magnet. These measures and ratios are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures and ratios presented by other issuers. Rather, these measures and ratios are provided as additional information to complement IFRS measures. Accordingly, these measures and ratios should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. These non-IFRS financial measures and non-IFRS ratios include "Adjusted EBITDA", "Adjusted EBITDA Margin", "Free Cash Flow", "Aggregate Value / Adjusted EBITDA", "Aggregate Value / Free Cash Flow", "Adjusted EBITDA for SV Shareholders", "Free Cash Flow for SV Shareholders", "AV for SV Shareholders / Adjusted EBITDA for SV Shareholders" and "AV for SV Shareholders / Free Cash Flow for SV Shareholders". These non-IFRS financial measures and non-IFRS ratios are used to provide further understanding of the value implied by the Non-RS Consideration to be received by holders of SV Shares (other than the Rolling Shareholders) by calculating non-IFRS ratios, or multiples, for Magnet, and comparing those multiples to both (i) the multiples implied by Magnet's trading price, and (ii) multiples implied by precedent transactions comparable to the

Arrangement as well as multiples implied by the trading price of industry peers. These multiples for Magnet, and such comparisons, were considered by the Special Committee in its assessment of the Arrangement, and in particular, its assessment of the value implied by the Non-RS Consideration to be received by holders of SV Shares (other than the Rolling Shareholders). The Company also believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures and non-IFRS ratios such as those considered by the Special Committee in their assessment of transactions such as the Arrangement and, in particular, their assessment of the value implied for shareholders by the transaction consideration payable to shareholders.

The non-IFRS financial measures, non-IFRS ratios and other ratios set forth in this Circular use mean street consensus estimates for Magnet from Thomson Reuters Estimates as of the applicable dates for Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA for SV Shareholders, Free Cash Flow, Free Cash Flow for SV Shareholders, revenue and Revenue for SV Shareholders. The methodologies applied by analysts in preparing the estimates reflected in the Thomson Reuters Estimates may not be consistent with the Company's methodology, and the Company's actual results may differ materially (see "*Market and Industry Data*" and "*Caution on Forward-Looking Statements*").

For the purpose of the calculation of certain of the non-IFRS financial measures, non-IFRS ratios and other ratios set forth in this Circular, an exchange rate of 0.7413 per Canadian dollar for one U.S. dollar, being the exchange rate published by Capital IQ on January 19, 2023, the day prior to the announcement of the Arrangement, has been used to convert the Consideration amounts denominated in Canadian dollars into U.S. dollars.

Aggregate Value / Adjusted EBITDA and Aggregate Value / Free Cash Flow

This Circular contains the non-IFRS ratios "**Aggregate Value / Adjusted EBITDA"** and "**Aggregate Value / Free Cash Flow**" that represent Aggregate Value divided by (i) Adjusted EBITDA for the specified period and (ii) Free Cash Flow for the specified period, respectively.

For purposes of calculating such non-IFRS ratios for Magnet, the following defined terms have been used:

"**Adjusted EBITDA**" and "**Free Cash Flow**" for Magnet use the mean street consensus estimates for Adjusted EBITDA and Free Cash Flow for Magnet from Thomson Reuters Estimates for the applicable specified period as of the date specified, respectively. The mean street consensus estimates from Thomson Reuters Estimates as of January 19, 2023, the day prior to the announcement of the Arrangement, were (i) Adjusted EBITDA of US$26 million for the financial year ending December 31, 2023 and US$34 million for the financial year ending December 31, 2024, and (ii) Free Cash Flow of US$23 million for the financial year ending December 31, 2023 and US$31 million for the financial year ending December 31, 2024. The mean street consensus estimates from Thomson Reuters Estimates as of October 5, 2022, the day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company, were (i) Adjusted EBITDA of US$21 million for the financial year ending December 31, 2023 and US$32 million for the financial year ending December 31, 2024, and (ii) Free Cash Flow of US$19 million for the financial year ending December 31, 2023 and US$28 million for the financial year ending December 31, 2024.

"**Aggregate Value**" or "**AV**", for Magnet, is a measure of its aggregate value and is calculated as (i) the relevant reference price for SV Shares multiplied by the fully diluted shares outstanding at such price per share, with the resulting fully diluted shares outstanding amount accounting for outstanding dilutive equity awards and other securities via the treasury stock method, less (ii) cash and cash equivalents, plus (iii) outstanding debt, including short and long-term government loan payables.

AV for SV Shareholders / Adjusted EBITDA for SV Shareholders and AV for SV Shareholders / Free Cash Flow for SV Shareholders

This Circular contains the non-IFRS ratios "**AV for SV Shareholders / Adjusted EBITDA for SV Shareholders"** and "**AV for SV Shareholders / Free Cash Flow for SV Shareholders**" that represent AV for SV Shareholders divided by (i) Adjusted EBITDA for SV Shareholders for the specified period and (ii) Free Cash Flow for SV Shareholders for the specified period, respectively. These metrics were utilized for purposes of calculating the multiples of the Company implied by the Non-RS Consideration of $44.25 per Share.

For purposes of calculating such non-IFRS ratios for Magnet, the following defined terms have been used:

"**Adjusted EBITDA for SV Shareholders**" and "**Free Cash Flow for SV Shareholders**" for the applicable specified period are calculated using the mean street consensus estimates for Adjusted EBITDA and Free Cash Flow for Magnet from Thomson Reuters Estimates as of the date specified, respectively, which is then multiplied by the Implied

Ownership of Holders of SV Shares. As of January 19, 2023, the day prior to the announcement of the Arrangement (i) Adjusted EBITDA for SV Shareholders was US$8 million for the financial year ending December 31, 2023 and US$11 million for the financial year ending December 31, 2024, and (ii) Free Cash Flow for SV Shareholders was US$7 million for the financial year ending December 31, 2023 and US$10 million for the financial year ending December 31, 2024. As of October 5, 2022, the day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company (i) Adjusted EBITDA for SV Shareholders was US$7 million for the financial year ending December 31, 2023 and US$10 million for the financial year ending December 31, 2024, and (ii) Free Cash Flow for SV Shareholders was US$6 million for the financial year ending December 31, 2023 and US$9 million for the financial year ending December 31, 2024.

"**Aggregate Value**" or "**AV**", for Magnet, is a measure of its aggregate value and is calculated as (i) the relevant reference price per SV Share multiplied by the fully diluted shares outstanding at such price per share, with the resulting fully diluted shares outstanding amount accounting for outstanding dilutive equity awards and other securities via the treasury stock method, less (ii) cash and cash equivalents, plus (iii) outstanding debt, including short and long-term government loan payables.

"**AV for SV Shareholders**" means the Aggregate Value to holders of SV Shares (other than the Rolling Shareholders) implied by the Non-RS Consideration of $44.25 per Share. For purposes of calculating the fully diluted equity value, only the basic Shares outstanding and outstanding dilutive equity awards or other securities held by holders of SV Shares (other than Rolling Shareholders) are used, and none of the Shares or outstanding dilutive equity awards or other securities held by the Rolling Shareholders are used. Furthermore, for purposes of calculating the AV for SV Shareholders, both (i) cash and cash equivalents and (ii) outstanding debt were multiplied by the Implied Ownership of Holders of SV Shares. The resulting AV for SV Shareholders reflects the proportional value to be received by holders of SV Shares (other than the Rolling Shareholders) under the Arrangement.

"**Implied Ownership of Holders of SV Shares**" means the implied ownership of holders of SV Shares (other than the Rolling Shareholders) based on the number of fully diluted Shares outstanding, using the RS Consideration of $39.00 per Share for purposes of estimating the dilution associated with dilutive equity awards and other securities held by the Rolling Shareholders, and the Non-RS Consideration of $44.25 per Share for purposes of estimating the dilution associated with dilutive equity awards and other securities held by the holders of SV Shares (other than the Rolling Shareholders), in each case under the treasury stock method.

Adjusted EBITDA Margin

This Circular also contains the non-IFRS ratio "**Adjusted EBITDA Margin**", which represents Adjusted EBITDA divided by revenue of Magnet for the specified periods, expressed as a percentage. For purposes of such ratio, Adjusted EBITDA and revenue for the applicable specified period use the mean street consensus estimates for Adjusted EBITDA and revenue for Magnet from Thomson Reuters Estimates as of the date specified. As of January 19, 2023, the day prior to the announcement of the Arrangement (i) Adjusted EBITDA was US$26 million for the financial year ending December 31, 2023 and US$34 million for the financial year ending December 31, 2024, and (ii) revenue was US$126 million for the financial year ending December 31, 2023 and US$159 million for the financial year ending December 31, 2024. As of October 5, 2022, the day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company (i) Adjusted EBITDA was US$21 million for the financial year ending December 31, 2023 and US$32 million for the financial year ending December 31, 2024, and (ii) revenue was US$120 million for the financial year ending December 31, 2023 and US$149 million for the financial year ending December 31, 2024.

Aggregate Value / Revenue and AV for SV Shareholders / Revenue for SV Shareholders

This Circular also contains the financial ratios "**Aggregate Value / Revenue**" and "**AV for SV Shareholders / Revenue for SV Shareholders**", which ratios are neither an IFRS financial measure nor a non-IFRS financial measure under applicable securities laws.

"**Aggregate Value / Revenue**" represents (i) Aggregate Value divided by (ii) revenue for Magnet for the specified period. For purposes of such ratio, revenue for the applicable specified period uses the mean street consensus estimates from Thomson Reuters Estimates as of the date specified. The mean street consensus estimates from Thomson Reuters Estimates as of January 19, 2023, the day prior to the announcement of the Arrangement, were revenue of US$126 million for the financial year ending December 31, 2023 and US$159 million for the financial year ending December 31, 2024. The mean street consensus estimates from Thomson Reuters Estimates as of October 5, 2022, the last day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company, were revenue of US$120 million for the financial year ending December 31, 2023 and US$149 million for the financial year ending December 31, 2024.

"**AV for SV Shareholders / Revenue for SV Shareholders**" represents AV for SV Shareholders divided by Revenue for SV Shareholders.

For purposes of calculating such ratios for Magnet, the following defined terms have been used:

"**Aggregate Value**" or "**AV**", for Magnet, is a measure of its aggregate value and is calculated as (i) the relevant reference price per SV Share multiplied by the fully diluted shares outstanding at such price per share, with the resulting fully diluted shares outstanding amount accounting for outstanding dilutive equity awards and other securities via the treasury stock method, less (ii) cash and cash equivalents, plus (iii) outstanding debt, including short and long-term government loan payables.

"**AV for SV Shareholders**" means the Aggregate Value to holders of SV Shares (other than the Rolling Shareholders) implied by the Non-RS Consideration of $44.25 per Share. For purposes of calculating the fully diluted equity value, only the basic Shares outstanding and outstanding dilutive equity awards or other securities held by holders of SV Shares (other than Rolling Shareholders) are used, and none of the Shares or outstanding dilutive equity awards or other securities held by the Rolling Shareholders are used. Furthermore, for purposes of calculating the AV for SV Shareholders, both (i) cash and cash equivalents and (ii) outstanding debt were multiplied by the Implied Ownership of Holders of SV Shares. The resulting AV for SV Shareholders reflects the proportional value to be received by holders of SV Shares (other than the Rolling Shareholders) under the Arrangement.

"**Implied Ownership of Holders of SV Shares**" means the implied ownership of holders of SV Shares (other than the Rolling Shareholders) based on the number of fully diluted Shares outstanding, using the RS Consideration of $39.00 per Share for purposes of estimating the dilution associated with dilutive equity awards and other securities held by the Rolling Shareholders, and the Non-RS Consideration of $44.25 per Share for purposes of estimating the dilution associated with dilutive equity awards and other securities held by the holders of SV Shares (other than the Rolling Shareholders), in each case under the treasury stock method.

"**Revenue for SV Shareholders**" means the product of (i) revenue for the applicable specified period using the mean street consensus estimates from Thomson Reuters Estimates as of the date specified, and (ii) the Implied Ownership of Holders of SV Shares. Revenue for SV Shareholders as of January 19, 2023, the day prior to the announcement of the Arrangement, was US$41 million for the financial year ending December 31, 2023 and US$51 million for the financial year ending December 31, 2024. Revenue for SV Shareholders as of October 5, 2022, the last day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company, was US$39 million for the financial year ending December 31, 2023 and US$48 million for the financial year ending December 31, 2024.

Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Revenue for SV Shareholders

As indicated above, the non-IFRS financial measures and non-IFRS ratios set forth in this Circular use mean street consensus estimates for Magnet from Thomson Reuters Estimates as of the applicable dates for Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Revenue for SV Shareholders.

Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow

To provide a reconciliation of historic Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow, as calculated by the Company, to net income (loss) of the Company for the periods indicated, the Company calculates these terms in accordance with the following definitions:

"**Adjusted EBITDA**" of the Company represents net income (loss) and net income (loss) as a percentage of total revenue, respectively, adjusted to exclude depreciation and amortization, income tax expense (recovery), share-based compensation expense, foreign exchange loss (gain), interest expense, certain financing-related expenses that are non-recurring in nature, and certain acquisition-related expenses that are non-recurring in nature and not indicative of continuing operations.

"**Adjusted EBITDA Margin**" of the Company represents Adjusted EBITDA divided by revenue.

"**Free Cash Flow**" of the Company represents Adjusted EBITDA, less the purchase of property and equipment.

The following table reconciles Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow, as calculated by the Company, to net income (loss) of the Company for the periods indicated below:

(Expressed in thousands of US Dollars, except for percentages)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	$1,369	$2,167	($543)	$6,535
Depreciation and amortization[(1)]	898	528	2,546	1,518
Income tax expense (recovery)	647	1,019	(550)	2,627
Share-based compensation[(2)]	1,791	642	5,677	1,163
Foreign exchange loss (gain)[(3)]	571	(142)	1,197	(10)
Interest expense (income)	(294)	86	(229)	342
Financing-related expenses[(4)]	18	97	81	1,479
Acquisition-related expenses[(5)]	868	293	3,602	293
Adjusted EBITDA	$5,868	$4,690	$11,781	$13,947
Adjusted EBITDA margin[(6)]	23%	26%	17%	29%
Less: Purchase of property and equipment	(510)	(124)	(1,279)	(549)
Free cash flow	$5,358	$4,566	$10,502	$13,398
Net income (loss) margin[(6)]	5%	12%	(1%)	13%

Notes:

(1) Depreciation and amortization expenses are primarily related to right-of-use assets and property and equipment. Depreciation and amortization expense for the three and nine months ended September 30, 2022 includes recognized depreciation expense on right-of-use assets of $213 and $630 (September 30, 2021 - $197 and $612). For the three and nine months ended September 30, 2022 interest expense related to lease liabilities was $77 and $246 (September 30, 2021- $92 and $280).

(2) These expenses represent non-cash expenses recognized in connection with the issuance of share-based compensation to our employees and directors, excluding share-based compensation related to acquired businesses of $321 and $687, for the three and nine months ended September 30, 2022.

(3) These losses (gains) relate to the impact of foreign exchange translation on financial assets and liabilities.

(4) These expenses include certain professional, legal, consulting and accounting fees, certain employee compensation, and listing fees that are specific to financing activities, including the Company's initial public offering completed on May 3, 2021, the base shelf prospectus filed on October 29, 2021, the secondary offering of shares of the Company completed on December 14, 2021, and public filings, and credit facility agreements, and are considered non-recurring and not indicative of continuing operations.

(5) These expenses include post-combination compensation of acquired businesses, which represent a portion of the consideration paid that is contingent upon ongoing employment and performance criteria being achieved, including share-based compensation. Additionally, these expenses include certain professional, legal, consulting, accounting, advisory, and other fees incurred in connection with acquisitions and other strategic opportunities pursued as part of the Company's growth strategy. These expenses are considered non-recurring and not indicative of continuing operations.

(6) Expressed as a percentage of revenue.

Revenue for SV Shareholders

To provide a reconciliation of historic Revenue for SV Shareholders, as calculated by the Company, to revenue of the Company for the periods indicated, the Company calculates this term as the product of revenue of the Company for the period multiplied by Implied Ownership of Holders of SV Shares.

The following table reconciles Revenue for SV Shareholders, as calculated by the Company, to revenue of the Company for the periods indicated below:

(Expressed in thousands of US Dollars, except for percentages)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	$24,991	$17,773	$67,924	$48,899
Implied Ownership of Holders of SV Shares [(1)]	32.1%	32.1%	32.1%	32.1%
Revenue for SV Shareholders	$8,030	$5,711	$21,825	$15,712

Note:

(1) "Implied Ownership of Holders of SV Shares" is calculated in accordance with the definition in this section entitled "*Non-IFRS Measures – Aggregate Value / Revenue and AV for SV Shareholders / Revenue for SV Shareholders*" and is based on the number of shares of Magnet outstanding as of January 19, 2023 on a fully-diluted basis for all periods shown to reflect the ownership attributable to Holders of SV Shares under the contemplated Arrangement.

TRADEMARKS, TRADE NAMES AND COPYRIGHTS

This Circular includes trade-marks, trade names and material subject to copyright, including the trade-mark/trade names "MAGNET" and "MAGNET FORENSICS" which are protected under applicable intellectual property laws and are the property of the Company. Solely for convenience, the Company's trade-marks, trade names and copyrighted material referred to in this Circular may appear without the TM, ® or © symbol, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights to these trade-marks, trade names and copyrights. All other trade-marks used in this Circular are the property of their respective owners.

MARKET AND INDUSTRY DATA

Market and industry data contained in this Circular was obtained from third-party sources and industry reports and publications, websites and other publicly available information, including Capital IQ, the European Commission, the Federal Bureau of Investigation, International Data Corporation, MaCorr Research, Proofpoint, Inc. and Radware Ltd. as well as industry and other data prepared by the Company or on its behalf on the basis of management's knowledge of the markets in which the Company operates, including information provided by suppliers, partners, customers and other industry participants.

The Company believes that the market and industry data presented throughout this Circular is accurate and, with respect to data prepared by the Company or on its behalf, that management's estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout this Circular are not guaranteed and the Company does not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although the Company believes it to be reliable, the Company has not independently verified any of the data from third-party sources referred to in this Circular, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Caution on Forward-Looking Statements*" and "*Risk Factors*".

NOTICE TO SHAREHOLDERS NOT RESIDENT IN CANADA

The Company is a corporation organized under the laws of the Province of Ontario. The solicitation of proxies involves securities of a Canadian issuer and is being effected in accordance with applicable corporate Laws and securities Laws in Canada. Shareholders should be aware that the requirements applicable to the Company under Canadian Laws may differ from the requirements under corporate Laws and securities Laws relating to corporations in other jurisdictions.

The enforcement of civil liabilities under the securities Laws of other jurisdictions outside of Canada may be affected adversely by the fact that the Company is organized under the Laws of the Province of Ontario and all of its directors and executive officers, with the exception of Jerome Pickett, are residents of Canada. You may not be able to sue the Company or its directors or officers in a Canadian court for violations of foreign securities Laws. It may be difficult to compel the Company to subject itself to a judgment of a court outside of Canada.

THE ARRANGEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY, NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

This Circular has been prepared in accordance with the disclosure requirements in effect in Canada, which differ from the disclosure requirements in effect in the United States.

Shareholders who are foreign taxpayers should be aware that the Arrangement described in this Circular may have tax consequences both in Canada and such foreign jurisdiction. The consequences for such Shareholders in such foreign jurisdiction are not described in this Circular and such Shareholders are advised to consult their tax advisors to determine the particular tax consequences to them of the transactions contemplated in this Circular.

SUMMARY

The following is a summary of certain information contained elsewhere in this Circular, including the Appendices hereto. This summary is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Circular and the Appendices hereto, all of which are important and should be reviewed carefully.

Meeting and Record Date

The Meeting will be held on March 23, 2023 at 2:00 p.m. (Toronto time) via live audio webcast online at https://meetnow.global/MZ6YJTX.

The Board has fixed February 16, 2023 as the Record Date for the purpose of determining which Shareholders are entitled to receive the Notice of Special Meeting and vote at the Meeting or any adjournment(s) or postponement(s) thereof, either in person or by proxy. No Person acquiring Shares after that date shall, in respect of such Shares, be entitled to receive the Notice of Special Meeting and vote at the Meeting or any adjournment(s) or postponement(s) thereof.

Voting at the Meeting

Each SV Share is entitled to one vote at the Meeting and each MV Share is entitled to ten votes at the Meeting. If your Shares are not registered in your name, but are held in the name of an Intermediary then you are a non-registered (or beneficial) Shareholder and your Intermediary is required to seek your instructions as to how to vote your Shares in advance of the Meeting. Your Intermediary cannot vote on the Arrangement Resolution without your instructions. Every Intermediary has its own procedures, which should be carefully followed in order to ensure that your Shares are voted at the Meeting. If your name is registered in the Company's register of Shares on the Record Date, then you are a registered Shareholder and you are entitled to receive notice of and vote at the Meeting. See "*Information Concerning the Meeting*" and "*Proxyholder Matters*".

The Arrangement

The Arrangement will be effected pursuant to the terms of the Arrangement Agreement which provides for, among other things, the acquisition by the Purchaser of all of the issued and outstanding Shares of the Company held by Shareholders by way of statutory plan of arrangement under Section 182 of the OBCA. The Rollover Shares, representing an aggregate of approximately 0.2 million SV Shares and approximately 15.9 million MV Shares, all held by the Rolling Shareholders, will be transferred to the Purchaser pursuant to the Rollover Agreements in exchange for the consideration payable to the respective Rolling Shareholder in accordance with the terms of their Rollover Agreement.

Pursuant to the Arrangement Agreement and the Plan of Arrangement, (i) each Shareholder (other than any Rolling Shareholder and those who validly exercise their Dissent Rights) will receive a cash payment from the Purchaser of $44.25 per SV Share; (ii) each Rolling Shareholder will receive a cash payment from the Purchaser of $39.00 per Share, other than with respect to Rollover Shares; (iii) the Rollover Shares held by the Rolling Shareholders will be transferred by the Rolling Shareholder to the Purchaser pursuant to the Rollover Agreements in exchange for the consideration payable to the Rolling Shareholder in accordance with the terms of their Rollover Agreement at an implied value of $39.00 per Rollover Share; (iv) each Option, whether vested or unvested, will be surrendered by the holder thereof to the Company in exchange for a cash payment (without interest) from the Company equal to the amount (if any) by which the Convertible Consideration exceeds the exercise price of such Option (Options that are "out-of-the-money" will be cancelled by the Company for no consideration); (v) each DSU, whether vested or unvested, will be cancelled and the holder thereof will receive in consideration for the cancellation of such DSU, a cash payment (without interest) by the Company equal to the Convertible Consideration; and (vi) each RSU, whether vested or unvested, will be cancelled and the holder thereof will receive in consideration for the cancellation of such RSU, a cash payment (without interest) by the Company equal to the Convertible Consideration. Each of the foregoing cash payments by the Purchaser or the Company will be subject to any withholdings or deductions required to be made pursuant to the Plan of Arrangement.

See "*The Arrangement*".

The Parties

Magnet

The Company is a developer of data analytics software used for digital forensics investigations. The Company is incorporated under the OBCA and its head and registered office is located at 2220 University Avenue East, Suite 300, Waterloo, Ontario, N2K 0A8. The Company's SV Shares are listed and posted for trading on the TSX under the trading symbol "MAGT". For more information on the Company, see "*Information Concerning Magnet*".

Purchaser

The Purchaser was incorporated under the OBCA for the purposes of completing the Arrangement and, as of the date hereof, the Sponsor owns indirectly all of the outstanding securities of the Purchaser. After the closing of the transactions contemplated by the Arrangement, the securities of the Purchaser will be held directly or indirectly by affiliates of the Sponsor and the Rolling Shareholders. The Purchaser has not engaged in any business other than in connection with the Arrangement.

The Purchaser and the Sponsor are affiliated with the Thoma Bravo Funds, all of which are affiliated with Thoma Bravo. Thoma Bravo is a leading private equity firm focused on the software and technology-enabled services sectors.

Rolling Shareholders

The Rolling Shareholders are Jad Saliba, Director, President and Chief Technology Officer, Adam Belsher, Director and Chief Executive Officer, Jim Balsillie, Director and Chair of the Board, and associates and affiliates thereof. As of the Record Date, the Rolling Shareholders collectively owned 368,522 SV Shares and all of the 28,903,303 outstanding MV Shares, representing 96.04% of the votes attached to all outstanding Shares. The address of each of the Rolling Shareholders is 2220 University Avenue East, Suite 300, Waterloo, Ontario N2K 0A8.

Background to the Arrangement

See "*The Arrangement – Background to the Arrangement*" for a description of the events leading up to the decision of the Board to recommend to Shareholders that they vote in favour of the Arrangement Resolution and certain meetings, negotiations, discussions and actions that preceded the execution of the Arrangement Agreement and the public announcement of the Arrangement.

Determinations and Recommendations of the Special Committee and the Board

The Arrangement has been unanimously recommended by the Special Committee. The Special Committee's recommendation is based on consultation with its legal and financial advisors and careful consideration of, among other things (i) alternatives to the Arrangement, including the alternative of continuing to operate as a standalone company without having consummated a transaction such as the Arrangement, (ii) the historical market prices of the SV Shares, the lack of liquidity in the public market for the SV Shares resulting in potential difficulty for holders of SV Shares to dispose of such SV Shares, and the degree of volatility in the market price and the capital markets in the past 12 months, (iii) the results of the comprehensive market check conducted by the Company, with the assistance of Morgan Stanley, subsequent to the receipt of the initial proposal from Thoma Bravo and (iv) subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth therein, the Formal Valuation and Fairness Opinions, as well as a number of other factors as described in this Circular under the heading "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*". The Special Committee concluded that the Non-RS Consideration to be received by the Shareholders (other than the Rolling Shareholders) is fair, from a financial point of view and that completion of the Arrangement is in the Company's best interests.

The Board (with the Conflicted Directors abstaining) has therefore unanimously approved the Arrangement and unanimously recommends that the Shareholders (other than the Rolling Shareholders) vote **FOR** the Arrangement Resolution. In approving the Arrangement and making its recommendation, the Special Committee and the Board considered a number of factors as described in this Circular under the heading "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*".

Reasons for the Determinations and Recommendations of the Special Committee and the Board

In making its determinations, the Special Committee, comprised solely of independent directors of the Company, with the assistance of its financial and legal advisors, carefully reviewed, considered and relied upon strategic implications of undertaking the proposed transaction with Thoma Bravo as opposed to continuing to operate as a standalone company without having consummated a transaction such as the Arrangement, as well as other substantive factors, discussed below and under the heading "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*".

Strategic Considerations

Strategic considerations were of critical importance to the Special Committee's determination to recommend the Arrangement as it considered the Company's prospects as a standalone publicly traded company. These strategic considerations included:

- **Mobile Extraction Capability.** The increasing proportion of data stored on mobile devices requires the capability to extract data from mobile devices. The Company's current capabilities related to mobile extraction are limited, which was considered a key challenge to future growth, and which had led the Company to pursue Grayshift as an acquisition partner starting in September 2021, as discussed under "*The Arrangement – Background to the Arrangement*".

- **Rare Strategic Opportunity.** The prospect of an acquisition target or partner of sufficient scale with mobile extraction capability was considered to be diminishing, leaving the Company exposed to the prospect that no superior alternative transaction would be available, and the resulting strategic and execution risks of maintaining the status quo.

- **Increasing Competition.** Other providers of digital forensics and adjacent services are developing new products and expanding into the Company's areas of core competency. Coupled with the growing significance of mobile extraction, these developments were considered to represent a long-term threat to the Company's continued growth.

For these and other reasons discussed in the Circular, including the premium and certain value represented by the Consideration payable to holders of SV Shares (other than the Rolling Shareholders), the Special Committee determined that the Arrangement represents a compelling opportunity for the Company as compared to the opportunities and risks of continuing to operate as a standalone company without having consummated a transaction such as the Arrangement.

Substantive Factors

In making its determination, the Special Committee also reviewed, considered and relied upon a number of substantive factors in addition to the above-mentioned strategic considerations, including, but not limited to, the factors discussed below and the additional factors discussed in this Circular under the heading "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*".

- **Special Committee and Board Oversight.** The Arrangement and the Arrangement Agreement are the result of a robust negotiation process that was undertaken at arm's length with the oversight and participation of the Special Committee as advised by independent and highly qualified legal and financial advisors, which resulted in an agreement with terms and conditions that provide the Shareholders with significant, immediate and certain value, on terms that are reasonable in the judgment of the Special Committee and the Board.

- **Market Check and Increased Offer.** The Company, with the assistance of Morgan Stanley, conducted a comprehensive market check subsequent to the receipt of the initial proposal from Thoma Bravo to determine the potential interest of other parties in an alternative transaction with the Company and increase competitive tension in any negotiations with Thoma Bravo. During the market check, Morgan Stanley had discussions with eight potential strategic and financial purchasers, other than Thoma Bravo, which the Special Committee had determined represented the most synergistic, highest ability to pay buyers. Three such potential purchasers entered into non-disclosure agreements and all three such potential purchasers participated in a presentation with Management. Subsequently, one financial sponsor engaged in subsequent due diligence. All potential purchasers, including Thoma Bravo, were managed on the same timeline, and of those that executed non-disclosure agreements, received equal access to Management and the Company's due diligence information. Each of CIBC and Morgan Stanley were provided with access to the same financial and other information. The Company continued to have discussions with Thoma Bravo over the course of the market check. The market check did not result in any proposal that was superior to the offer from the Purchaser.

  During the course of the market check, the initial offer received from the Purchaser was increased by $6.00 per Share to $40.00 per Share, as compared to the initial proposal from Thoma Bravo of $34.00 per Share, and following additional negotiations with the Purchaser and the Rolling Shareholders was increased by a further $4.25 per SV Share to the final offer price of $44.25 per SV Share (other than with respect to the SV Shares held by the Rolling Shareholders), representing an increase of approximately 30% to the initial proposal of Thoma Bravo. This was obtained, in part, by requesting that the Rolling Shareholders agree to accept a purchase price of $39.00 per Share, which was $5.25 per Share, or approximately 11.9%, less than that offered to other holders of SV Shares. The final offer price of $44.25 per SV Share (other than with respect to the SV Shares held by the Rolling Shareholders) is well above the mid-point of the fair market value range of $36.50 to $48.75 per Share set forth in the CIBC Formal Valuation and Fairness Opinion.

- **Attractive Premium to Shareholders.** The Consideration to be received by holders of SV Shares (other than the Rolling Shareholders) pursuant to the Arrangement represents a premium of approximately:

  - 15% to the closing price on the TSX of the SV Shares on January 19, 2023, the last trading day prior to the

announcement of the Arrangement;

- 41% to the 90-trading day volume weighted average trading price per SV Share as of January 19, 2023;
- 160% to the Company's initial public offering price of the SV Shares of $17.00; and
- 87% to the closing price on October 5, 2022, the last day prior to Thoma Bravo's submission of its initial non-binding proposal for the acquisition of the Company.

Furthermore, the all-cash Consideration of $44.25 per Share for holders of SV Shares (other than the Rolling Shareholders) exceeds the 52-week high closing price of the SV Shares on the TSX as of January 19, 2023, the day prior to announcement of the Arrangement.

- **Favourable Multiple Comparisons.** The Special Committee considered the highly favourable comparison of the following multiples implied by the Non-RS Consideration to be received by holders of SV Shares (other than the Rolling Shareholders) to the multiples implied by precedent transactions comparable to the Arrangement as well as multiples implied by the trading price of industry peers:
  - Aggregate Value for SV Shareholders / Revenue for SV Shareholders multiple of approximately 10x;
  - Aggregate Value for SV Shareholders / Adjusted EBITDA for SV Shareholders multiple of approximately 51x; and
  - Aggregate Value for SV Shareholders / Free Cash Flow for SV Shareholders multiple of approximately 56x,

  with such estimates based on mean street consensus estimates from Thomson Reuters Estimates for both the Company and industry peers for 2023. Further detail on these multiples is disclosed under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement –Multiples Implied by the Non-RS Consideration*".

- **All Cash Consideration.** The Consideration to be received by the Shareholders (other than the Rolling Shareholders) pursuant to the Arrangement is all cash, which allows such Shareholders to crystalize the favourable valuation multiples discussed above while achieving certainty of value and liquidity without exposure to either the risks to which the Company is subject on a standalone basis, including those related to competition, industry consolidation, market conditions and the Company's access to growth capital, or the risks, including integration risks, associated with the combination of Magnet and Grayshift. The Consideration payable under the Arrangement will also allow each such Shareholder to dispose of their Shares without incurring brokerage fees or commissions.

- **Formal Valuation and Fairness Opinions.** The Formal Valuation and Fairness Opinions, each of which, based upon and subject to the various assumptions made, procedures followed, matters considered and limitations and qualifications set forth therein, concluded that, as of the date of such Formal Valuation and Fairness Opinions, the Consideration (as defined in the Formal Valuation and Fairness Opinions) to be received by the holders of SV Shares (other than the Rolling Shareholders) pursuant to the Arrangement Agreement was fair, from a financial point of view, to such shareholders and, with respect to the CIBC Formal Valuation and Fairness Opinion, which concluded that, based upon and subject to the assumptions, limitations and qualifications set forth therein, the fair market value of the Shares as at January 20, 2023 was in the range of $36.50 to $48.75 per Share.

- **Alternatives to the Arrangement.** The Special Committee considered alternatives to the Arrangement, including the alternative of continuing to operate as a standalone company without having consummated a transaction such as the Arrangement, and the potential effects on the Company, and the implications to the Company of not achieving capability in data extraction from mobile devices and determined that the Arrangement was in the best interests of the Company.

- **Limited Conditions to Closing.** The Arrangement is subject to only a limited number of customary closing conditions and is not subject to any due diligence or financing condition with the result that there is reasonable certainty of completion in a reasonable amount of time. If the Required Regulatory Approvals are obtained in a timely manner, it is anticipated that the Effective Date will occur by the second quarter of 2023.

- **Ability to respond to a Superior Proposal.** The terms and conditions of the Arrangement Agreement do not prevent a third party from making an unsolicited Acquisition Proposal. Subject to compliance with the terms of the Arrangement Agreement, the Board is not precluded from considering and responding to an unsolicited Acquisition

Proposal that constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal at any time prior to obtaining the Required Shareholder Approval. In the event that a Superior Proposal is made and not matched by the Purchaser, the Arrangement Agreement may be terminated by the Company subject to the payment by the Company to the Purchaser of the Company Termination Fee, and the Company may enter into a definitive agreement with respect to such Superior Proposal.

The Special Committee also considered a number of potential adverse factors relating to the Arrangement, including, but not limited to, the factors discussed below and the additional potential adverse factors discussed under the heading "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*".

- **Risk of Non-Completion.** The risks to the Company if the Arrangement is not completed, including those discussed above under "*Strategic Considerations*", the costs to the Company in pursuing the Arrangement and the diversion of the Company's management team from the conduct of the Company's day-to-day business, the potential impact on the Company's current business relationships (including with current and prospective customers, employees, suppliers and other industry partners) and the potential adverse effect on the market price of the SV Shares.

- **No Longer a Public Company.** Following the Arrangement, the Company will no longer exist as a public corporation and the Shareholders (other than the Rolling Shareholders) will forego any potential future increase in share value balanced against the fact that the Shareholders (other than the Rolling Shareholders) will no longer be taking any risks of the Company's business.

- **Transaction Costs.** The fees and expenses associated with the Arrangement, a significant portion of which will be incurred regardless of whether the Arrangement is consummated.

Formal Valuation and Fairness Opinions

CIBC Formal Valuation and Fairness Opinion

In deciding to recommend the approval of the Arrangement to the Board, the Special Committee considered, among other things, the CIBC Formal Valuation and Fairness Opinion.

The Special Committee engaged CIBC as independent valuator to, among other things, prepare and deliver, under the supervision of the Special Committee, a formal valuation of the Shares in accordance with MI 61-101 and to provide its opinion regarding the fairness, from a financial point of view, of 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) pursuant to the Arrangement Agreement.

The CIBC Engagement Agreement provides for a payment to CIBC of a fixed fee upon the completion or delivery to the Special Committee of the preliminary value analysis and a further fixed fee upon substantial completion or delivery to the Special Committee of the CIBC Formal Valuation and Fairness Opinion. The Company has also agreed to indemnify CIBC against certain liabilities which may arise out of its engagement.

CIBC has provided the Special Committee with the CIBC Formal Valuation and Fairness Opinion which provides that in CIBC's opinion, as of January 20, 2023, and based upon and subject to the assumptions, qualifications and limitations set forth therein, (i) the fair market value of the Shares was in the range of $36.50 to $48.75 per Share, and (ii) 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) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such shareholders. The full text of the CIBC Formal Valuation and Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the CIBC Formal Valuation and Fairness Opinion, is attached to this Circular in Appendix "F".

CIBC provided the Special Committee with the CIBC Formal Valuation and Fairness Opinion for its exclusive use only in connection with its consideration of the Arrangement and it is not to be used or relied upon by any other Person except in accordance with CIBC's prior written consent. The CIBC Formal Valuation and Fairness Opinion is not intended to be, nor does it constitute, a recommendation to the Special Committee or the Board whether to enter into the Arrangement or as to how Shareholders should vote with respect to the Arrangement or any other matter. The CIBC Formal Valuation and Fairness Opinion was one of a number of factors taken into consideration by the Special Committee. This summary of the CIBC Formal Valuation and Fairness Opinion is qualified in its entirety by reference to the full text of the CIBC Formal Valuation and Fairness Opinion. The Board urges Shareholders to read the CIBC Formal Valuation and Fairness Opinion carefully and in its entirety.

See "*The Arrangement – Formal Valuation and Fairness Opinions – CIBC Formal Valuation and Fairness Opinion*".

MS Fairness Opinion

In connection with the evaluation by the Board and the Special Committee of the Arrangement, the Special Committee received the MS Fairness Opinion. The MS Fairness Opinion was only one of many factors considered by the Special Committee in evaluating the Arrangement and was not determinative of the views of the Special Committee with respect to the Arrangement or the Consideration set forth in the Arrangement Agreement.

Morgan Stanley was engaged by the Company, on behalf of the Special Committee, as exclusive financial advisor to the Company pursuant to the MS Engagement Agreement. Under the terms of the MS Engagement Agreement, Morgan Stanley agreed to provide, among other things, financial advice and assistance and if requested, to deliver to the Special Committee the MS Fairness Opinion as to whether, as of the date of the MS Fairness Opinion, the Consideration (as defined in the MS Fairness Opinion) to be received by 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.

At the meeting of the Special Committee held on January 20, 2023, Morgan Stanley rendered an oral opinion, subsequently confirmed in writing in the MS Fairness Opinion, to the effect that, as of January 20, 2023, and, based upon and subject to the various assumptions made, procedures followed, matters considered, and the limitations and qualifications on the scope of review undertaken by Morgan Stanley, set forth in the MS Fairness Opinion, the Consideration (as defined in the MS Fairness Opinion) to be received by 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 full text of the MS Fairness Opinion, which sets forth, among other things, the various assumptions made, procedures followed, matters considered, information reviewed and the limitations and qualifications on the scope of review undertaken by Morgan Stanley in connection with the MS Fairness Opinion, is attached as Appendix "G" to this Circular.

The MS Fairness Opinion was provided solely for use of the Special Committee in connection with the Special Committee's evaluation of the Consideration (as defined in the MS Fairness Opinion) to be received by holders of SV Shares (other than SVS Excluded Shares (as defined in the MS Fairness Opinion)) from a financial point of view pursuant to the Arrangement and the MS Fairness Opinion may not be relied upon by any other Person. The MS Fairness Opinion is not and is not intended to be and does not constitute a recommendation as to how Shareholders should vote in respect of the Arrangement Resolution. The MS Fairness Opinion does not address any other aspect of the Arrangement or any related transaction, including any legal, tax or regulatory aspects of the Arrangement to the Company or its Shareholders or any consideration that may be received by the Rolling Shareholders.

Pursuant to the terms of the MS Engagement Agreement, Morgan Stanley is to be paid a fee for its services as financial advisor, including a fee that has been paid for the MS Fairness Opinion and fees that are contingent on the completion of the Arrangement or certain other events. The Company has also agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each Person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities Laws, related to or arising out of Morgan Stanley's engagement.

See "*The Arrangement – Formal Valuation and Fairness Opinions – MS Fairness Opinion*".

Interests of Certain Persons or Companies in the Arrangement

In considering the recommendations of the Board with respect to the Arrangement, Shareholders should be aware that certain directors and officers of Magnet have certain interests or benefits in connection with the Arrangement as described under "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement*" that may be in addition to, or differ from, those of Shareholders generally in connection with the Arrangement. The Board is aware of these interests and considered them along with other matters described herein. See "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement*".

Sources of Funds for the Arrangement

The total amount of funds required to complete the Arrangement will be provided by the Purchaser through a combination of debt and equity financing commitments. The obligations of the equity and debt commitment providers are conditional upon certain conditions described under "*The Arrangement – Sources of Funds for the Arrangement*".

Debt Financing

On January 20, 2023, the Purchaser entered into the Debt Commitment Letter with the Commitment Parties pursuant

to which each of the Commitment Parties severally, and not jointly, committed to provide a senior secured incremental term loan facility on the terms and subject to the conditions set forth in the Debt Commitment Letter.

Equity Financing

On January 20, 2023, the Purchaser entered into the Equity Commitment Letter with the Investors pursuant to which the Investors agreed to capitalize the Purchaser in connection with the Closing, in order to contribute to the Purchaser's source of funds for the Arrangement at the Closing and to pay any related fees, costs and expenses, in each case to be paid at the Closing, on the terms and subject to the conditions set forth in the Equity Commitment Letter.

Limited Guarantee

On January 20, 2023, the Company entered into the Limited Guarantee with the Guarantor pursuant to which the Guarantor expressly, absolutely, irrevocably, and unconditionally guaranteed to the Company, subject to the terms and conditions of the Limited Guarantee, following the termination of the Arrangement Agreement, the due and punctual observance, performance and discharge of payment of (a) the aggregate amount of the Purchaser Termination Fee solely if and when any of the Purchaser Termination Fee is payable; (b) the reimbursement obligations of the Purchaser if and when required pursuant to Section 7.4(12) of the Arrangement Agreement; and (c) the indemnification obligations of the Purchaser if and when required pursuant to Sections 4.11(4) and 4.12(5) of the Arrangement Agreement. Notwithstanding anything to the contrary in the Limited Guarantee, the maximum aggregate liability of the Guarantor under the Limited Guarantee shall not exceed $71,000,000.

Implementation of the Arrangement

The Arrangement will be implemented by way of a statutory plan of arrangement under Section 182 of the OBCA pursuant to the terms of the Arrangement Agreement. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Arrangement Resolution must be approved by Shareholders by the Required Shareholder Approval in the manner set forth in the Interim Order;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all conditions precedent to the Arrangement, as set out in the Arrangement Agreement, must be satisfied or waived (if permitted) by the appropriate Party; and

(d) the Articles of Arrangement, prepared in the form prescribed by the OBCA, must be filed with the Director and a Certificate of Arrangement issued pursuant thereto.

If all conditions for the implementation of the Arrangement have been satisfied or waived (if permitted), the steps, qualified in their entirety by the full text of the Plan of Arrangement as set out in Appendix "A" hereto, described in the section "*The Arrangement – Particulars of the Arrangement – The Plan of Arrangement*", will occur under the Plan of Arrangement at the Effective Time.

Key Approvals

Required Shareholder Approval

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution. The full text of the Arrangement Resolution is set out in Appendix "B" hereto. In order to become effective, the Arrangement Resolution will require: (i) the affirmative vote of at least 66⅔% of the votes cast by Shareholders who vote in person or by proxy at the Meeting, with all Shareholders voting as a single class; (ii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting, after excluding the Excluded Votes; (iii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting; and (iv) the affirmative vote of at least a simple majority of the votes cast by holders of MV Shares who vote in person or by proxy at the Meeting. See "*The Arrangement – Key Approvals – Required Shareholder Approval*".

Court Approval

The Arrangement requires the granting by the Court of the Final Order in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement. Accordingly, on February 15, 2023, the Company obtained the Interim Order authorizing and directing the Company to call, hold and conduct the Meeting and to submit the Arrangement to the Shareholders for approval. A copy of the Interim Order is attached as Appendix "C" hereto. Subject to the terms of the Arrangement Agreement and receipt of the Required Shareholder Approval, the Company will make an application to the Court for the Final Order. A copy of the Notice of Application applying for the Final Order approving the Arrangement is attached as Appendix "D" hereto. The hearing in respect of the Final Order is expected to take place before the Ontario Superior Court of Justice (Commercial List), on March 27, 2023, or as soon as counsel may be heard by video conference at a virtual hearing location to be provided by the Court. At the hearing, the Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement and the rights and interests of every Person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Regulatory Approvals

The Arrangement is conditional upon receipt of the Required Regulatory Approvals, including the Investment Canada Approval, the HSR Act Expiration and the UK NSI Approval. See "*The Arrangement – Key Approvals – Regulatory Approvals*".

Effective Time and Outside Date

Pursuant to Subsection 183(3) of the OBCA, the Arrangement will become effective at 12:01 a.m. (Toronto time) on the date shown on the Certificate of Arrangement giving effect to the Arrangement. The Closing, including the filing of the Articles of Arrangement with the Director, will occur as soon as reasonably practicable (and in any event not later than five (5) Business Days) following the satisfaction or waiver (if permitted) of the conditions set out in the Arrangement Agreement unless another time or date is agreed to by the Company and the Purchaser. It is currently anticipated that the Effective Date will occur by the second quarter of 2023. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order. Pursuant to the Arrangement Agreement, the Arrangement must be completed on or prior to July 20, 2023, subject to the right of either the Company or the Purchaser to extend such date in accordance with the terms of the Arrangement Agreement.

Arrangement Agreement

On January 20, 2023, Magnet and the Purchaser entered into the Arrangement Agreement, under which the Parties agreed, subject to certain terms and conditions, to implement the Arrangement on the terms and conditions set out in the Plan of Arrangement. Under the Arrangement Agreement, the Company has agreed to, among other things, call the Meeting to seek approval of the Arrangement Resolution by Shareholders and, if approved, apply to the Court for the Final Order. For a summary of certain provisions of the Arrangement Agreement, see "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement*".

Covenants, Representations and Warranties

The Arrangement Agreement contains customary covenants, representations and warranties for an agreement of this nature. A summary of the covenants, representations and warranties is provided in this Circular under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants*", "*– Other Covenants"* and "*– Representations and Warranties*".

Conditions of the Arrangement

The obligations of the Company and the Purchaser to complete the Arrangement are subject to the closing conditions set out in the Arrangement Agreement being satisfied or waived, if permitted. These conditions include, among others, the receipt of the Required Shareholder Approval, Court approval and the Required Regulatory Approvals. A summary of the conditions is provided in this Circular under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Conditions of Closing*".

Non-Solicitation Provisions

Except as expressly provided for in the Arrangement Agreement, the Company agreed pursuant to the Arrangement Agreement that it shall not, and shall cause its Subsidiaries not to, directly or indirectly, through any its representatives (and in so doing shall instruct its and its Subsidiaries' representatives not to, directly or indirectly):

(a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, Books and Records (as defined in the Arrangement Agreement) or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than the Purchaser and its affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal, provided that the Company may (i) contact and communicate with any Person for the purposes of clarifying the terms of any inquiry, proposal or offer made by such Person that constitutes or could reasonably be expected to constitute or lead to, an Acquisition Proposal; (ii) advise any Person of the restrictions of the Arrangement Agreement; and (iii) advise any Person making an Acquisition Proposal that the Board (or the relevant committee thereof) has determined that their Acquisition Proposal does not constitute a Superior Proposal;

(c) make a Change in Recommendation; or

(d) accept or enter into or publicly propose to accept or enter into any agreement, understanding or arrangement with any Person (other than the Purchaser or any of its affiliates) in respect of an Acquisition Proposal (other than a confidentiality agreement permitted by and in accordance with the Non-Solicitation Covenants).

See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants Regarding Non-Solicitation – Non-Solicitation*".

Responding to an Acquisition Proposal

Notwithstanding anything to the contrary contained in the Non-Solicitation Covenants and any other provision of the Arrangement Agreement, if at any time prior to obtaining the Required Shareholder Approval, the Company receives a request for material non-public information, or to enter into discussions, from a Person or group of Persons that proposes to the Company an unsolicited Acquisition Proposal then the Company may (i) provide copies of, access to or disclosure of confidential information, properties, facilities, or Books and Records to such Person or group of Persons and their respective representations and/or (ii) enter into, participate, facilitate and maintain discussions or negotiations with, and otherwise cooperate with or assist, the Person or group of Persons making such request, provided that, if and only if: (a) the Board first determines (based upon, *inter alia*, the recommendation of the Special Committee) in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal and has provided the Purchaser with written confirmation thereof; (b) such Person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-solicitation or similar agreement with the Company (it being acknowledged by the Purchaser that the automatic termination or automatic release, in each case pursuant to the terms thereof, of any standstill restrictions of any such agreements as a result of the entering into and announcement of the Arrangement Agreement shall not be a violation of the Non-Solicitation Covenants); (c) the making of the Acquisition Proposal by such Person did not result from a material breach of the Non-Solicitation Covenants; and (d) prior to providing any such copies, access, or disclosure, the Company enters into a confidentiality and standstill agreement with such Person on terms no less favourable than the Confidentiality Agreement.

See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants Regarding Non-Solicitation – Responding to an Acquisition Proposal*".

Right to Match

If the Company receives an Acquisition Proposal that the Board determines, in good faith after consultation with its outside financial and legal advisors, constitutes a Superior Proposal prior to obtaining the Required Shareholder Approval, the Board may (based upon, *inter alia*, the recommendation of the Special Committee), subject to compliance with the Arrangement Agreement, enter into a definitive agreement or make a Change in Recommendation with respect to such Superior Proposal, if and only if: (a) the making of the Acquisition Proposal by such Person did not result from a material breach of the Non-Solicitation Covenants; (b) the Person making the Acquisition Proposal was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-solicitation or similar agreement with the Company; (c) the Company has delivered to the Purchaser a Superior Proposal Notice; (d) the Matching Period (of five (5) full Business Days) has elapsed from the date on which the Purchaser received the Superior Proposal Notice; (e) during any Matching Period, the Purchaser has had the opportunity (but not the obligation) to offer to amend the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal; (f) after the Matching Period, the Board has

determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by the Purchaser); and (g) prior to or concurrently with entering into such definitive agreement or withdrawing or modifying the Board Recommendation, the Company terminates the Arrangement Agreement in accordance with its terms and pays the Purchaser the Company Termination Fee.

During the Matching Period, the Purchaser shall have the opportunity, but not the obligation, to propose to amend the terms of the Arrangement Agreement, including an increase in, or modification of, the Consideration. During the Matching Period: (a) the Board shall review any offer made by the Purchaser to amend the terms of the Arrangement Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) the Company shall negotiate in good faith with the Purchaser to make such amendments to the terms of the Arrangement Agreement or the Plan of Arrangement as would enable the Purchaser to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the Board determines (based upon, *inter alia*, the recommendation of the Special Committee) that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Purchaser and the Company and the Purchaser shall amend the Arrangement Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the Non-RS Consideration (or value of such Non-RS Consideration) to be received by Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal and the Purchaser shall be afforded a new Matching Period from the later of the date on which the Purchaser received the Superior Proposal Notice with respect to the new Superior Proposal from the Company.

See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants Regarding Non-Solicitation – Right to Match*".

Termination and Termination Fees

The Arrangement Agreement may be terminated prior to the Effective Time by mutual written agreement of the Parties or by either the Company or the Purchaser in certain other circumstances. A summary of the termination provisions is provided in this Circular under "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination*".

The Arrangement Agreement provides that (a) the Company Termination Fee in the amount of $50 million is payable by the Company to the Purchaser if the Arrangement Agreement is terminated in certain circumstances and (b) the Purchaser Termination Fee in the amount of $70 million is payable by the Purchaser to the Company if the Arrangement Agreement is terminated in certain circumstances. See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Fees*".

Voting Support Agreements

The Purchaser has entered into Voting Support Agreements with the Supporting Shareholders. An aggregate of 1,676,501 SV Shares and 28,903,303 MV Shares are subject to such Voting Support Agreements with the Purchaser, representing a total of approximately 13.6% and 100% of the issued and outstanding SV Shares and MV Shares, respectively, and an aggregate of approximately 74.2% of the total number of issued and outstanding Shares. The Voting Support Agreements will terminate automatically in the event the Arrangement Agreement or the applicable Rollover Agreement, as applicable, is terminated in accordance with its terms. The Voting Support Agreements are described in more detail under "*Summary of Agreements in Connection with the Arrangement – Voting Support Agreements*" and the full text of each of the Voting Support Agreements can be found under the Company's profile on SEDAR at www.sedar.com.

Rollover Agreements

The Rolling Shareholders have entered into the Rollover Agreements with the Purchaser and the Sponsor pursuant to which the Rolling Shareholders have agreed that each outstanding Rollover Share held by a Rolling Shareholder will be transferred by the Rolling Shareholder to the Purchaser in exchange for the consideration payable to the Rolling Shareholder in accordance with the terms of their Rollover Agreement at an implied value of $39.00 per Rollover Share. See "*Summary of Agreements in Connection with the Arrangement – Rollover Agreements*".

Securities Law Matters

The Company is a reporting issuer or equivalent in each of the provinces and territories of Canada. Among other things, the Company is subject to MI 61-101, which is intended to regulate certain transactions between a corporation and related parties, generally by requiring enhanced disclosure, approval by a majority of shareholders excluding interested or related parties and, in certain instances, independent valuations and approval and oversight of the transaction by a special committee of independent directors. The Arrangement constitutes a "business combination" pursuant to MI 61-101 and the Company is required to, among other things, obtain "minority approval" for the Arrangement in accordance with MI 61-101. See "*Certain Legal and Regulatory Matters – Securities Law Matters*".

Depositary

The Purchaser and the Company intend to engage Computershare to act as Depositary for the receipt of certificates in respect of the Shares, related Letters of Transmittal and payments to be made to Shareholders pursuant to the Arrangement. See "*Procedure for the Surrender of Shares and Receipt of Consideration*".

Dissent Rights

Registered Shareholders (other than the Rolling Shareholders in respect of Rollover Shares) as of the Record Date have been provided with the right to dissent in respect of the Arrangement Resolution in the manner provided in Section 185 of the OBCA, as amended by the Interim Order, the Final Order and the Plan of Arrangement. Registered Shareholders considering exercising Dissent Rights should seek the advice of their own legal counsel and tax and investment advisors and should carefully review the description of such rights set forth in this Circular, including timing deadlines, and comply with the provisions of Section 185 of the OBCA, the full text of which is set out in Appendix "E" hereto, as modified by the Plan of Arrangement and the Interim Order (where such Dissent Rights may be further modified by the Final Order). See "*Dissenting Shareholders Rights*" for further details.

It is a condition to the Purchaser's obligation to complete the Arrangement that Shareholders holding no more than 5% of the Shares shall have exercised Dissent Rights that have not been withdrawn or deemed to have been withdrawn as at the Effective Time.

Certain Canadian Federal Income Tax Considerations

This Circular contains a summary of certain Canadian federal income tax considerations generally applicable to certain Shareholders who, under the Arrangement, dispose of their SV Shares to the Purchaser for cash. All Shareholders are encouraged to seek their own tax advice.

Risk Factors

The risk factors described under "*Risk Factors*" should be carefully considered by Shareholders in evaluating whether to approve the Arrangement Resolution.

INFORMATION CONCERNING THE MEETING

Purpose of the Meeting

At the Meeting, Shareholders will consider and vote upon the Arrangement Resolution and such other matters as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. The approval of the Arrangement Resolution will require the Required Shareholder Approval.

The Meeting Materials (as defined herein) are being sent to both registered Shareholders and non-registered (or beneficial) Shareholders.

The Meeting and Record Date

The Meeting will be held on March 23, 2023 at 2:00 p.m. (Toronto time) via live audio webcast online at https://meetnow.global/MZ6YJTX.

The Board has fixed February 16, 2023 as the Record Date for the purpose of determining which Shareholders are entitled to receive the Notice of Special Meeting and vote at the Meeting or any adjournment(s) or postponement(s) thereof, either in person or by proxy. No Person acquiring Shares after that date shall, in respect of such Shares, be entitled to receive the Notice of Special Meeting and vote at the Meeting or any adjournment(s) or postponement(s) thereof.

Quorum

A quorum of Shareholders for the transaction of business at the Meeting or any adjournment(s) or postponement(s) thereof shall be present, irrespective of the number of Persons actually present at the Meeting, if at least two Shareholders representing not less than 25% of the voting rights attaching to the Shares are present in person or represented by proxy at the Meeting.

Attendance at the Meeting

The Company is holding the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person. Attending the Meeting online enables registered Shareholders and duly appointed proxyholders, including non-registered (or beneficial) Shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered Shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting. Guests, including non-registered (or beneficial) Shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but are not able to participate or vote.

To attend the Meeting, log in online at https://meetnow.global/MZ6YJTX. It is recommended that you log in at least fifteen minutes before the Meeting starts. To log in, either click:

- "Shareholder" or "Invitation"

  OR

- "Guest" and then complete the online form.

For registered Shareholders, the 15-digit control number located on the form of proxy or in the email notification you received is your "Control Number" and serves as the "Username" for login purposes.

For duly appointed proxyholders, Computershare will provide the proxyholder with your Invite Code by e-mail after the proxy voting deadline has passed and you have been duly appointed and registered as described in "Proxyholder Matters" below. Such Invite Code serves as the "Username" for login purposes.

If you attend the Meeting, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedures.

Voting at the Meeting

Registered Shareholders and duly appointed proxyholders may vote at the Meeting by completing a ballot online during the Meeting.

Non-registered (or beneficial) Shareholders who have not duly appointed themselves as proxyholder will not be able to participate or vote at the Meeting, but will be able to attend and listen to the Meeting as a guest. This is because the Company and Computershare do not have a record of the non-registered Shareholders of the Company, and, as a result, will have no knowledge of an individual's shareholdings or entitlement to vote unless you appoint yourself as proxyholder. See "Proxyholder Matters" below.

If you are a non-registered Shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder by inserting your own name in the space provided on the VIF sent to you and must follow all of the applicable instructions, including the deadline, provided by your Intermediary (as defined below). Non-registered (or beneficial) Shareholders should refer to the section in the Circular entitled "*Proxyholder Matters – Voting of Proxies – Non-Registered Shareholders*" for information on how to vote their Shares.

Voting Shares

Voting Rights

On February 16, 2023, the Company had 12,305,697 SV Shares, each carrying the right to one vote at the Meeting, and 28,903,303 MV Shares, each carrying the right to ten votes at the Meeting, issued and outstanding. Accordingly, as at February 16, 2023, holders of SV Shares were entitled to exercise 4.08% of all votes attached to the Shares and holders of MV Shares were entitled to exercise 95.92% of all votes attached to the Shares.

Certain Class Votes

Except as required by the OBCA, applicable Canadian securities Laws or the articles of the Company from time to time in effect, holders of SV Shares and MV Shares will vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares. In order to become effective, the Arrangement Resolution will require: (i) the affirmative vote of at least 66⅔% of the votes cast by Shareholders who vote in person or by proxy at the Meeting, with all Shareholders voting as a single class; (ii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting, after excluding the Excluded Votes; (iii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting; and (iv) the affirmative vote of at least a simple majority of the votes cast by holders of MV Shares who vote in person or by proxy at the Meeting.

Under the OBCA, certain types of amendments to the articles of the Company are subject to approval by special resolution of the holders of the Company's classes of shares voting separately as a class, including amendments to:

- add to, remove or change the rights, privileges, restrictions or conditions attached to the shares of that class;
- add to the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of that class; and
- make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of that class.

Without limiting other rights at law of any holders of SV Shares or MV Shares to vote separately as a class, neither the holders of the SV Shares nor the holders of the MV Shares are entitled to vote separately as a class upon a proposal to amend the articles of the Company in the case of an amendment to: (1) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class; or (2) create a new class of shares equal or superior to the shares of such class, which rights are otherwise provided for in paragraphs (a) and (e) of Subsection 170(1) of the OBCA. Pursuant to the Company's articles, neither holders of SV Shares nor holders of MV Shares are entitled to vote separately as a class on a proposal to amend the articles of the Company to effect an exchange, reclassification or cancellation of all or part of the shares of such class pursuant to Section 170(1)(b) of the OBCA unless such exchange, reclassification or cancellation: (a) affects only the holders of that class; or (b) affects the holders of SV Shares and MV Shares differently, on a per share basis, and such holders are not already otherwise entitled to vote separately as a class under applicable law or the Company's articles in respect of such exchange, reclassification or cancellation.

Pursuant to the Company's articles, holders of SV Shares and MV Shares are treated equally and identically, on a per share basis, in certain change of control transactions that require approval of the Shareholders under the OBCA, such as the Arrangement, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the

holders of SV Shares and MV Shares, each voting separately as a class.

Take-Over Bid Protection

Under applicable Canadian Laws, an offer to purchase MV Shares would not necessarily require that an offer be made to purchase SV Shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of SV Shares will be entitled to participate on an equal footing with holders of MV Shares, the holders of MV Shares have entered into a customary coattail agreement with the Company and Computershare Trust Company of Canada, as trustee, dated May 3, 2021 (as amended or supplemented from time to time, the "**Coattail Agreement**"). The following is a summary of the material attributes and characteristics of the Coattail Agreement. This summary is qualified in its entirety by reference to the provisions of the Coattail Agreement, which is available under the Company's profile on SEDAR at www.sedar.com.

The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of SV Shares of rights under the take-over bid provisions of applicable Canadian securities legislation to which they would have been entitled if the MV Shares had been SV Shares.

The undertakings in the Coattail Agreement do not prevent a sale by Permitted Holders of MV Shares if concurrently an offer is made to purchase SV Shares that:

- offers a price per SV Share at least as high as the highest price per share paid or required to be paid pursuant to the take-over bid for the MV Shares;

- provides that the percentage of outstanding SV Shares to be taken up (exclusive of Shares owned immediately prior to the offer by the offeror or Persons acting jointly or in concert with the offeror) is at least as high as the percentage of outstanding MV Shares to be sold (exclusive of MV Shares owned immediately prior to the offer by the offeror and Persons acting jointly or in concert with the offeror);

- has no condition attached other than the right not to take up and pay for SV Shares tendered if no shares are purchased pursuant to the offer for MV Shares; and

- is in all other material respects identical to the offer for MV Shares.

In addition, the Coattail Agreement does not prevent the transfer of MV Shares to a Permitted Holder, provided such transfer is not or would not constitute a take-over bid or, if so, is exempt or would be exempt from the formal bid requirements (as defined in applicable Canadian securities legislation). The conversion of MV Shares into SV Shares does not, in and of itself constitute a sale of MV Shares under the Coattail Agreement.

Under the Coattail Agreement, any sale of MV Shares (including a transfer to a pledgee as security) by a holder of MV Shares party to the Coattail Agreement is conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred MV Shares are not automatically converted into SV Shares in accordance with the articles of the Company.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the SV Shares. The obligation of the trustee to take such action is conditional on the Company or holders of the SV Shares providing such funds and indemnity as the trustee may require. No holder of SV Shares has the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding SV Shares and reasonable funds and indemnity have been provided to the trustee.

The Coattail Agreement may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada, and (b) the approval of at least 66 2/3% of the votes cast by holders of SV Shares present in person or represented by proxy at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to SV Shares held directly or indirectly by holders of MV Shares, their affiliates and related parties and any Persons who have an agreement to purchase MV Shares on terms that would constitute a sale for purposes of the Coattail Agreement other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of SV Shares under applicable law. The provisions of the Coattail Agreement are not triggered by the Arrangement as it does not constitute a "take-over bid" within the meaning of applicable securities legislation. It is contemplated that the Coattail Agreement will be terminated at the

Effective Time.

For the purposes of the foregoing:

"**Balsillie Group Permitted Holders**" means (a) Jim Balsillie and any Members of the Immediate Family of Jim Balsillie, and (b) any Person controlled, directly or indirectly, by one or more Persons referred to in clause (a) above;

"**Belsher Group Permitted Holders**" means (a) Adam Belsher and any Members of the Immediate Family of Adam Belsher, and (b) any Person controlled, directly or indirectly, by one or more Persons referred to in clause (a) above;

"**Members of the Immediate Family**" means with respect to any individual, each parent (whether by birth or adoption), spouse, child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons, and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the *Income Tax Act* (Canada) and the regulations thereunder, as amended) of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

"**Permitted Holders**" means any of (a) the Balsillie Group Permitted Holders; (b) the Belsher Group Permitted Holders; and (c) the Saliba Group Permitted Holders;

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company;

"**Saliba Group Permitted Holders**" means (a) Jad Saliba and any Members of the Immediate Family of Jad Saliba, and (b) any Person controlled, directly or indirectly, by one or more Persons referred to in clause (a) above; and

A Person is "**controlled**" by another Person or other Persons if: (1) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; (2) in the case of a Person that is an unincorporated entity other than a limited partnership, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; or (3) in the case of a limited partnership, the other Person is the general partner of such limited partnership; and "**controlling**" shall be interpreted accordingly.

PROXYHOLDER MATTERS

The following applies to Shareholders who wish to appoint someone as their proxyholder other than the Company proxyholders named in the form of proxy or VIF. This includes non-registered (or beneficial) Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint someone other than the Company proxyholders as their proxyholder to attend and participate at the Meeting as their proxy and vote their Shares must submit their form of proxy or VIF, as applicable, appointing that Person as proxyholder and register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed after you have submitted your form of proxy or VIF per the instructions described below. To register a proxyholder in this manner, Shareholders must visit www.computershare.com/MagnetForensics by 2:00 p.m. (Toronto time) on March 21, 2023 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with an Invite Code via email. Failure to register the proxyholder in advance of the deadline will result in the proxyholder not receiving an Invite Code that is required to vote at the Meeting. Without an Invite Code, proxyholders will not be able to participate or vote at the Meeting but will be able to attend and listen to the Meeting as a guest.

The persons designated by Management in the form of proxy are directors or officers of the Company. **Each Shareholder has the right to appoint as proxyholder a person or company (who need not be a Shareholder) other than the persons designated by Management in the form of proxy to attend and act on the Shareholder's behalf at the Meeting or at any adjournment(s) or postponement(s) thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the form of proxy or by completing another form of proxy.

If you have any questions or need assistance completing your form of proxy or VIF, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Laurel Hill, by telephone at 1-877-452-7184 (toll-free within North America) or at 1-416-304-0211 (outside of North America) or by email at assistance@laurelhill.com.

Registered Shareholders

In the case of registered Shareholders, the completed, dated and signed form of proxy should be sent in the envelope provided with the form of proxy or otherwise to Computershare at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1. To vote over the internet, go to www.investorvote.com and enter the 15-digit control number printed on your form of proxy. To vote by telephone, call 1-866-732-8683 (toll-free in North America) and enter the 15-digit control number printed on your form of proxy and follow the instructions provided. To be effective, a proxy must be received by Computershare no later than March 21, 2023 at 2:00 p.m. (Toronto time) (unless such proxy submission deadline is waived by the Board), 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, as applicable. 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 Shareholders

In the case of non-registered (or beneficial) Shareholders, excluding those located in the United States, who receive these materials through their broker or other Intermediary (as defined below), the Shareholder should complete and send the form of proxy or VIF in accordance with the instructions provided by their broker or other Intermediary in sufficient time to ensure that their vote is received from the broker or other Intermediary by Computershare no later than March 21, 2023 at 2:00 p.m. (Toronto time) (unless such proxy submission deadline is waived by the Chair of the Meeting), or in the case of any adjournment or postponement of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment or postponement, as applicable. The Chair of the Meeting reserves the right to waive the proxy cut-off, at their sole discretion, with or without notice.

Non-Registered Shareholders (United States)

If you are a non-registered (or beneficial) Shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described herein, you must obtain a valid legal proxy from your Intermediary (as defined below). Follow the instructions from your Intermediary included with the form of proxy and VIF sent to you, or contact your Intermediary to request a form of proxy if you have not received one. After obtaining a valid form of proxy from your Intermediary, you must then submit a copy of such legal proxy to Computershare. Requests for registration from non-registered Shareholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail or by courier to: uslegalproxy@computershare.com (if by e-mail), or Computershare, Attention: Proxy Dept., 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, Canada (if by

courier), and in both cases, must be labelled "Legal Proxy" and received no later than the voting deadline of 2:00 p.m. (Toronto time) on March 21, 2023. You will receive a confirmation of your registration by e-mail after Computershare receives your registration materials. Please note that you are required to register your proxyholder appointment at www.computershare.com/MagnetForensics.

Revocation of Proxy

A Shareholder who has given a proxy may revoke the proxy by depositing an instrument in writing signed by the Shareholder or by the Shareholder's attorney, who is authorized in writing, or if the Shareholder is a corporation, by an officer, or attorney authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by or on behalf of the Shareholder or by the Shareholder's attorney, who is authorized in writing, and deposited with Computershare at any time up to and including the last Business Day preceding the day of the Meeting, or in the case of any adjournment or postponement of the Meeting, the last Business Day preceding the day of the adjournment or postponement, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment or postponement thereof. A Shareholder may also revoke a proxy in any other manner permitted by law, but prior to the exercise of such proxy in respect of any particular matter.

If you are a non-registered (or beneficial) Shareholder, contact your broker or nominee to find out how to change or revoke your voting instructions and the timing requirements, or for other voting questions. Intermediaries (as defined below) may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the proxy or VIF to ensure it is given effect at the Meeting.

If you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke all previously submitted proxies. However, in such a case, you will be provided with the opportunity to vote by ballot on the matters put forth at the Meeting. If you do not wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

Voting of Proxies

On any ballot that may be called for, the Shares represented by a properly executed proxy given in favour of the persons designated by Management in the form of proxy will be voted for or against in accordance with the instructions given on the form of proxy. In the absence of such instructions, Shares represented by a proxy will be voted for or against in the discretion of the Persons designated in the proxy, which in the case of the representatives of Management named in the form of proxy will be **FOR** the Arrangement Resolution.

Unless otherwise required by law or other provisions binding upon the Company, any matter coming before the Meeting or any adjournment(s) or postponement(s) thereof shall be decided by the majority of the votes duly cast in respect of the matter by Shareholders entitled to vote thereon.

The form of proxy confers discretionary authority upon the Persons named therein with respect to amendments or variations to matters identified in the Notice of Special Meeting and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, the directors and Management are not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Special Meeting or any other matters which are not now known to the directors or Management should properly come before the Meeting or any adjournment(s) or postponement(s) thereof, the Shares represented by properly executed proxies given in favour of the persons designated by Management in the form of proxy will be voted on such matters pursuant to such discretionary authority.

Non-Registered Shareholders

Only registered holders of Shares or duly appointed proxyholders are permitted to vote at the Meeting. Some Shareholders of the Company are "non-registered" (or beneficial) Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares.

A holder of Shares is a non-registered (or beneficial) Shareholder (a "**Non-Registered Holder**") if the Shareholder's Shares are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder 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.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about them to the Company are referred to as non-objecting beneficial owners ("**NOBOs**"). Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about them to the Company are referred to as objecting beneficial owners ("**OBOs**"). In accordance with the requirements of NI 54-101, the Company has elected to send copies of the Proxy-Related Materials, including a form of proxy or VIF (collectively, the "**Meeting Materials**") indirectly through Intermediaries for onward distribution to NOBOs and OBOs. The Company will also pay the fees and costs of Intermediaries for their services in delivering the Meeting Materials to NOBOs and OBOs in accordance with NI 54-101. Intermediaries must forward the Meeting Materials to each Non-Registered Holder (unless the Non-Registered Holder has waived the right to receive such materials), and often use a service company (such as Broadridge Investor Communication Solutions in Canada), to permit the Non-Registered Holder to direct the voting of the Shares held by the Intermediary on behalf of the Non-Registered Holder.

The Company may utilize the Broadridge QuickVote™ service to assist non-registered (or beneficial) Shareholders that are "non-objecting beneficial owners" with voting their Shares over the telephone. Laurel Hill, the Company's strategic shareholder advisor and proxy solicitation agent, may contact "non-objecting beneficial owners" of Shares to assist in conveniently voting their Shares directly over the phone.

Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

(a) be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare, as described above under "*Registered Shareholders*"; or

(b) more typically, be given a VIF which must be completed and signed by the Non-Registered Holder in accordance with the directions on the VIF. Non-Registered Holders should submit VIFs to Intermediaries in sufficient time to ensure that their votes are received from the Intermediaries by the Company.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. Should a Non-Registered Holder who receives either a proxy or a VIF wish to attend and vote at the Meeting (or have another Person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the form of proxy and insert their own (or such other Person's) name in the blank space provided in the form of proxy or, in the case of a VIF, follow the corresponding instructions on the VIF, to appoint themselves as proxyholders, and deposit the form of proxy or submit the VIF in the appropriate manner noted above. Registering a proxyholder is an additional step to be completed after the Non-Registered Holder has submitted its form of proxy or VIF. To register a proxyholder in this manner, Non-Registered Shareholders must visit www.computershare.com/MagnetForensics by 2:00 p.m. (Toronto time) on March 21, 2023 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with an Invite Code via email. Failure to register the proxyholder in advance of the deadline will result in the proxyholder not receiving an Invite Code that is required to vote at the Meeting. Without an Invite Code, proxyholders will not be able to participate or vote at the Meeting but will be able to attend and listen to the Meeting as a guest. Non-Registered Holders should carefully follow the instructions on the form of proxy or VIF that they receive from their Intermediary in order to vote the Shares that are held through that Intermediary. Therefore, Non-Registered Holders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate Persons, as required.

These Meeting Materials are being sent to both registered and non-registered owners of the Shares. If you are a Non-Registered Holder, and the Company or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

If you have any questions or need assistance completing your form of proxy or voting instruction form, please contact Magnet's 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 (outside of North America) or by email at assistance@laurelhill.com.

		Registered Shareholders	Non-Registered (Beneficial) Shareholders
		Shares held in own name and represented by a physical certificate or DRS and have a 15-digit control number.	*Shares held with a broker, bank or other intermediary and have a 16-digit control number.*
	Internet	www.investorvote.com	www.proxyvote.com
	Telephone	1-866-732-8683	Call the applicable number listed on the voting instruction form.
	Mail	Return the form of proxy in the enclosed postage paid envelope.	Return the voting instruction form in the enclosed postage paid envelope.

THE ARRANGEMENT

Background to the Arrangement

The proposed acquisition of the outstanding Shares by the Purchaser pursuant to the Arrangement Agreement follows an extensive formal process undertaken by the Company, under the direction and oversight of the Special Committee, to consider a strategic proposal and potential alternatives, including the advisability, having regard to the Company's best interests and the implications of those alternatives to the holders of SV Shares, MV Shares and other stakeholders of the Company, of proceeding on an independent basis to pursue the Company's long-term strategy and/or initiating a public or private process to solicit proposals for transactions to privatize the Company.

The following is a summary of the main events that led to the negotiation and execution of the Arrangement Agreement (including related definitive transaction agreements) and certain meetings, negotiations, discussions and actions of the various parties that preceded the execution of the Arrangement Agreement and the public announcement of the Arrangement on January 20, 2023.

Management and the Board regularly consider, monitor and investigate opportunities to enhance Shareholder value. From time to time, these opportunities have included the consideration of potential strategic transactions with various industry participants, including strategic partnerships, investments and other commercial relationships, and Management of the Company and the Board review and consider such transactions as they arise in order to determine whether pursuing them would be in the best interests of the Company.

Through its regular review process, Management and the Board determined that, as a result of the increasing proportion of data stored on mobile devices, (i) the Company's limited capabilities with respect to mobile data extraction were a key challenge to future growth; and (ii) acquiring the capability to extract data from mobile devices would enhance the Company's product offerings and potentially increase Shareholder value. The Company identified Grayshift, LLC ("**Grayshift**"), a leader in mobile device digital forensics with products used by law enforcement, public safety government and defense agencies, and a firm that Magnet had successfully partnered with in the past, as a strategic partner that could enhance its offerings to law enforcement and government agency clients. In September 2021, the Company submitted a non-binding proposal to acquire Grayshift in a merger transaction with consideration consisting of a combination of Company shares and cash. During the first quarter of 2022, the Company was involved in a competitive bid process to acquire Grayshift, but was ultimately unsuccessful. In June 2022, Grayshift announced that Thoma Bravo would be making a strategic investment in the company and in July 2022, Thoma Bravo announced the completion of such strategic investment.

On October 6, 2022, the Board received an unsolicited non-binding proposal (the "**TB Proposal**") from Thoma Bravo, pursuant to which Thoma Bravo offered to purchase all of the issued and outstanding Shares in the capital of the Company for cash consideration of $34.00 per Share in order to effect a combination of Magnet and Grayshift. The TB Proposal stated that its offer was contingent on Messrs. Adam Belsher and Jad Saliba rolling over approximately 25% to 50% of their MV Shares into an equity interest in the combined Magnet-Grayshift entity. The stated basis for this condition was that their continued participation was considered critical to the future success of the combined company, with the requirement that key management roll a portion of their equity being typical in take private transactions undertaken by private equity buyers. Under the TB Proposal, Messrs. Belsher and Saliba would receive the same value of cash consideration for the Shares owned or controlled by them as all other Shareholders except that any rolling MV Shares would be exchanged for an equity interest in the combined Magnet-Grayshift entity at an implied value equal to such cash consideration.

Following receipt of the TB Proposal, Management received advice from Blake, Cassels & Graydon LLP ("**Blakes**"), legal counsel to the Company, regarding the obligations and duties of the Board as a result of receipt of the TB Proposal, the advisability of the Board establishing a committee of independent directors to assess the TB Proposal and alternatives, and the applicability of MI 61-101 and other legal requirements to the TB Proposal and alternative transactions.

On October 13, 2022, the Board met to discuss the TB Proposal and determined that it would be appropriate to establish a committee comprised of independent board members to consider the TB Proposal and other strategic alternatives available to the Company. Accordingly, the Special Committee was formed and comprised of Carol Leaman (Chair) and Jerome Pickett, two of the three independent directors on the Board, to more thoroughly consider the TB Proposal and other strategic options available to the Company. Mr. Jim Balsillie, the third independent director on the Board, was not made a member of the Special Committee given that, due to his holding of MV Shares, some of his MV Shares may be rolled over if a transaction were to develop from the TB Proposal.

Following the Board meeting, the Special Committee held an initial meeting on October 13, 2022 to review a draft of its mandate, discuss next steps with respect to the TB Proposal and to consider potential legal and financial advisors.

Over the following week, the Special Committee met a number of times to discuss developments relating to the TB Proposal and consider independent legal advisors. At its meeting on October 19, 2022, after carefully considering the proposals of three potential legal advisors it had spoken to, the Special Committee unanimously resolved to engage Dentons Canada LLP ("**Dentons**") as its independent legal advisor.

Following Dentons formal engagement by the Special Committee, Dentons assisted the Special Committee in finalizing its mandate and in understanding its duties to the Company and its stakeholders. In particular, the Special Committee received legal advice from Dentons regarding the duties and responsibilities of the Board and the Special Committee, and the associated legal requirements, including the application of MI 61-101, related to its consideration of the TB Proposal, other potential transactions and strategic alternatives. The Special Committee discussed their obligation to consider the rationale for, and desirability of, any potential strategic transaction, with reference to all available alternatives, including proceeding on an independent basis to pursue the Company's long-term strategy or seeking other transactions that would enhance value to the Shareholders (other than the Rolling Shareholders).

On October 21, 2022, the Special Committee and Dentons met to discuss next steps with respect to the TB Proposal. Dentons advised that it would be prudent to engage a financial advisor before moving forward and that a formal valuation from an independent valuator would be required before the TB Proposal or a similar transaction could be agreed to. The Special Committee and Dentons discussed various candidates for the roles of financial advisor as well as independent valuator. Based on such discussions, the Special Committee instructed Management (other than the Rolling Shareholders) to solicit proposals from a number of agreed potential financial advisors and Dentons to solicit proposals from a number of potential independent valuators.

Over the ensuing days, Management (other than the Rolling Shareholders) solicited and received proposals from several leading financial advisory firms, including, among others, Morgan Stanley which was first contacted on October 24, 2022. The Special Committee met on October 26, 2022 to finalize and approve its mandate with its legal counsel, and to review the proposals received from three potential financial advisors. The Special Committee's mandate authorized it to, among other things, consider the TB Proposal and strategic alternatives available to the Company (including maintaining the status quo); engage legal counsel, a financial advisor and independent valuator; evaluate and, if the Special Committee deemed advisable, negotiate and implement a proposed transaction and the related definitive agreement; make recommendations to the Board with respect thereto; and ensure that any transaction recommended by the Special Committee is in the best interests of the Company and is fair and reasonable to Shareholders, other than the Rolling Shareholders.

At its meeting, following the discussion of its mandate, the Special Committee and Dentons considered the merits of the proposals received from each of the three potential financial advisors, including, without limitation, with respect to fee structure, previous experience and familiarity with the market in which the Company operates and participants and investors in that market. It was noted that Morgan Stanley advised Grayshift in its sale process resulting in Thoma Bravo's strategic investment in Grayshift in July 2022. The Special Committee considered Morgan Stanley's prior experience in advising Grayshift and knowledge of the sector as enabling Morgan Stanley to be well-positioned to advise the Special Committee in considering the TB Proposal and alternatives, including its ability to identify potential candidates for an alternative transaction with the Company. Through Morgan Stanley's prior engagement in the Grayshift sale process, it had developed a specific understanding of both Grayshift and Thoma Bravo, as well as that of other parties that had participated in that process. Considering that experience, the Special Committee concluded that Morgan Stanley would be able to draw on its specific knowledge of parties with potential interest in a transaction with Magnet and its relationships if the Special Committee determined to undertake a market check and consider alternative transactions. Accordingly, on October 28, 2022, the Special Committee resolved to engage Morgan Stanley as its exclusive financial advisor to provide, among other things, financial advice and assistance and if requested, to deliver to the Special Committee a fairness opinion. Following negotiations relating to the terms of the engagement, Morgan Stanley was formally engaged on November 3, 2022.

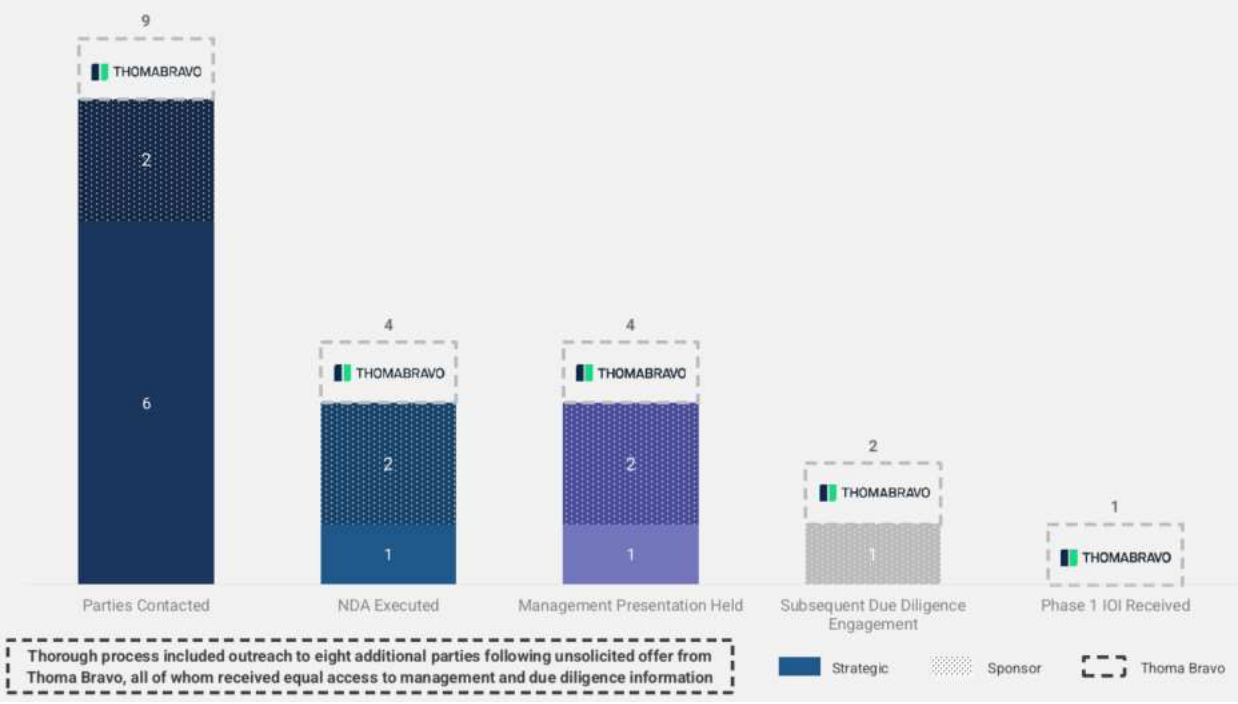
On October 31, 2022 and November 1, 2022, the Special Committee and Dentons further considered the provisions of MI 61-101 regarding the independence and qualifications of an independent valuator. Dentons advised the Special Committee of the legal considerations applicable to selecting an independent valuator under MI 61-101 and certain relationships that should be considered by the Special Committee in assessing such valuator's independence. After a discussion on the merits of the five proposals received, the Special Committee decided to engage CIBC as its independent valuator and to provide the CIBC Formal Valuation and Fairness Opinion to the Special Committee. CIBC confirmed that it: (i) is not an associated or affiliated entity or issuer insider (as such terms are defined for the purposes of MI 61-101) of any of the Rolling Shareholders; (ii) is not an advisor to any of the Rolling Shareholders in connection with a proposed transaction; (iii) would not act as a manager or co-manager of a soliciting dealer group formed by a Rolling Shareholder for any proposed transaction (or a member of the soliciting dealer group for any proposed transaction providing services beyond the customary soliciting dealer's functions or receiving more than the per security holder fees payable to the other members of the group); and (iv) does not have a material financial interest in the completion of a proposed transaction. CIBC also confirmed, among other things, that it had not had a material involvement in an evaluation, appraisal or review of the financial condition of the Company or any Rolling

Shareholder, nor had they acted as lead or co-lead underwriter on any distribution of securities of the Company or any of the Rolling Shareholders during the twenty-four (24) months preceding the date CIBC was first contacted in respect of the CIBC Formal Valuation and Fairness Opinion. The Special Committee concluded that CIBC met the independence requirements of MI 61-101, and was properly qualified to prepare the CIBC Formal Valuation and Fairness Opinion based on its experience in valuation matters and its understanding of the business of the Company.

Following negotiation of the terms of the engagement, the Special Committee formally engaged CIBC on November 14, 2022. Concurrently with the negotiation of the terms of engagement, CIBC began to meet with various members of Management and to review materials necessary to prepare the CIBC Formal Valuation and Fairness Opinion.

The Special Committee and Dentons also met with Morgan Stanley on November 1, 2022 to update Morgan Stanley on the current status of the TB Proposal and to discuss a strategic approach as to how to engage with Thoma Bravo. Thoma Bravo had positioned the TB Proposal as contemplating a bilateral dialogue. However, to achieve increased price discovery and the maximum value for Shareholders (other than the Rolling Shareholders), the Special Committee determined to conduct a market check with Morgan Stanley's assistance to determine the potential interest of other parties in an alternative transaction with Magnet, and increase competitive tension in any negotiations with Thoma Bravo. Morgan Stanley presented an initial list to the Special Committee of parties that could potentially be interested in a transaction with the Company, and following discussion, including input from Management (other than the Rolling Shareholders) as to additional parties with potential interest, the Special Committee directed Morgan Stanley to reach out to certain parties to determine their potential interest in a transaction with the Company.

Over the ensuing weeks, the Special Committee met several times with Dentons and Morgan Stanley to receive updates on the status of the market check as well as any further discussions with Thoma Bravo, including what parties had been contacted and the status of discussions with any such parties; and to discuss the advisability of entering into a transaction as opposed to maintaining the status quo. During these discussions, the Special Committee discussed with Morgan Stanley and Dentons the Company's strategic considerations, its current prospects and future opportunities, and Morgan Stanley's input with respect to industry consolidation, following which the Special Committee concluded that it was an appropriate time to be pursuing a transaction. During the market check, Morgan Stanley had discussions with eight potential strategic and financial purchasers, other than Thoma Bravo, which the Special Committee had determined represented the most synergistic, highest ability to pay buyers. Three such potential purchasers entered into non-disclosure agreements and all three such potential purchasers participated in a presentation with Management. Subsequently, one financial sponsor engaged in subsequent due diligence. All potential purchasers, including Thoma Bravo, were managed on the same timeline, and of those that executed non-disclosure agreements, received equal access to Management and the Company's due diligence information. Each of CIBC and Morgan Stanley were provided with access to the same financial and other information. The Special Committee, Dentons and Morgan Stanley also discussed the impact that the price of the SV Shares on the TSX, which by mid-November had increased significantly since the time of the TB Proposal, might be having on the potential interest of certain of the contacted parties.



During this time, the Special Committee instructed Dentons to begin preparing an initial draft of the definitive agreement that would govern a potential transaction and Dentons proceeded to work with Blakes on the Arrangement Agreement and related documents. Dentons presented initial drafts of the Arrangement Agreement and a form of the Voting Support Agreement to the Special Committee on the afternoon of December 5, 2022, and discussed the key provisions of each document.

On November 22, 2022, Morgan Stanley shared process letters with parties that were determined to have a significant interest in a potential transaction, which included Thoma Bravo, that specified the terms and conditions sought by the Special Committee in order to evaluate their formal bids. All potential purchasers were asked to submit proposals on or before December 6, 2022. During this time, Morgan Stanley had numerous discussions with two financial sponsors, one of which engaged in subsequent due diligence and another that, while it had not engaged in subsequent due diligence, continued to state to Morgan Stanley an interest in a potential transaction. Morgan Stanley also had numerous discussions during this time with Thoma Bravo, which conducted fairly extensive due diligence. However, the initial indication was that in addition to Thoma Bravo, only one other financial sponsor intended to submit a proposal. On December 6, 2022, that other financial sponsor advised that despite its interest in, and positive views of, the Company, given the increase in the SV Share price on the TSX, it would not, based on its diligence and valuation of the Company, be able to make an offer that would exceed the trading price of the SV Shares. On that same day, Thoma Bravo indicated to Morgan Stanley that it intended to submit a formal bid for the Company no later than December 13, 2022. All other parties declined to submit a formal bid.

On December 13, 2022, Morgan Stanley shared with the Special Committee a revised proposal from Thoma Bravo with a cash offer price of $40.00 per Share. The revised TB Proposal provided for Messrs. Saliba, Belsher and Balsillie rolling over approximately 75% of their Shares into an affiliate of Thoma Bravo that would combine the businesses of Magnet and Grayshift, and contemplated that they would receive the same value of cash consideration for the Shares owned or controlled by them as all other Shareholders except that any rolling Shares would be exchanged at an implied value equal to such cash consideration. The Special Committee met with Dentons and Morgan Stanley during the morning of December 13, 2022 to discuss the revised TB Proposal. In discussing the revised proposal with its financial and legal advisors, the Special Committee, among other things, considered the current market price of the SV Shares, the limited liquidity of the SV Shares, the relative value of the Company as compared to certain publicly traded comparable companies, taking into account the rapid appreciation in the SV Share trading price since the receipt of the TB Proposal, and whether the terms of the revised proposal were in the best interests of the Company. Later that evening, the Special Committee reconvened with Dentons and Morgan Stanley and invited Messrs. Saliba, Belsher and Balsillie to participate in the meeting. At the meeting, the Rolling Shareholders indicated that they were not prepared to agree to roll over 75% of their Shares. In addition, the Special Committee and its advisors discussed various scenarios that could potentially lead to an increase in the price per Share paid to Shareholders, other than the Rolling Shareholders. In considering the proposal, the Special Committee was focused on achieving value for the public holders of SV Shares. Given that the Rolling Shareholders would have to agree to any such proposed terms, they agreed to consider the various alternatives that would provide additional value to the Shareholders (other than the Rolling Shareholders).

The Special Committee met with Dentons, Morgan Stanley and the Rolling Shareholders again on December 14, 2022 to discuss characteristics of a transaction that would drive value to the Shareholders and the Company and that could be acceptable to the Rolling Shareholders. The Special Committee considered the approach of a bifurcated offer, pursuant to which the Rolling Shareholders would receive an amount per Share that was less than the amount per Share received by other Shareholders so that the consideration received by the other Shareholders could be increased; however, the Special Committee determined to continue to attempt to further increase the offer price to Shareholders without introduction of a bifurcated offer approach at such time. Following the discussion, the Special Committee instructed Morgan Stanley to engage in further negotiations with Thoma Bravo to request an increase in the offer price to Shareholders. Thoma Bravo stated that they were unable to improve their latest proposal at this time, but were prepared to conduct further due diligence. In a subsequent conversation, Morgan Stanley stated that the Special Committee was at the current time unwilling to accept their proposal, but had agreed to allow Thoma Bravo to further progress in their due diligence with the goal of them reaching an improved offer price to Shareholders. The Special Committee also instructed Dentons to share the draft of the Arrangement Agreement with McMillan LLP ("**McMillan**") and Kirkland & Ellis LLP ("**K&E**", and together with McMillan, "**Purchaser Counsel**"), Canadian and U.S. counsel, respectively, for Thoma Bravo, so that negotiation of the legal terms of the Arrangement Agreement could progress concurrently with the negotiation of business terms.

An initial draft of the Arrangement Agreement was shared with Purchaser Counsel on December 18, 2022 and on December 20, 2022, Dentons and Purchaser Counsel met to discuss the process moving forward with respect to due diligence and negotiation of the Arrangement Agreement, Voting Support Agreements and ancillary documents. Over the days that followed, a draft Voting Support Agreement was shared with Purchaser Counsel and a due diligence call with Purchaser Counsel and members of Management was scheduled for December 23, 2022.

The Special Committee met twice on December 21, 2022 to further discuss any opportunities to increase the offer price from Thoma Bravo and to consider the work that CIBC had undertaken towards a preliminary value analysis of the Shares

of the Company. On the morning of December 21, 2022, the Special Committee met with Dentons and certain members of Management to receive the preliminary value analysis from CIBC and discuss the various assumptions and value methodologies used.

Negotiation of the Arrangement Agreement, Voting Support Agreements and ancillary documents continued over the following weeks. Purchaser Counsel continued with its due diligence efforts with respect to the Company and Ropes & Gray LLP ("**R&G**"), counsel to the Rolling Shareholders, commenced some due diligence with regards to the Sponsor.

A slightly modified version of the Voting Support Agreements was negotiated among Purchaser Counsel, R&G, Dentons and Blakes. On December 22, 2022, Purchaser Counsel provided their initial comments on the form of Voting Support Agreements for the Rolling Shareholders which comments contemplated a "hard" irrevocable voting support arrangement from the Rolling Shareholders. In response to such comments, Purchaser Counsel was informed that neither the Special Committee nor the Rolling Shareholders would accept Voting Support Agreements that contained "hard" irrevocable voting support arrangements and would only accept "soft" voting support arrangements that terminated automatically upon the termination of the Arrangement Agreement, including if the Arrangement Agreement is terminated in connection with a Superior Proposal. Negotiations on the termination provisions of the Voting Support Agreements and other matters continued over the following weeks and resulted in the Rolling Shareholders entering into "soft" Voting Support Agreements on January 20, 2023 (see "*Summary of Agreements in Connection with the Arrangement – Voting Support Agreements – Rolling Shareholders*").

The Special Committee met on December 28, 2022 and again on January 3, 2023 to receive updates on the status of Purchaser Counsel's due diligence and the negotiation of the definitive documents, and in particular certain of the key provisions of the Arrangement Agreement and Voting Support Agreements. During the Special Committee's meeting on January 3, 2023, Management also provided an update on conversations with CIBC regarding inputs that were needed for CIBC to complete its preliminary value analysis of the Shares of the Company. CIBC was asked to present their updated preliminary value analysis in the coming days. On January 6, 2023, CIBC presented its updated preliminary value analysis to the Special Committee and discussed the then current status of the TB Proposal in the context of the preliminary value analysis and then current market conditions.

After exchanging drafts of the Arrangement Agreement and Voting Support Agreements, Dentons, Blakes, R&G and Purchaser Counsel agreed to meet on January 7, 2023 to discuss the outstanding issues in the documents. Further discussions occurred on January 9, 2023, following which revised drafts of the agreements continued to be exchanged.

The Special Committee met on January 10, 2023 and January 13, 2023, during which meetings they received updates from Dentons on the status of negotiation of the Arrangement Agreement, Voting Support Agreements and ancillary documents, including documentation between the Purchaser and the Rolling Shareholders. During the January 13, 2023 meeting, Morgan Stanley provided an update on recent discussions with Thoma Bravo regarding the offer price, particularly in the context of the market price of the SV Shares. The Special Committee, through a number of discussions with Morgan Stanley and Dentons, had considered further the approach of a bifurcated offer pursuant to which the Rolling Shareholders would receive less per Share than other Shareholders. After receiving input from Morgan Stanley and Dentons and having considered the most effective approach to be taken in the negotiation of a bifurcated offer, including the timing of such a negotiation, the Special Committee determined that it would engage in negotiations with the Rolling Shareholders to determine whether they would be willing to accept a bifurcated offer. The Special Committee met with the Rolling Shareholders on the morning of January 14, 2023 and requested that the Rolling Shareholders agree to accept less consideration per share than the other Shareholders. While there had been some resistance by the Rolling Shareholders to the use of a bifurcated offer, they subsequently indicated that they were prepared to consider such an offer on the understanding that they would receive $40.00 per Share. Following this discussion, the Special Committee instructed Morgan Stanley to propose a bifurcated offer to Thoma Bravo pursuant to which Thoma Bravo would increase the overall cash consideration offered, such that the holders of SV Shares would receive $46.00 per SV Share and the holders of MV Shares would receive $40.00 per MV Share, except that any rolling MV Shares would be exchanged at an implied value equal to such cash consideration payable to holders of MV Shares.

Negotiation of the Arrangement Agreement, Voting Support Agreements and ancillary documents continued over the days that followed. The Special Committee met on January 18, 2023 to receive updates from Dentons on the status of the documents and from Morgan Stanley on the status of discussions with Thoma Bravo. Thoma Bravo advised that it would agree to bifurcate the consideration, but was not willing to agree to the $46.00/$40.00 split as was proposed. In the evening of January 18, 2023, the Chair of the Special Committee advised the Rolling Shareholders that Thoma Bravo would not accept the $46.00/$40.00 proposal. The Special Committee, in negotiations with the Rolling Shareholders, requested the Rolling Shareholders accept a bifurcated offer in which they would receive $39.00 per Share so that the consideration received by the other Shareholders could be increased. Following negotiations during which certain of the Rolling Shareholders were resistant to accepting $39.00 per Share, the Rolling Shareholders agreed to accept this proposal. The Special Committee met again on the morning of January 19, 2023 at which time they were able to confirm to Dentons and Morgan Stanley that the Rolling Shareholders would be receptive to a bifurcated offer where they would receive $39.00 per Share. On January 19, 2023, Morgan Stanley was advised by Thoma Bravo that it was willing to increase its offer and to accept a bifurcated offer such that the

Rolling Shareholders would receive $39.00 for their Shares (either in cash or as the implied value of the Rollover Shares), and all other Shareholders would receive $44.25 per Share in cash. Morgan Stanley advised the Special Committee that the $4.25 per Share increase in value to the Shareholders (other than the Rolling Shareholders) consisted of approximately $3.00 per Share of value being reallocated from the Rolling Shareholders to all other Shareholders as a result of the Rolling Shareholders receiving $39.00 per Share compared to the prior $40.00 per Share proposal, and an increase in consideration of $1.25 per Share being provided by Thoma Bravo. In addition, Thoma Bravo's updated proposal contemplated the Rolling Shareholders rolling over approximately 55% of their Shares into an equity interest in an affiliate of Thoma Bravo.

In the early evening of January 19, 2023, Dentons, Blakes, R&G and Purchaser Counsel met to discuss outstanding issues relating to the Arrangement Agreement and Voting Support Agreements with a view to finalizing all documents for an announcement on January 20, 2023.

The Special Committee reconvened in the evening of January 19, 2023 to discuss the updated TB Proposal with Dentons and Morgan Stanley. Following the discussion, which included consideration of the premium that Shareholders, other than the Rolling Shareholders, would receive based on the $44.25 cash offer price for their SV Shares, the Special Committee instructed Dentons and Morgan Stanley to work towards an announcement on January 20, 2023.

Following the meeting, Dentons, Blakes, R&G and Purchaser Counsel finalized the terms of the Arrangement Agreement, Voting Support Agreements and ancillary documents, including the Limited Guarantee, Equity Commitment Letter and Debt Commitment Letter and other documents between the Purchaser and the Rolling Shareholders.

Early in the morning of January 20, 2023, the Board, including the Special Committee, convened with Dentons, Blakes, Morgan Stanley and CIBC. CIBC orally delivered the CIBC Formal Valuation and Fairness Opinion, stating that, as of January 20, 2023 and subject to the assumptions, limitations and qualifications to be set forth in the written CIBC Formal Valuation and Fairness Opinion: (i) the fair market value of the Shares was between $36.50 and $48.75 per Share and (ii) 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) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such shareholders. CIBC indicated that the oral delivery of the CIBC Formal Valuation and Fairness Opinion would be confirmed by delivery of the written CIBC Formal Valuation and Fairness Opinion. Following their presentation, CIBC left the meeting, and Morgan Stanley orally delivered the MS Fairness Opinion, which provided that as of the date of such opinion, and based upon and subject to the various assumptions made, procedures followed, matters considered, and the limitations and qualifications on the scope of review undertaken by Morgan Stanley, set forth in the MS Fairness Opinion, the Consideration (as defined in the MS Fairness Opinion) to be received by 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, and indicated that the oral delivery of the MS Fairness Opinion would be confirmed by delivery of the written MS Fairness Opinion.

Following the presentation of the MS Fairness Opinion, the meeting of the Board was adjourned and the Special Committee commenced a meeting with Dentons and Morgan Stanley. During the meeting, the Special Committee received advice from Dentons with respect to its duties and responsibilities in making its determinations and recommendations to the Board, as well as a summary of the Arrangement Agreement. The Special Committee also considered the representations in the Arrangement Agreement relating to the Rollover Agreements. The Special Committee reviewed the relative benefits and risks associated with the Arrangement as compared to the status quo and other alternatives, including the factors set out below under the heading "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*", and after careful deliberations, the Special Committee unanimously determined that: (a) the Arrangement Agreement and the transactions contemplated thereby are in the best interests of the Company; and (b) the Consideration offered by the Purchaser is fair, from a financial point of view, to the Shareholders (other than the Rolling Shareholders), and unanimously resolved to recommend that the disinterested members of the Board approve the Arrangement and recommend that Shareholders (other than the Rolling Shareholders) vote in favour of the Arrangement Resolution.

Following the meeting of the Special Committee, the full Board reconvened to receive the recommendation of the Special Committee and to consider the Arrangement, the Arrangement Agreement and matters ancillary thereto. The Rolling Shareholders declared their conflict of interest. Carol Leaman presented the Special Committee's recommendations and the reasons for its recommendations. After careful deliberations, the Board (with each of the Rolling Shareholders abstaining from voting) unanimously determined, among other things, that: (a) the Non-RS Consideration to be received by the Shareholders (other than the Rolling Shareholders) is fair, from a financial point of view; (b) the Arrangement is in the best interests of the Company; (c) it would recommend that Shareholders (other than the Rolling Shareholders) vote in favour of the Arrangement Resolution at the Meeting; and (d) the Arrangement is approved.

Soon after the Board meeting on January 20, 2023, the Company and the Purchaser executed and delivered the Arrangement Agreement and all other related agreements were executed. The Company issued a press release announcing the

execution of the Arrangement Agreement shortly after markets opened on January 20, 2023, following a brief halt of trading of the SV Shares on the TSX.

On February 9, 2023, a shareholder of the Company, Nellore Capital Management LLC, issued a press release setting forth its views regarding the terms of the Arrangement, its conclusion that it would vote against the Arrangement and that if the Arrangement is approved it will consider exercising Dissent Rights in respect of its Shares. Nellore Capital Management LLC published subsequent press releases and materials on February 10, 2023 and February 14, 2023, which, together with its February 9, 2023 press release, are filed on the Company's profile on SEDAR at www.sedar.com. Representatives for Nellore Capital Management LLC attended the hearing for the Interim Order on February 15, 2023.

On February 10, 2023, the Special Committee issued a press release acknowledging Nellore Capital Management LLC's press release and reiterating its support for the previously announced transaction with the Purchaser. The Company also concurrently posted an investor presentation that sets out further details regarding the comprehensive process undertaken by the Special Committee and some of the key reasons that they continue to recommend the Arrangement. The full presentation can be found on the Company's profile on SEDAR at www.sedar.com.

On February 15, 2023, the Court granted the Interim Order as attached as Appendix "C" to this Circular over objections from Nellore Capital Management LLC.

Multiples Implied by the Non-RS Consideration

In the course of its consideration of the TB Proposal and the Non-RS Consideration to be paid to holders of SV Shares (other than the Rolling Shareholders), the Special Committee considered financial ratios implied by the Non-RS Consideration, referred to as "multiples". Set out in slides below are summaries of the information relied on by the Special Committee relating to these multiples.

For purposes of this multiples information, the financial metrics and terminology used are set forth below. These include the non-IFRS financial measures "Adjusted EBITDA", "Adjusted EBITDA Margin" "Adjusted EBITDA for SV Shareholders", "Free Cash Flow", "Free Cash Flow for SV Shareholders", and "Revenue for SV Shareholders" and the non-IFRS ratios "Aggregate Value / Adjusted EBITDA", "AV for SV Shareholders / Adjusted EBITDA for SV Shareholders", "Aggregate Value / Free Cash Flow" and "AV for SV Shareholders / Free Cash Flow for SV Shareholders" for Magnet. In addition, this multiples information uses the financial ratios "Aggregate Value / Revenue" and "AV for SV Shareholders / Revenue for SV Shareholders" for Magnet. These non-IFRS financial measures, non-IFRS ratios and financial ratios, as calculated for Magnet, are discussed above under "*Non-IFRS Measures*".

The non-IFRS financial measures, non-IFRS ratios and other ratios set forth in this Circular use mean street consensus estimates for Magnet and other issuers from Thomson Reuters Estimates as of the applicable dates for Adjusted EBITDA, NTM Revenue and Free Cash Flow. The methodologies applied by analysts in preparing the estimates reflected in the Thomson Reuters Estimates may not be consistent with the Company's or such other issuers' methodologies, and the Company's actual results may differ materially (see "*Market and Industry Data*" and "*Caution on Forward-Looking Statements*").

For the purpose of the calculation of certain of the non-IFRS financial measures, non-IFRS ratios and other ratios set forth in this Circular, an exchange rate of 0.7413 per Canadian dollar for one U.S. dollar, being the exchange rate published by Capital IQ on January 19, 2023, the day prior to the announcement of the Proposed Transaction, has been used to convert the Consideration amounts denominated in Canadian dollars into U.S. dollars.

The following financial metrics and terminology are used for the purposes of this multiples information set forth in the slides below:

"**Adjusted EBITDA**", for Magnet, represents net income (loss) adjusted to exclude depreciation and amortization, income tax expense (recovery), share-based compensation expense, foreign exchange loss (gain), interest expense, certain financing-related expenses that are non-recurring in nature, and certain acquisition-related expenses that are non-recurring in nature and not indicative of continuing operations. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be calculated by Magnet on a basis consistent with calculations of Adjusted EBITDA for other issuers. In this Circular, Adjusted EBITDA for the purpose of calculation of multiples for Magnet and other issuers uses the mean street consensus estimates from Thomson Reuters Estimates for Adjusted EBITDA for the next twelve months as of the date specified.

For Magnet, the mean street consensus estimates from Thomson Reuters Estimates as of January 19, 2023, the day prior to the announcement of the Arrangement, were (i) Adjusted EBITDA of US$26 million for the financial year ending December 31, 2023 and US$34 million for the financial year ending December 31, 2024, and (ii) Free Cash Flow of US$23 million for the financial year ending December 31, 2023 and US$31 million for the financial year

ending December 31, 2024. The mean street consensus estimates from Thomson Reuters Estimates as of October 5, 2022, the day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company, were (i) Adjusted EBITDA of US$21 million for the financial year ending December 31, 2023 and US$32 million for the financial year ending December 31, 2024, and (ii) Free Cash Flow of US$19 million for the financial year ending December 31, 2023 and US$28 million for the financial year ending December 31, 2024.

"**Adjusted EBITDA for SV Shareholders**" and "**Free Cash Flow for SV Shareholders**" for the applicable specified period are calculated using the mean street consensus estimates for Adjusted EBITDA and Free Cash Flow for Magnet from Thomson Reuters Estimates as of the date specified, respectively, which is then multiplied by the Implied Ownership of Holders of SV Shares. As of January 19, 2023, the day prior to the announcement of the Arrangement (i) Adjusted EBITDA for SV Shareholders was US$8 million for the financial year ending December 31, 2023 and US$11 million for the financial year ending December 31, 2024, and (ii) Free Cash Flow for SV Shareholders was US$7 million for the financial year ending December 31, 2023 and US$10 million for the financial year ending December 31, 2024. As of October 5, 2022, the day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company (i) Adjusted EBITDA for SV Shareholders was US$7 million for the financial year ending December 31, 2023 and US$10 million for the financial year ending December 31, 2024, and (ii) Free Cash Flow for SV Shareholders was US$6 million for the financial year ending December 31, 2023 and US$9 million for the financial year ending December 31, 2024.

"**Adjusted EBITDA Margin**", for Magnet, represents Adjusted EBITDA divided by revenue, expressed as a percentage. Adjusted EBITDA Margin does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be calculated by Magnet on a basis consistent with calculations of Adjusted EBITDA Margin for other issuers. In this Circular, Adjusted EBITDA Margin for the purpose of calculation of multiples for Magnet and other issuers uses the mean street consensus estimates from Thomson Reuters Estimates for Adjusted EBITDA and revenue for the next twelve months as of the date specified.

For Magnet, Adjusted EBITDA and revenue for the applicable specified period use the mean street consensus estimates for Adjusted EBITDA and revenue for Magnet from Thomson Reuters Estimates as of the date specified. As of January 19, 2023, the day prior to the announcement of the Arrangement (i) Adjusted EBITDA was US$26 million for the financial year ending December 31, 2023 and US$34 million for the financial year ending December 31, 2024, and (ii) revenue was US$126 million for the financial year ending December 31, 2023 and US$159 million for the financial year ending December 31, 2024. As of October 5, 2022, the day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company (i) Adjusted EBITDA was US$21 million for the financial year ending December 31, 2023 and US$32 million for the financial year ending December 31, 2024, and (ii) revenue was US$120 million for the financial year ending December 31, 2023 and US$149 million for the financial year ending December 31, 2024.

"**Aggregate Value**" or "**AV**" is a measure of an issuer's aggregate value and is calculated as (i) the relevant reference price multiplied by the fully diluted shares outstanding at such price per share, with the resulting fully diluted shares outstanding amount accounting for outstanding dilutive equity awards and other securities via the treasury stock method, less (ii) cash and cash equivalents, plus (iii) outstanding debt, including short and long-term government loan payables.

"Aggregate Value / Adjusted EBITDA" represents Aggregate Value divided by Adjusted EBITDA for the issuer for the specified period.

"**Aggregate Value / Free Cash Flow**" represents Aggregate Value divided by Free Cash Flow for the issuer for the specified period.

"**Aggregate Value / Revenue**" represents Aggregate Value divided by revenue for the issuer for the specified period.

For Magnet, revenue for the applicable specified period uses the mean street consensus estimates from Thomson Reuters Estimates as of the date specified. The mean street consensus estimates from Thomson Reuters Estimates as of January 19, 2023, the day prior to the announcement of the Arrangement, were revenue of US$126 million for the financial year ending December 31, 2023 and US$159 million for the financial year ending December 31, 2024. The mean street consensus estimates from Thomson Reuters Estimates as of October 5, 2022, the last day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company, were revenue of US$120 million for the financial year ending December 31, 2023 and US$149 million for the financial year ending December 31, 2024.

"**AV for SV Shareholders**" means the Aggregate Value to holders of SV Shares (other than the Rolling Shareholders)

implied by the Non-RS Consideration of $44.25 per Share. For purposes of calculating the fully diluted equity value, only the basic Shares outstanding and outstanding dilutive equity awards or other securities held by holders of SV Shares (other than Rolling Shareholders) are used, and none of the Shares or outstanding dilutive equity awards or other securities held by the Rolling Shareholders are used. Furthermore, for purposes of calculating the AV for SV Shareholders, both (i) cash and cash equivalents and (ii) outstanding debt were multiplied by the Implied Ownership of Holders of SV Shares. The resulting AV for SV Shareholders reflects the proportional value to be received by holders of SV Shares (other than the Rolling Shareholders) under the Arrangement.

"**AV for SV Shareholders / Revenue for SV Shareholders**" represents (i) AV for SV Shareholders divided by (ii) the product of revenue for Magnet for the specified period and the Implied Ownership of Holders of SV Shares.

"**Discounted Cash Flow**" or "**DCF**" means the discounted cash flow methodology for valuation of an issuer using projected unlevered free cash flows generated by the issuer and terminal value of the issuer, with such amounts discounted back to present value at the weighted average cost of capital.

"**Free Cash Flow**" or "**FCF**", for Magnet, represents Adjusted EBITDA, less the expenditures in respect of the purchase of property and equipment. Free Cash Flow does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be calculated by Magnet on a basis consistent with calculations of Free Cash Flow for other issuers. In this Circular, Free Cash Flow for the purpose of calculation of multiples for Magnet and other issuers uses the mean street consensus estimates from Thomson Reuters Estimates for Free Cash Flow for the next twelve months as of the date specified.

"**Free Cash Flow for SV Shareholders**" or "**FCF for SV Shareholders**" represents (i) Free Cash Flow, multiplied by (ii) the implied ownership of SV Shareholders, with such implied ownership based on the fully diluted Shares outstanding, taking into account the Rolling Shareholders receiving $39.00 per Share and the SV Shareholders receiving $44.25 per Share for purposes of estimating the dilution associated with dilutive equity awards and other securities under the treasury stock method.

"**Implied Ownership of Holders of SV Shares**" means the implied ownership of holders of SV Shares (other than the Rolling Shareholders) based on the number of fully diluted Shares outstanding, using the RS Consideration of $39.00 per Share for purposes of estimating the dilution associated with dilutive equity awards and other securities held by the Rolling Shareholders, and the Non-RS Consideration of $44.25 per Share for purposes of estimating the dilution associated with dilutive equity awards and other securities held by the holders of SV Shares (other than the Rolling Shareholders), in each case under the treasury stock method.

"**Last Twelve Months**" or "**LTM**" means the last twelve months as of the date specified.

"**Next Twelve Months**" or "**NTM**" means the next twelve months as of the date specified.

"**Next Twelve Months Revenue**" or "**NTM Revenue**" means the mean street consensus estimates from Thomson Reuters Estimates for the next twelve months revenue as of the date specified.

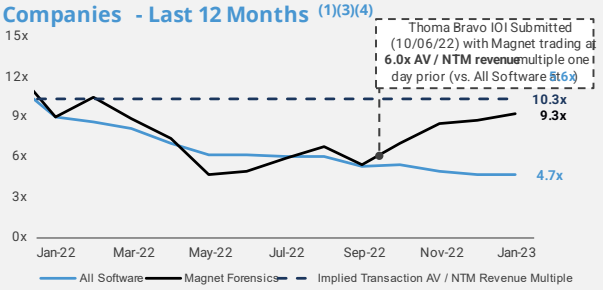
"**Revenue for SV Shareholders**" means the product of (i) revenue for Magnet for the applicable specified period using the mean street consensus estimates from Thomson Reuters Estimates as of the date specified, and (ii) the Implied Ownership of Holders of SV Shares. Revenue for SV Shareholders as of January 19, 2023, the day prior to the announcement of the Arrangement, was US$41 million for the financial year ending December 31, 2023 and US$51 million for the financial year ending December 31, 2024. Revenue for SV Shareholders as of October 5, 2022, the last day prior to Thoma Bravo's submission of its initial non-binding proposal to acquire the Company, was US$39 million for the financial year ending December 31, 2023 and US$48 million for the financial year ending December 31, 2024.

Transaction Value Crystalizes Magnet Valuation in the Top 20 (N=272) Of Publicly Traded Software Businesses

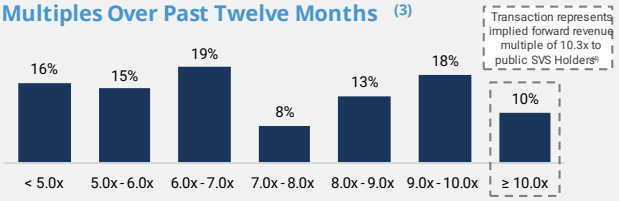
Top 20 Forward Revenue Multiples at Time of Transaction Announcement (1)(2)(3)(4)

#	Company	AV / NTM Revenue	NTM Revenue (US$MM)	NTM Revenue Growth (%)	NTM Adj. EBITDA Margin (%)
1	VeriSign	15.5x	$1,466	5%	70%
2	Snowflake	14.9x	$2,508	53%	5%
3	Cadence	12.5x	$3,603	10%	43%
4	The Trade Desk	11.9x	$1,748	18%	38%
5	Cloudflare	11.8x	$1,135	27%	12%
6	Bentley	11.6x	$1,164	8%	33%
7	GitLab	11.2x	$496	49%	(21%)
8	Paycom	11.1x	$1,506	17%	41%
9	Sprout Social	10.5x	$290	22%	(2%)
10	Ansys	10.4x	$2,116	4%	46%
11	Datadog	10.4x	$1,895	24%	16%
12	Atlassian	10.3x	$3,619	21%	18%
13	Magnet Forensics (CAS 44.25 / share)	10.3x	$118	32%	19%
14	Microstrategy	9.7x	$517	3%	18%
15	ServiceNow	9.7x	$8,083	17%	32%
16	Zscaler	9.6x	$1,516	39%	12%
17	Bill.com	9.5x	$969	29%	6%
18	Veeva Systems	9.5x	$2,302	15%	39%
19	Manhattan Associates	9.5x	$761	3%	26%
20	Paylocity	9.3x	$1,090	18%	29%
	Median	10.4x	$1,486	18%	23%
	Average	11.0x	$1,845	21%	24%

Forward AV / Revenue Multiples of Software Companies - Last 12 Months (1)(3)(4)



Distribution of Magnet AV / NTM Revenue Multiples Over Past Twelve Months (3)



9

Notes:

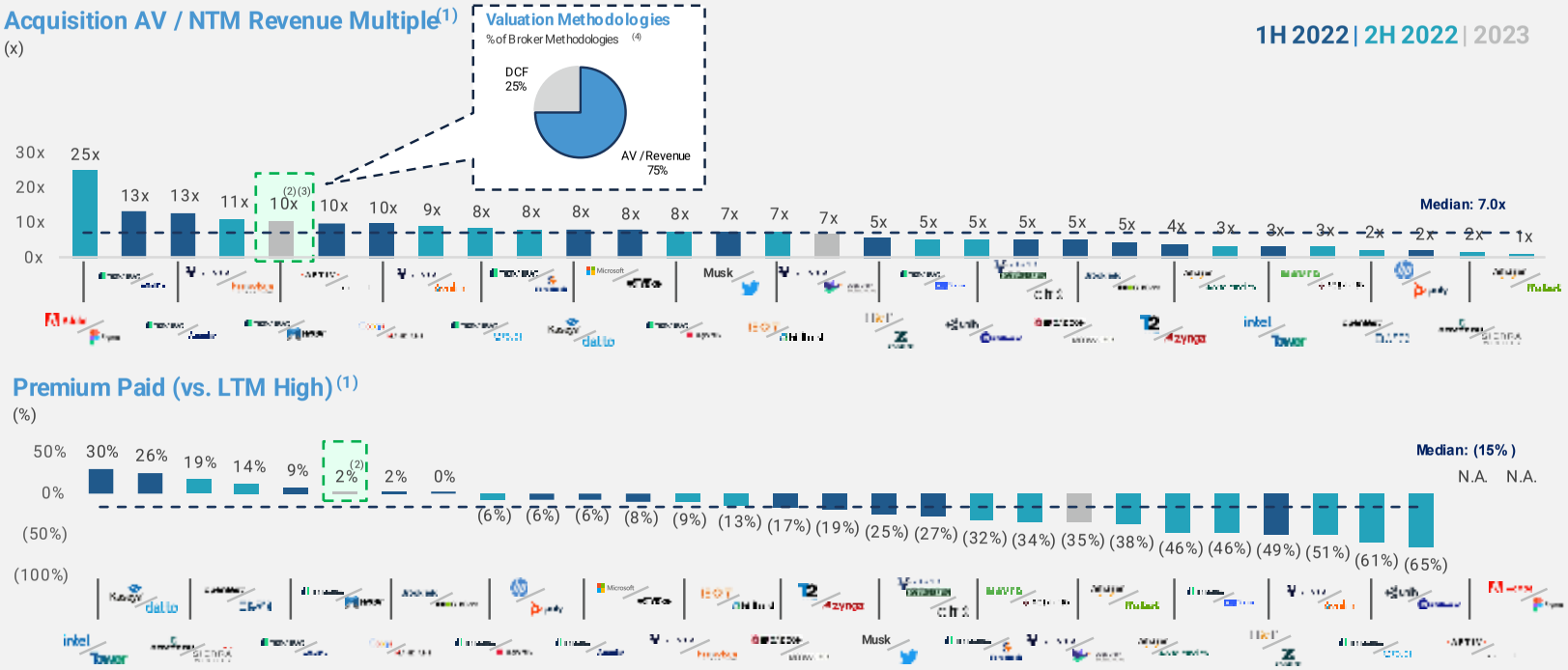
(1) Based on a set of 272 publicly traded software companies listed on the Nasdaq and New York Stock Exchange.

(2) NTM financial metrics reflect publicly available reporting as of Q3 2022 for purposes of basic shares outstanding, dilutive equity awards and other dilutive securities, cash and cash equivalents and other cash-like items and debt and other debt like items for purposes of calculating AV for the companies listed.

(3) Market data as of January 19, 2023.

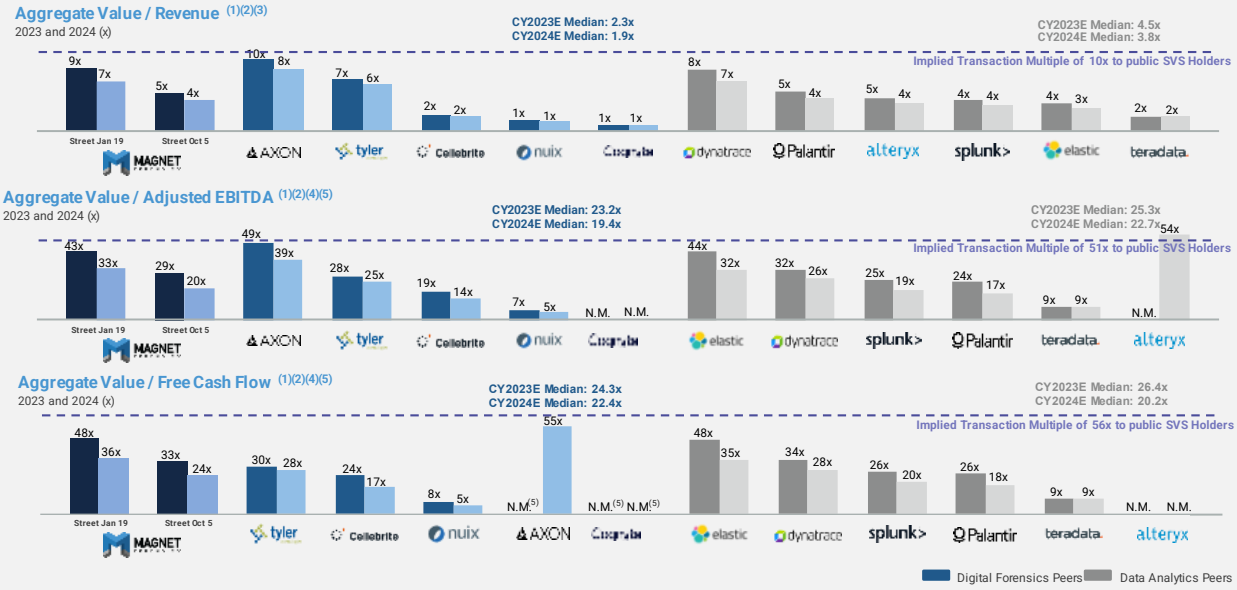
(4) 10.3x AV / Revenue multiple based on CY2023 mean street consensus estimates for Magnet of US$126MM per Thomson Reuters.

Implied Multiples at a Significant Premium to Recent Technology Sector Transactions, While Also Crystalizing Value Above 52-Week High



Notes:
(1) Based on selected announced transactions in the Technology Sector during the period from January 1, 2022 to January 20, 2023.
(2) Multiple and premium reflects Non-RS Consideration to be paid to the holders of SV Shares (other than the Rolling Shareholders).
(3) 10.3x AV / Revenue multiple based on CY2023 mean street consensus estimates for Magnet of US$126MM per Thomson Reuters.
(4) Based on a set of 8 equity research analyst valuation methodologies provided by Thomson Reuters as of January 19, 2023.

Implied Multiples of 10x NTM Revenue, 51x NTM EBITDA and 56x AV / Free Cash Flow Highly Attractive vs Peer Trading Levels



Notes:

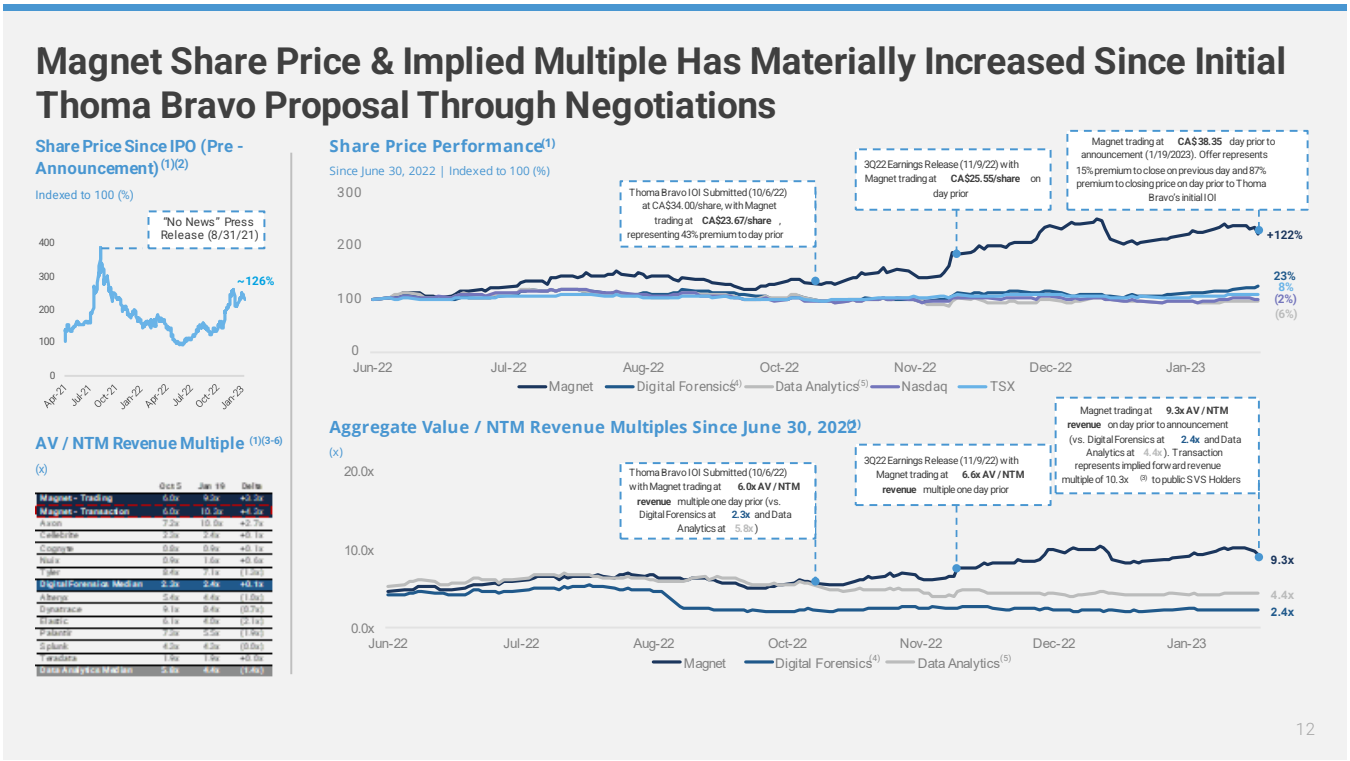
(1) Market data is provided as of January 19, 2023 for all values excluding "Street Oct 5" columns, which use market data provided as of October 5, 2022.

(2) Magnet figures and public peer figures represent the mean street consensus estimates from Thomson Reuters Estimates, as of the date of such market data, with such peer set selected taking into consideration the business-specific, market-specific, operational, and financial information of issuers considered comparable to Magnet. This peer group is not exhaustive, and accordingly excludes other issuers that may reasonably be considered by third parties to be peers of Magnet.

(3) 10.3x AV / Revenue multiple based on CY2023 mean street consensus estimates for Magnet of US$126MM per Thomson Reuters.

(4) Represents Magnet's Adjusted EBITDA unburdened by stock-based compensation and includes other adjustments for financing and acquisition-related expenses, as disclosed in Magnet's public filings; peer adjusted EBITDA unburdened for stock-based compensation and other metrics as disclosed and defined in peers' respective public filings.

(5) N.M. represents negative multiple or multiple greater than 65x.



Notes:

(1) Market data is provided as of January 19, 2023.

(2) Based on Magnet's initial public offering price as of April 28, 2021 of $17.00 and the closing price of the SV Shares on the TSX of $38.35 on January 19, 2023, the trading day immediately prior to the Company's announcement of the Arrangement, representing approximately 126% growth.

(3) 10.3x AV / Revenue multiple based on CY2023 mean street consensus estimates for Magnet of US$126MM per Thomson Reuters.

(4) Digital Forensics group includes Axon, Cellebrite, Cognyte, Nuix and Tyler.

(5) Data Analytics group includes Alteryx, Dynatrace, Elastic, Palantir, Splunk and Teradata.

(6) The "Magnet - Trading" row represents the delta between market data as of October 5, 2022 and January 19, 2023; The "Magnet – Transaction" row represents the delta between market data as of October 5, 2022 and AV for SV Shareholders.

Determinations and Recommendations of the Special Committee and the Board

Process of the Special Committee

In the course of discharging its mandate, the Special Committee received the advice and assistance of Management, its legal advisors and, as described in "*The Arrangement – Background to the Arrangement*", certain financial advisors. The Special Committee considered, among other things, information concerning:

- alternatives to the Arrangement, including the alternative of continuing to operate as a standalone company without having consummated a transaction such as the Arrangement;
- the historical market prices of the SV Shares, the lack of liquidity in the public market for the SV Shares resulting in potential difficulty for holders of SV Shares to dispose of such SV Shares, and the degree of volatility in the market price and the capital markets in the past 12 months;
- the results of the comprehensive market check conducted by the Company, with the assistance of Morgan Stanley, subsequent to the receipt of the initial TB Proposal that did not result in any proposal that was superior to the offer from the Purchaser; and
- the Formal Valuation and Fairness Opinions.

In developing its recommendation to the Board, the Special Committee considered the transaction terms, procedural elements, benefits and risks discussed in this Circular, among other things.

Advice of Morgan Stanley

In November 2022, the Special Committee entered into the MS Engagement Agreement to engage Morgan Stanley as exclusive financial advisor to the Special Committee and to provide, among other things, financial advice and assistance and

if requested, to deliver to the Special Committee an opinion (the "**MS Fairness Opinion**") as to whether, as of the date of the MS Fairness Opinion, the Consideration (as defined in the MS Fairness Opinion) to be received by 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, a copy of which is attached as Appendix "G" hereto. Pursuant to the MS Engagement Agreement, Morgan Stanley is to be paid a fee for its services as financial advisor, including a fee that has been paid for the MS Fairness Opinion and fees that are contingent on the completion of the Arrangement Agreement or certain other events. The Company has also agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each Person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities Laws, related to or arising out of Morgan Stanley's engagement.

Morgan Stanley orally delivered the MS Fairness Opinion to the Special Committee on January 20, 2023.

As set out in the MS Fairness Opinion, Morgan Stanley is of the opinion that, as of January 20, 2023, and based upon and subject to the various assumptions made, procedures followed, matters considered, and the limitations and qualifications on the scope of review undertaken by Morgan Stanley, set forth in the MS Fairness Opinion, the Consideration (as defined in the MS Fairness Opinion) to be received by 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.

Advice of CIBC

In November 2022, the Special Committee engaged CIBC as its independent valuator to provide a formal valuation of the Shares in accordance with MI 61-101 and its opinion as to the fairness, from a financial point of view, of 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) pursuant to the Arrangement Agreement (the "**CIBC Formal Valuation and Fairness Opinion**"), a copy of which is attached as Appendix "F" hereto. The Company agreed to pay CIBC a fixed fee upon completion or delivery of a preliminary value analysis and a fixed fee upon the substantial completion or delivery of the CIBC Formal Valuation and Fairness Opinion, neither of which is contingent upon the completion of the Arrangement or CIBC's conclusions in the CIBC Formal Valuation and Fairness Opinion. The fixed fee for delivering the preliminary value analysis is creditable against the fixed fee payable upon substantial completion or delivery of the CIBC Formal Valuation and Fairness Opinion in the event such fee is payable. CIBC is not entitled to any fee that is contingent on successful completion of the Arrangement. CIBC has advised the Special Committee that it has no relationship with the Company or the Rolling Shareholders that would reasonably represent a conflict with its independence status as defined under Part 6 of MI 61-101.

CIBC orally delivered the CIBC Formal Valuation and Fairness Opinion to the Special Committee on January 20, 2023.

As set out in the CIBC Formal Valuation and Fairness Opinion, CIBC is of the opinion that, as of January 20, 2023, and based upon and subject to the assumptions, limitations and qualifications set forth therein, (i) the fair market value of the Shares was in the range of $36.50 to $48.75 per Share and (ii) 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) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such shareholders.

Reasons for the Determinations and Recommendations of the Special Committee and the Board

In making its determinations, the Special Committee, comprised solely of independent directors of the Company, with the assistance of its financial and legal advisors, carefully reviewed, considered and relied upon strategic implications of undertaking the proposed transaction with Thoma Bravo as opposed to continuing to operate as a standalone company without having consummated a transaction such as the Arrangement, as well as other substantive factors, discussed below.

Strategic Considerations

Strategic considerations were of critical importance to the Special Committee's determination to recommend the Arrangement as it considered the Company's prospects as a standalone publicly traded company. These strategic considerations included:

- **Mobile Extraction Capability.** The increasing proportion of data stored on mobile devices requires the capability to extract data from mobile devices. The Company's current capabilities related to mobile extraction are limited, which was considered a key challenge to future growth, and which had led the Company to pursue Grayshift as an acquisition partner starting in September 2021, as discussed above under "*The Arrangement – Background to the Arrangement*".

- **Rare Strategic Opportunity.** The prospect of an acquisition target or partner of sufficient scale with mobile extraction capability was considered to be diminishing, leaving the Company exposed to the prospect that no superior alternative transaction would be available, and the resulting strategic and execution risks of maintaining the status quo.

- **Increasing Competition.** Other providers of digital forensics and adjacent services are developing new products and expanding into the Company's areas of core competency. Coupled with the growing significance of mobile extraction, these developments were considered to represent a long-term threat to the Company's continued growth.

For these, and the other reasons discussed below, the Special Committee determined that the Arrangement represents a compelling opportunity for the Company as compared to the opportunities and risks of continuing to operate as a standalone company without having consummated a transaction such as the Arrangement.

Substantive Factors

In making its determinations, the Special Committee also reviewed, considered and relied upon a number of substantive factors in addition to the above-mentioned strategic considerations, including the following:

- **Special Committee and Board Oversight.** The Arrangement and the Arrangement Agreement are the result of a robust negotiation process that was undertaken at arm's length with the oversight and participation of the Special Committee as advised by independent and highly qualified legal and financial advisors, which resulted in an agreement with terms and conditions that provide the Shareholders with significant, immediate and certain value, on terms that are reasonable in the judgment of the Special Committee and the Board.

- **Market Check and Increased Offer.** The Company, with the assistance of Morgan Stanley, conducted a comprehensive market check subsequent to the receipt of the initial proposal from Thoma Bravo to determine the potential interest of other parties in an alternative transaction with the Company and increase competitive tension in any negotiations with Thoma Bravo. During the market check, Morgan Stanley had discussions with eight potential strategic and financial purchasers, other than Thoma Bravo, which the Special Committee had determined represented the most synergistic, highest ability to pay buyers. Three such potential purchasers entered into non-disclosure agreements and all three such potential purchasers participated in a presentation with Management. Subsequently, one financial sponsor engaged in subsequent due diligence. All potential purchasers, including Thoma Bravo, were managed on the same timeline, and of those that executed non-disclosure agreements, received equal access to Management and the Company's due diligence information. Each of CIBC and Morgan Stanley were provided with access to the same financial and other information. The Company continued to have discussions with Thoma Bravo over the course of the market check. The market check did not result in any proposal that was superior to the offer from the Purchaser.

  During the course of the market check, the initial offer received from the Purchaser was increased by $6.00 per Share to $40.00 per Share, as compared to the initial proposal from Thoma Bravo of $34.00 per Share, and following additional negotiations with the Purchaser and the Rolling Shareholders was increased by a further $4.25 per SV Share to the final offer price of $44.25 per SV Share (other than with respect to the SV Shares held by the Rolling Shareholders), representing an increase of approximately 30% to the initial proposal of Thoma Bravo. This was obtained, in part, by requesting that the Rolling Shareholders agree to accept a purchase price of $39.00 per Share, which was $5.25 per Share, or approximately 11.9%, less than that offered to other holders of SV Shares. The final offer price of $44.25 per SV Share (other than with respect to the SV Shares held by the Rolling Shareholders) is well above the mid-point of the fair market value range of $36.50 to $48.75 per Share set forth in the CIBC Formal Valuation and Fairness Opinion.

- **Attractive Premium to Shareholders.** The Consideration to be received by holders of SV Shares (other than the Rolling Shareholders) pursuant to the Arrangement represents a premium of approximately:

  - 15% to the closing price on the TSX of the SV Shares on January 19, 2023, the last trading day prior to the announcement of the Arrangement;

  - 41% to the 90-trading day volume weighted average trading price per SV Share as of January 19, 2023;

  - 160% to the Company's initial public offering price of the SV Shares of $17.00; and

  - 87% to the closing price on October 5, 2022, the last day prior to Thoma Bravo's submission of its initial non-binding proposal for the acquisition of the Company.

Furthermore, the all-cash Consideration of $44.25 per Share for holders of SV Shares (other than the Rolling Shareholders) exceeds the 52-week high closing price of the SV Shares on the TSX as of January 19, 2023, the day prior to announcement of the Arrangement.

- **Favourable Multiple Comparisons.** The Special Committee considered the highly favourable comparison of the following multiples implied by the Non-RS Consideration to be received by holders of SV Shares (other than the Rolling Shareholders) to the multiples implied by precedent transactions comparable to the Arrangement as well as multiples implied by the trading price of industry peers:

    - Aggregate Value for SV Shareholders / Revenue for SV Shareholders multiple of approximately 10x;

    - Aggregate Value for SV Shareholders / Adjusted EBITDA for SV Shareholders multiple of approximately 51x; and

    - Aggregate Value for SV Shareholders / Free Cash Flow for SV Shareholders multiple of approximately 56x,

  with such estimates based on mean street consensus estimates from Thomson Reuters Estimates for both the Company and industry peers for 2023. Further detail on these multiples is disclosed under the headings "*Non-IFRS Measures*" and "*The Arrangement – Background to the Arrangement –Multiples Implied by the Non-RS Consideration*".

- **All Cash Consideration.** The Consideration to be received by the Shareholders (other than the Rolling Shareholders) pursuant to the Arrangement is all cash, which allows such Shareholders to crystalize the favourable valuation multiples discussed above while achieving certainty of value and liquidity without exposure to either the risks to which the Company is subject on a standalone basis, including those related to competition, industry consolidation, market conditions and the Company's access to growth capital, or the risks, including integration risks, associated with the combination of Magnet and Grayshift. The Consideration payable under the Arrangement will also allow each such Shareholder to dispose of their Shares without incurring brokerage fees or commissions.

- **Formal Valuation and Fairness Opinions.** The Formal Valuation and Fairness Opinions, each of which, based upon and subject to the various assumptions made, procedures followed, matters considered and limitations and qualifications set forth therein, concluded that, as of the date of such Formal Valuation and Fairness Opinions, the Consideration (as defined in the Formal Valuation and Fairness Opinions) to be received by the holders of SV Shares (other than the Rolling Shareholders) pursuant to the Arrangement Agreement was fair, from a financial point of view, to such shareholders and, with respect to the CIBC Formal Valuation and Fairness Opinion, which concluded that, based upon and subject to the assumptions, limitations and qualifications set forth therein, the fair market value of the Shares as at January 20, 2023 was in the range of $36.50 to $48.75 per Share.

- **RS Consideration vs. Non-RS Consideration.** The Special Committee considered the fact that following negotiations, the Rolling Shareholders agreed to receive the RS Consideration for their Shares, other than the Rollover Shares, in order to increase the Non-RS Consideration for the other Shareholders.

- **Historical Market Price.** The Special Committee considered the Non-RS Consideration as compared to the historical market prices of the SV Shares, the lack of liquidity in the public market for the SV Shares resulting in potential difficulty for holders of SV Shares to dispose of such SV Shares, and the degree of volatility in the market price and the capital markets in the past 12 months.

- **Alternatives to the Arrangement.** The Special Committee considered alternatives to the Arrangement, including the alternative of continuing to operate as a standalone company without having consummated a transaction such as the Arrangement, and the potential effects on the Company, and the implications to the Company of not achieving capability in data extraction from mobile devices and determined that the Arrangement was in the best interests of the Company.

- **Limited Conditions to Closing.** The Arrangement is subject to only a limited number of customary closing conditions and is not subject to any due diligence or financing condition with the result that there is reasonable certainty of completion in a reasonable amount of time. If the Required Regulatory Approvals are obtained in a timely manner, it is anticipated that the Effective Date will occur by the second quarter of 2023.

- **Limited Restrictions on Business.** The Special Committee considered that the restrictions under the Arrangement Agreement on the Company's business until the Arrangement is completed or the Arrangement Agreement is terminated are reasonable and are not expected to impair or materially affect the Company's business during such

period.

- **Approval Requirements.** The Arrangement Resolution must be approved by (i) the affirmative vote of at least 66⅔% of the votes cast by Shareholders who vote in person or by proxy at the Meeting, with all Shareholders voting as a single class; (ii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting, after excluding the Excluded Votes; (iii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting; and (iv) the affirmative vote of at least a simple majority of the votes cast by holders of MV Shares who vote in person or by proxy at the Meeting. The Arrangement must also be approved by the Court, which will consider the fairness and reasonableness of the Arrangement to all Shareholders.

- **Ability to respond to a Superior Proposal.** The terms and conditions of the Arrangement Agreement do not prevent a third party from making an unsolicited Acquisition Proposal. Subject to compliance with the terms of the Arrangement Agreement, the Board is not precluded from considering and responding to an unsolicited Acquisition Proposal that constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal at any time prior to obtaining the Required Shareholder Approval. In the event that a Superior Proposal is made and not matched by the Purchaser, the Arrangement Agreement may be terminated by the Company subject to the payment by the Company to the Purchaser of the Company Termination Fee, and the Company may enter into a definitive agreement with respect to such Superior Proposal.

- **Reasonable Break Fee.** The Company Termination Fee of $50,000,000 is payable by the Company to the Purchaser if the Arrangement Agreement is terminated under certain circumstances and is considered appropriate in the circumstances as an inducement for the Purchaser to enter into the Arrangement Agreement and, in the view of the Special Committee, the Company Termination Fee would not preclude the possibility of a third party making a Superior Proposal.

- **Reverse Break Fee.** The Purchaser Termination Fee of $70,000,000 is payable by the Purchaser to the Company where the Arrangement Agreement is terminated by the Company under certain circumstances in which the Purchaser either willfully breaches its representations and warranties or covenants causing a related closing condition in favour of the Company not to be satisfied, or does not provide or cause to be provided the funds required to be provided to the Depositary to fund payment of the Consideration, and is considered appropriate in the circumstances and reasonable compensation to the Company in the event that the Arrangement is not completed in the circumstances referred to above.

- **Support of Rolling Shareholders.** All of the Rolling Shareholders holding an aggregate of 368,522 SV Shares representing approximately 2.99% of all outstanding SV Shares, on a non-diluted basis, and 100% of the MV Shares are supportive of the Arrangement, and have agreed, among other things, to vote in favour of the approval of the Arrangement Resolution pursuant to Voting Support Agreements entered into with the Purchaser and the Company, and who, as a result of their holdings of MV Shares, would effectively be able to veto any alternative transaction.

- **Support of Directors and Executive Officers.** All of the directors and certain of the officers of the Company holding an aggregate of 30,579,804 Shares, representing in excess of 96.47% of the votes of all outstanding Shares, are supportive of the Arrangement, and have agreed, among other things, to vote in favour of the approval of the Arrangement Resolution pursuant to Voting Support Agreements entered into with the Purchaser and the Company.

- **Termination of Ancillary Agreements.** In the event that the Arrangement Agreement is terminated in accordance with its terms, obligations under each of the Voting Support Agreements and the Rollover Agreements automatically terminate.

- **Accelerated Vesting of Securities.** The accelerated vesting of all unvested Options, DSUs and RSUs outstanding immediately prior to the Effective Time and the receipt by holders of such incentive securities of a cash payment per incentive security equal to the applicable Convertible Consideration.

- **Treatment of ESPP.** The extension of the purchase period under the ESPP beginning on April 1, 2023 until March 31, 2024 and the return, immediately prior to the Effective Time, to each participant in the ESPP of any unused contributions thereunder, if any, together with the cash payment contemplated by Section 14 of the ESPP.

- **Transaction Bonuses.** The payment of transaction bonuses of up to an aggregate of US$850,000 to certain employees of the Company and its Subsidiaries to recognize and compensate such individuals for the additional work they have taken on with respect to the Arrangement.

- **Rollover Agreements.** The Special Committee considered the material terms and conditions of the Rollover Agreements and the representations and covenants made by the Purchaser in connection therewith in the Arrangement Agreement.

- **Dissent Rights.** Registered Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise Dissent Rights and, if ultimately successful, receive fair value for their Shares and the Purchaser cannot terminate the Arrangement Agreement unless Shareholders holding at least 5% of the Shares dissent.

The Special Committee also considered a number of potential risks and adverse factors relating to the Arrangement, including the following:

- **Risk of Non-Completion.** The risks to the Company if the Arrangement is not completed, including those discussed above under "– *Strategic Considerations*", the costs to the Company in pursuing the Arrangement and the diversion of the Company's management team from the conduct of the Company's day-to-day business, the potential impact on the Company's current business relationships (including with current and prospective customers, employees, suppliers and other industry partners) and the potential adverse effect on the market price of the SV Shares.

- **No Longer a Public Company.** Following the Arrangement, the Company will no longer exist as a public corporation and the Shareholders (other than the Rolling Shareholders) will forego any potential future increase in share value balanced against the fact that the Shareholders (other than the Rolling Shareholders) will no longer be taking any risks of the Company's business.

- **Transaction Costs.** The fees and expenses associated with the Arrangement, a significant portion of which will be incurred regardless of whether the Arrangement is consummated.

- **Taxable Transaction.** The fact that the purchase by the Purchaser of the Shares (other than the Rollover Shares) from Shareholders will be a taxable transaction for Canadian federal income tax purposes (and may also be a taxable transaction under other applicable tax Laws) and, as a result, Shareholders will generally be required to pay taxes on gains, if any, that result from the receipt of the Consideration under the Arrangement.

- **Non-Solicitation Covenants.** The customary limitations contained in the Arrangement Agreement on the Company's ability to solicit additional interest from third parties, the Purchaser's right under the Arrangement Agreement to match a Superior Proposal and that the quantum of the Company Termination Fee may discourage other parties from making a Superior Proposal.

- **Non-Satisfaction of Closing Conditions.** The closing conditions contained in the Arrangement Agreement that may not be forthcoming or satisfied, and the right of the Purchaser to terminate the Arrangement Agreement in certain, limited circumstances.

The foregoing summary of information, factors and risks considered by the Special Committee and the Board is not intended to be exhaustive of all matters considered in arriving at a conclusion and making the recommendations incorporated herein. Members of the Special Committee used their own knowledge of the business, financial condition and prospects of the Company along with the assistance of Management and legal advisors to the Special Committee in their evaluation of the Arrangement and relied on Morgan Stanley and CIBC, as applicable, in the preparation and delivery of the Formal Valuation and Fairness Opinions. In view of the wide variety of factors considered by each member of the Special Committee in connection with their respective assessments of the Arrangement, and the complexity of such matters, the Special Committee and the Board (with the Conflicted Directors abstaining) did not consider it practical, nor did any of them attempt, to quantify, rank or otherwise assign relative weights to the foregoing factors that they considered in reaching their respective decisions. In addition, individual members of the Special Committee and the Board may have given different weight to different factors and may have applied different analyses to each of the material factors considered. The conclusions and recommendations of the Special Committee and Board (with the Conflicted Directors abstaining) were arrived at after considering the totality of the information presented to and considered by them.

See "*The Arrangement – Determinations and Recommendations of the Special Committee and the Board*".

Recommendations of the Special Committee

Based on its consideration of the foregoing and all other information available to it, the Special Committee concluded that the Consideration to be received by the Shareholders (other than the Rolling Shareholders) pursuant to the Arrangement is fair, from a financial point of view, and that the Arrangement is in the best interests of the Company. The Special Committee

therefore determined to unanimously recommend to the Board that it (i) determine that the Non-RS Consideration to be received by the Shareholders (other than the Rolling Shareholders) is fair, from a financial point of view; (ii) determine that the Arrangement is in the best interests of the Company; (iii) approve the Arrangement, including the execution, delivery and performance by the Company of the Arrangement Agreement and the Voting Support Agreements; and (iv) unanimously recommend (with Conflicted Directors abstaining from voting) that the Shareholders (other than the Rolling Shareholders) vote in favour of the Arrangement Resolution.

Recommendations of the Board

At the meeting of the Board on January 20, 2023, based on, among other things, its consideration of the Formal Valuation and Fairness Opinions, the report and recommendations of the Special Committee and advice of legal and financial advisors, the Board (with the Conflicted Directors abstaining) concluded that the Non-RS Consideration to be received by the Shareholders (other than the Rolling Shareholders) is fair, from a financial point of view and the Arrangement is in the best interests of the Company. Accordingly, the Board (with the Conflicted Directors abstaining) unanimously recommends that the Shareholders (other than the Rolling Shareholders) vote in favour of the Arrangement Resolution.

THE BOARD (WITH THE CONFLICTED DIRECTORS ABSTAINING) UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS (OTHER THAN THE ROLLING SHAREHOLDERS) VOTE <u>FOR</u> THE ARRANGEMENT RESOLUTION.

Formal Valuation and Fairness Opinions

CIBC Formal Valuation and Fairness Opinion

In deciding to recommend approval of the Arrangement to the Board, the Special Committee considered, among other things, the CIBC Formal Valuation and Fairness Opinion.

The Special Committee engaged CIBC as independent valuator to, among other things, prepare and deliver, under the supervision of the Special Committee, a formal valuation of the Shares in accordance with MI 61-101 and to provide its opinion regarding the fairness, from a financial point of view, of 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) pursuant to the Arrangement Agreement.

The Special Committee determined, based in part on certain representations made to it by CIBC, that CIBC was independent of the Company and the Rolling Shareholders for the purposes of MI 61-101 and qualified to prepare a formal valuation of the Shares in accordance with MI 61-101 and to provide an opinion concerning the fairness, from a financial point of view, of 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) pursuant to the Arrangement Agreement.

CIBC provided the Special Committee with the CIBC Formal Valuation and Fairness Opinion for its exclusive use only in connection with its consideration of the Arrangement and it is not to be used or relied upon by any other person except in accordance with CIBC's prior written consent. The CIBC Formal Valuation and Fairness Opinion is not intended to be, nor does it constitute, a recommendation to the Special Committee or to the Board whether to enter into the Arrangement or as to how Shareholders should vote with respect to the Arrangement or any other matter. The CIBC Formal Valuation and Fairness Opinion was one of a number of factors taken into consideration by the Special Committee. This summary of the CIBC Formal Valuation and Fairness Opinion is qualified in its entirety by reference to the full text of the CIBC Formal Valuation and Fairness Opinion included in this Circular as Appendix "F". The Board urges Shareholders to read the CIBC Formal Valuation and Fairness Opinion carefully and in its entirety.

Pursuant to the CIBC Formal Valuation and Fairness Opinion, CIBC determined that, as of January 20, 2023, and based upon and subject to the assumptions, qualifications and limitations set forth therein, (i) the fair market value of the Shares was in the range of $36.50 to $48.75 per Share and (ii) 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) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such shareholders.

<u>CIBC's Engagement and Qualifications</u>

CIBC was formally appointed by the Special Committee effective November 14, 2022 pursuant to the CIBC Engagement Agreement to prepare and deliver, under the supervision of the Special Committee, a formal valuation of the Shares in accordance with MI 61-101 and to provide an opinion concerning the fairness, from a financial point of view, of 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) pursuant to the Arrangement Agreement.

Details regarding CIBC's qualifications, credentials and independence for purposes of MI 61-101 are set forth under the headings "Credentials of CIBC" and "Relationships with Interested Parties" in the CIBC Formal Valuation and Fairness Opinion attached to this Circular as Appendix "F".

CIBC has advised the Company that, as at the date of the CIBC Formal Valuation and Fairness Opinion, CIBC and its affiliates do not have any equity interest in Thoma Bravo or any of its affiliates.

Fees Payable to CIBC

The CIBC Engagement Agreement provides for a payment to CIBC of a fixed fee in the amount of $350,000, payable upon the completion or delivery to the Special Committee of the preliminary value analysis, and creditable against any fees payable upon the delivery of the CIBC Formal Valuation and Fairness Opinion, and a further fixed fee in the amount of $1,000,000 upon substantial completion or delivery to the Special Committee of the CIBC Formal Valuation and Fairness Opinion. The fees payable to CIBC under the CIBC Engagement Agreement were negotiated and agreed to by CIBC and the Special Committee. No portion of the fees payable to CIBC under the CIBC Engagement Agreement is contingent upon the conclusions reached by CIBC in the CIBC Formal Valuation and Fairness Opinion or upon the completion of the Arrangement.

Under the CIBC Engagement Agreement, CIBC is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred by it in connection with its engagement. The Company has also agreed to indemnify CIBC in respect of certain liabilities which may arise out of its engagement.

MS Fairness Opinion

The Special Committee retained Morgan Stanley as its financial advisor in connection with the Arrangement on November 3, 2022, pursuant to the MS Engagement Agreement. The Special Committee selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise and reputation and its knowledge of the industry, business and affairs of the Company. At a meeting of the Special Committee held on January 20, 2023, Morgan Stanley delivered a presentation and rendered its oral opinion, which was subsequently confirmed in a written opinion dated January 20, 2023, to the effect that, as of the date of the MS Fairness Opinion, and based upon and subject to the various assumptions made, procedures followed, matters considered, and the limitations and qualifications on the scope of review undertaken by Morgan Stanley as set forth in its written opinion, the Consideration (as defined in the MS Fairness Opinion) to be received by 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 full text of the MS Fairness Opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion, is attached as Appendix "G" to this Circular, and is incorporated by reference herein in its entirety. The foregoing summary of the MS Fairness Opinion is qualified in its entirety by reference to the full text of the MS Fairness Opinion. You are encouraged to read the MS Fairness Opinion and the summary of the MS Fairness Opinion below carefully and in their entirety. The MS Fairness Opinion was for the benefit of the Special Committee, in its capacity as such, and addressed only the fairness of the Consideration (as defined in the MS Fairness Opinion) to be received by holders of SV Shares (other than SVS Excluded Shares (as defined in the MS Fairness Opinion)) from a financial point of view to such holders of such SV Shares, as of the date of the MS Fairness Opinion. The MS Fairness Opinion is not and is not intended to be and does not constitute a recommendation as to how Shareholders should vote in respect of the Arrangement Resolution.

In connection with rendering the MS Fairness Opinion, Morgan Stanley, among other things:

- reviewed certain publicly available financial statements and other business and financial information of the Company;
- reviewed certain internal financial statements and other financial and operating data concerning the Company;
- reviewed certain financial projections prepared by the management of the Company and certain extrapolations prepared with guidance from the management of the Company (which were reviewed and approved by the Company for Morgan Stanley's use) (the "**Financial Projections**");
- discussed the past and current operations and financial condition and the prospects of the Company with senior executives of the Company;

- reviewed the reported prices and trading activity for the SV Shares;
- compared the financial performance of the Company and the prices and trading activity of the SV Shares with that of certain other publicly traded companies comparable with the Company, and their securities;
- reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;
- participated in certain discussions and negotiations among representatives of the Company and the Purchaser and certain parties and their financial and legal advisors;
- reviewed the Arrangement Agreement, drafts of the Voting Support Agreements dated January 20, 2023, drafts of the Commitment Letters dated January 20, 2023, and certain other related documents; and
- performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Morgan Stanley by the Company, and which formed a substantial basis for its opinion. With respect to the Financial Projections, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the then best currently available estimates and judgments of the management of the Company of the future financial performance of the Company. Morgan Stanley expressed no view as to the Financial Projections nor the assumptions on which they were based. In addition, Morgan Stanley assumed that the Arrangement will be consummated in accordance with the terms set forth in the Arrangement Agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the Purchaser will obtain financing in accordance with the terms set forth in the Commitment Letters and that the definitive Arrangement Agreement and Voting Support Agreements would not differ in any material respects from the respects drafts thereof furnished to Morgan Stanley. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory, or other approvals and consents required for the Arrangement, no delays, limitations, conditions, or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Plan of Arrangement. Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of the Company and its legal, tax or regulatory advisors with respect to legal, tax or regulatory matters.

Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or any class of such persons or other Continuing Shareholders, relative to the Consideration (as defined in the MS Fairness Opinion) to be received by the holders of SV Shares in the transaction. Morgan Stanley did not express any view on, and Morgan Stanley's opinion did not address any other term or aspect of the Arrangement Agreement or the transactions contemplated thereby (including any consideration that may be received by any Continuing Shareholders) or any term or aspect of any other agreement or instrument contemplated by the Arrangement Agreement or entered into or amended in connection therewith. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of the Company, nor was it furnished with any such valuations or appraisals. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, January 20, 2023. Events occurring after such date may affect Morgan Stanley's opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm the opinion.

Summary of Financial Analyses

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with its oral opinion delivered on January 20, 2023, and the preparation of its written opinion dated January 20, 2023, to the Special Committee. The following summary is not a complete description of the MS Fairness Opinion or the financial analyses performed and factors considered by Morgan Stanley in connection with the MS Fairness Opinion, nor does the order of analyses described represent the relative importance or weight given to those analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before January 19, 2023, and is not necessarily indicative of current market conditions. Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. The analyses listed in the tables and described below must be considered as a whole; considering any portion of such

analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the MS Fairness Opinion. In performing the financial analysis summarized below and arriving at its opinion, Morgan Stanley used and relied upon the Financial Projections.

Morgan Stanley's financial analysis was conducted in US dollars. The Financial Projections were prepared in US dollars. Where Canadian dollars are referenced, relevant US dollar financial metrics were converted to Canadian dollars based on prevailing exchange rates as of January 19, 2023.

Comparable Company Analysis

Morgan Stanley performed a public trading comparables analysis, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded. Morgan Stanley reviewed and compared certain financial estimates for the Company with comparable publicly available consensus equity analyst research estimates for selected companies, selected based on Morgan Stanley's professional judgement and experience, that share similar business, financial, and/or operating characteristics (these companies are referred to as the "**comparable companies**"). The following list sets forth the comparable companies that were reviewed in connection with this analysis:

Digital Forensics & Public Safety:

- Axon Enterprise, Inc.
- Cellebrite DI Ltd.
- Cognyte Software Ltd.
- Nuix Ltd.
- Tyler Technologies, Inc.

Data Analytics:

- Alteryx, Inc.
- Dynatrace, Inc.
- Elastic N.V.
- Palantir Technologies Inc.
- Splunk Inc.
- Teradata Corporation

For purposes of this analysis, Morgan Stanley analyzed the ratio of aggregate value ("**AV**"), which Morgan Stanley defined as fully-diluted market capitalization plus debt less cash and cash equivalents, to (i) estimated revenue ("**AV/Revenue**") and (ii) estimated adjusted EBITDA, which is unburdened by stock-based compensation expenses, ("**AV/EBITDA**"), for calendar years 2023 and 2024, of the Company and each of the comparable companies based on publicly available financial information for comparison purposes.

For purposes of this analysis of the comparable companies, Morgan Stanley utilized publicly available estimates of revenue and adjusted EBITDA (to conform to the Company's non-GAAP internal reporting), compiled by Thomson Reuters, prepared by equity research analysts, available as of January 19, 2023.

The following table presents the results of this analysis:

Comparable Company	AV/ CY2023E Revenue	AV/ CY2024E Revenue	AV/ CY2023E EBITDA	AV/ CY2024E EBITDA
Digital Forensics & Public Safety				

Axon Enterprise, Inc.	9.9x	8.4x	49.0x	38.8x
Cognyte Software Ltd.	0.9x	0.9x	N.M	N.M.
Cellebrite DI Ltd.	2.3x	1.9x	18.6x	14.1x
Nuix Ltd.	1.6x	1.4x	8.9x	5.6x
Tyler Technologies, Inc.	7.0x	6.4x	27.7x	24.7x
Median of Digital Forensics & Public Safety Peers	**2.3x**	**1.9x**	**23.2x**	**19.4x**
Data Analytics				
Alteryx, Inc.	4.6x	3.9x	N.M.	54.1x
Elastic N.V.	4.0x	3.2x	43.7x	31.7x
Splunk Inc.	4.4x	3.7x	25.3x	19.2x
Dynatrace, Inc.	8.2x	6.8x	30.8x	25.7x
Palantir Technologies Inc.	5.5x	4.4x	24.5x	17.3x
Teradata Corporation	2.1x	2.0x	8.7x	8.6x
Median of Data Analytics Peers	**4.5x**	**3.8x**	**25.3x**	**22.4x**

* "N.M." represents AV/EBITDA multiple of greater than 65.0x or negative AV/ EBITDA multiple.

Based on its analysis of the relevant metrics for each of the comparable companies and upon the application of its professional judgment and experience, Morgan Stanley selected representative ranges of AV/Revenue and AV/ EBITDA for calendar years 2023 and 2024, as set forth in the table below. The ranges selected considered, among other factors, Cellebrite's trading levels as the low end and the median of the Data Analytics peers as the high end, noting the substantially smaller scale of the Company relative to the peers chosen may typically result in a discounted multiple relative to such peers. The Company's estimated revenue used in this analysis as set forth in the Financial Projections was US$133 million and US$180 million for 2023 and 2024, respectively, and the Company's estimated adjusted EBITDA used in this analysis as set forth in the Financial Projections was US$30 million and US$45 million for 2023 and 2024, respectively. Morgan Stanley then applied those representative ranges to the corresponding statistics of the Company as set forth in the Financial Projections. Based on the issued and outstanding Shares on a fully-diluted basis of approximately 43 million Shares as determined using the treasury stock method, as provided by the Company as of January 19, 2023 (the latest information available at the time of calculation) and estimated net cash as provided by the Company as of September 30, 2022, of US$121 million, the analysis resulted in estimated implied value per share of the Shares, rounded to the nearest US$1.00 and $1.00, as follows:

	Selected Comparable Company Multiple Ranges	**Implied Equity Value Per Share of Company Common Stock (US$)**	**Implied Equity Value Per Share of Company Common Stock ($)**
Aggregate Value to Estimated 2023 Revenue	2.5-4.5x	US$11-17	$14-23
Aggregate Value to Estimated 2024 Revenue	2.0-4.0x	US$11-20	$15-26
Aggregate Value to Estimated 2023 EBITDA	19.0x-25.0x	US$16-20	$22-27
Aggregate Value to Estimated 2024 EBITDA	14.0-22.0x	US$17-26	$24-35

*EBITDA defined as GAAP EBIT, unburdened by depreciation, amortization, stock-based compensation. Company EBITDA includes other adjustments for financing and acquisition-related expenses.

No company utilized in the public trading comparables analysis is identical to the Company. In evaluating the comparable companies, Morgan Stanley made numerous assumptions with respect to industry performance, general business, regulatory, economic, market and financial conditions and other matters, many of which are beyond the Company's control. These include, among other things, the impact of competition on the Company's business and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of the Company and the industry, and in the financial markets in general.

Discounted Equity Value Analysis

Morgan Stanley performed a discounted equity value analysis, which is designed to provide insight into a theoretical estimate of the future implied value of a company's common equity as a function of that company's estimated future financial performance and a theoretical range of trading multiples. The resulting estimated future implied value is subsequently discounted back to the present day at the Company's cost of equity in order to arrive at an illustrative estimate of the present value for the Company's theoretical future implied share price.

Using the Financial Projections, Morgan Stanley calculated ranges of implied equity values per Share as of December 31, 2022. To calculate the discounted equity value per Share, Morgan Stanley used NTM Revenue and NTM EBITDA as of December 31, 2024 (as provided in the Financial Projections). Morgan Stanley calculated the future equity value per Share at the end of calendar year 2024 by applying a revenue multiple range of 2.5x to 4.5x and an EBITDA multiple range of 19.0x to 25.0x (which ranges Morgan Stanley selected based on the application of Morgan Stanley's professional judgment and experience) to the Company's NTM Revenue and NTM EBITDA (each as defined below) as of December 31, 2024 in order to reach a future implied aggregate value, and then subtracted the projected net cash of US$237 million, which included the cumulative impact of stock based compensation from January 1, 2023, through December 31, 2024 to reach a future implied equity value, which was then divided by the Company's fully diluted share count of approximately 43 million shares as determined under the treasury stock method, which was based on the outstanding basic shares and dilutive securities schedule provided to Morgan Stanley by the Company as of January 19, 2023 (the latest information available at the time of calculation). Morgan Stanley then discounted the resulting implied future equity values per Share to December 31, 2022, at a discount rate equal to the Company's assumed mid-point cost of equity of 11.6%. The cost of equity was selected based on the application of Morgan Stanley's professional judgment and experience and the Capital Asset Pricing Model, with the market data used to calculate the estimated cost of equity based on market data as of January 19, 2023. Based on these calculations, this analysis indicated a range of implied equity value per Share, rounded to the nearest US$1.00 and $1.00, of US$16.00 to US$25.00 or $21.00 to $34.00 per Share based on the AV / NTM Revenue range and US$29.00 to US$37.00 or $39.00 to $50.00 per Share based on the AV / NTM EBITDA range.

Precedent Transactions Analysis

Morgan Stanley performed a precedent transactions analysis, which is designed to imply a value of a company based on publicly available financial terms of selected transactions that share some characteristics with the Arrangement. Morgan Stanley compared publicly available statistics for selected transactions that announced between January 1, 2015, and January 19, 2023, involving businesses that Morgan Stanley judged to be similar in certain respects to the Company's business and aspects thereof based on Morgan Stanley's experience and familiarity with the Company's industry. Morgan Stanley selected such comparable transactions because they shared certain characteristics with the Arrangement, most notably because they were in the software sector and each had a transaction AV between US$500 million and US$5 billion and the target's projected revenue growth over the next twelve month period was greater than 15% and the targets EBITDA margins were greater than 10%, in addition to such other factors Morgan Stanley deemed appropriate to consider in its professional judgment. Morgan Stanley reviewed the transactions below for, among other things, the ratio of the AV of each transaction to each target company's revenue and EBITDA for the 12-month period following the transaction announcement date based on publicly available estimates as of the date of such announcement ("**NTM revenue**" and "**NTM EBITDA**").

Announcement Date	Target	Acquirer	AV/NTM Revenue	AV/NTM EBITDA
06/15/2015	Dealertrack Technologies Inc.	Cox Automotive, Inc.	3.8x	17.6x
08/10/2015	Yodlee, Inc.	Envestnet, Inc.	4.7x	41.7x
10/21/2015	SolarWinds Corporation	Silver Lake Group, L.L.C. & Thoma Bravo, LLC	7.8x	16.5x
04/28/2016	Textura Corporation	Oracle Corporation	6.3x	35.6x
06/02/2016	Qlik Technologies Inc.	Thoma Bravo, LLC	3.6x	33.2x
08/01/2016	Fleetmatics Group PLC	Verizon Communications Inc.	6.6x	18.4x
10/23/2017	Broadsoft, Inc.	Cisco Systems, Inc.	4.8x	20.0x
10/26/2017	Gigamon Inc.	Elliott Management Corporation	3.7x	17.1x
07/27/2020	Optimal Blue LLC	Black Knight, Inc.	11.1x	22.2x
Median			**4.8x**	**20.0x**

Based on the results of this analysis and its professional judgment and experience, Morgan Stanley applied an AV/NTM revenue range of 4.0x to 6.0x to the Company's projected 2023 revenue or US$133 million as set forth in the Financial Projections and an AV/NTM EBITDA range of 22.5x to 27.5x to the Company's projected 2023 EBITDA of US$30 million as set forth in the Financial Projections. Based on the issued and outstanding Shares on a fully-diluted basis of approximately 43 million Shares as determined under the treasury stock method, as provided by the Company as of January 19, 2023 (the latest information available at the time of calculation) and estimated net cash as provided by the Company as of September 30, 2022 of US$121 million, this analysis resulted in estimated implied value per share of the Shares, rounded to the nearest US$1.00 and $1.00, of US$15.00 to US$21.00 or $20.00 to $29.00 based on the AV/NTM revenue range and US$18.00 to US$22.00 or $25.00 to $30.00 based on the AV/NTM EBITDA range.

No company or transaction utilized in the precedent transactions analysis is identical to the Company or the Arrangement. In evaluating the precedent transactions, Morgan Stanley made numerous assumptions with respect to industry performance, general business, regulatory, economic, market and financial conditions and other matters, many of which are beyond the Company's control. These include, among other things, the impact of competition on the Company's business and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of the Company and the industry, and in the financial markets in general, which could affect the public trading value of the companies and the aggregate value and equity value of the transactions to which they are being compared.

Discounted Cash Flow Analysis

Morgan Stanley performed a discounted cash flow ("**DCF**") analysis to derive an implied fully diluted equity value per share reference range for the Shares.

A DCF analysis is designed to provide an implied value of a company by calculating the present value of estimated future unlevered free cash flows and terminal value of the company. The "unlevered free cash flows" or "free cash flows" refer to a calculation of the future cash flows of an asset without including in such calculation any debt-servicing costs. For purposes of Morgan Stanley's DCF analysis, unlevered free cash flow was calculated as adjusted EBITDA less stock-based compensation, less taxes (with such estimated tax rate applied to GAAP EBIT to calculate estimated taxes), less capital expenditures, less increases in net working capital and plus decreases in net working capital. The present value of a terminal value, representing the value of unlevered free cash flows beyond the end of the forecast period, is added to arrive at a total aggregate value. Outstanding debt is subtracted and outstanding cash and cash equivalents are added to arrive at an equity value. For purposes of the DCF analysis, estimated net cash, as provided by the Company on November 10, 2022, as of December 31, 2022, of US$146 million was utilized. The equity value is then divided by the fully diluted share count of approximately 43 million shares as determined under the treasury stock method, which was based on the outstanding basic shares and dilutive securities schedule provided to Morgan Stanley by the Company, as provided by the Company as of January 19, 2023 (the latest information available at the time of calculation) in order to arrive at an implied value per Share.

Morgan Stanley calculated a range of implied present values as of December 31, 2022, of the unlevered free cash flows that the Company was forecasted to generate as contained in the Financial Projections during 2023 through 2025. In addition, for the periods of 2026 through 2032, based upon the guidance and direction of Management, Morgan Stanley extrapolated unlevered free cash flows that the Company was forecasted to generate during such period, which extrapolations were reviewed by the Company and approved for Morgan Stanley's use in connection with its financial analyses and rendering its fairness opinion, and calculated a range of implied present values as of December 31, 2022 of the unlevered free cash flows during such period.

Morgan Stanley also calculated a range of terminal values for the Company as of December 31, 2032, by applying a perpetual growth rate ranging from 2.0% to 4.0% to the normalized unlevered free cash flows of the Company for calendar year 2032. Morgan Stanley selected this perpetual growth rate range based on the application of Morgan Stanley's professional judgment and experience.

The unlevered free cash flows and the range of terminal values were then discounted to present values as of December 31, 2022, using a mid-year discount convention and range of discount rates from 10.6% to 12.6%, which range of discount rates was selected, upon the application of Morgan Stanley's professional judgment and experience, to reflect the Company's estimated weighted average cost of capital. The market data used to calculate the estimated weighted average cost of capital, as well as the estimated cost of equity (as described above), was based on market data as of January 19, 2023.

This analysis indicated a range of implied equity value per Share, rounded to the nearest US$1.00 and $1.00, of US$23.00 to US$30.00 or $30.00 to $41.00.

Other Information

Morgan Stanley observed additional factors that were not considered part of Morgan Stanley's financial analysis with respect to its opinion, but which were noted as reference data for the Special Committee, including the following.

Illustrative Leveraged Buyout Analysis

For reference only, and not as a component of its fairness analysis, Morgan Stanley performed a hypothetical leveraged buyout analysis to determine the prices at which a financial sponsor might affect a leveraged buyout of the Company under current market conditions. Morgan Stanley based its analysis on the Financial Projections and did not adjust such Financial Projections for any changes that a financial sponsor may make to such estimates, which in Morgan Stanley's professional judgment typically reflect a reduced operational profile of management estimates versus those presented in the Financial Projections. Morgan Stanley assumed a transaction date of December 31, 2022, and a 5-year investment period ending December 31, 2027. Morgan Stanley also made certain other assumptions, including (i) a multiple of 2.5x of total debt to Company LTM revenue, (ii) debt financing and transaction expenses based on prevailing market terms at the time of the analysis, (iii) a range from 20.0x to 25.0x of AV/NTM EBITDA exit multiples, and (iv) a target range of annualized internal rates of return for the financial sponsor of 20.0% to 30.0%. Morgan Stanley selected the leverage multiple, financing terms, exit multiple and target internal rate of return based upon the application of its professional judgment and experience. Based on these calculations, this analysis indicated a range of implied equity value per share for the Shares, rounded to the nearest US$1.00 and $1.00, of US$22.00 to US$35.00 or $30.00 to $47.00 per Share.

Equity Research Analysts' Price Target Analysis

For reference only, and not as a component of its fairness analysis, Morgan Stanley reviewed and analyzed future public market trading price targets for the Shares prepared and published by equity research analysts prior to January 19, 2023. These targets reflected each analyst's estimate of the future public market trading price of the Company's common stock. The range of undiscounted analyst price targets for the Shares was US$28.00 to US$37.00 or $38.00 to $50.00 per Share as of January 19, 2023, as reported by Capital IQ. Morgan Stanley discounted the range of analyst price targets per Share by one year at a rate of 11.6%, which discount rate was selected by Morgan Stanley, upon the application of its professional judgment and experience and the Capital Asset Pricing Model, to reflect the Company's mid-point cost of equity, with the market data used to calculate the estimated cost of equity based on market data as of January 19, 2023. This analysis indicated an implied range of equity values for the Shares, rounded to the nearest US$1.00 and $1.00, of US$25.00 to US$33.00 or $34.00 to $45.00 per Share.

The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for the Shares, and these estimates are subject to uncertainties, including the future financial performance of the Company and future financial market conditions.

Historical Trading Range Analysis

For reference only, and not as a component of its fairness analysis, Morgan Stanley reviewed the historical trading range of the Shares for the three-month period commencing on October 19, 2022, and ending January 19, 2023. Morgan Stanley observed that, during this period, the high and low closing prices of the Shares, rounded to the nearest US$1.00 and $1.00, were US$18.00 and US$32.00 or $24.00 and $43.00 per Share, respectively.

General

In connection with the review of the Arrangement by the Special Committee, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular

analysis described above should not be taken to be Morgan Stanley's view of the actual value of the Company. In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business, regulatory, economic, market and financial conditions and other matters, which are beyond the Company's control. These include, among other things, the impact of competition on the Company's business and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of the Company and the industry, and in the financial markets in general. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness, from a financial point of view, of the Consideration (as defined in the MS Fairness Opinion) to be received by holders of SV Shares (other than SVS Excluded Shares (as defined in the MS Fairness Opinion)) pursuant to the Arrangement Agreement and in connection with the delivery of its oral opinion on January 20, 2023, to Special Committee.

The Consideration (as defined in the MS Fairness Opinion) to be received by holders of SV Shares (other than SVS Excluded Shares (as defined in the MS Fairness Opinion)) pursuant to the Arrangement Agreement was determined through arm's length negotiations between the Company and Thoma Bravo and was approved by the Board. Morgan Stanley acted as exclusive financial advisor to the Special Committee during these negotiations but did not, however, recommend any specific form or amount of consideration to the Company or the Special Committee, nor did Morgan Stanley opine that any specific form or amount of consideration constituted the only appropriate consideration for the Arrangement. The MS Fairness Opinion did not address the relative merits of the Arrangement as compared to any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. The MS Fairness Opinion was not intended to, and does not, constitute advice or a recommendation as to how the Company's stockholders should vote at any stockholders' meeting that may be held in connection with the Arrangement, or whether the stockholders should take any other action in connection with the Arrangement. In addition, Morgan Stanley's opinion did not in any manner address the prices at which Shares will trade at any time.

Morgan Stanley's opinion and its presentation to the Special Committee was one of many factors taken into consideration by the Special Committee in recommending to the Board to approve, and the Board in deciding to approve and adopt the Arrangement Agreement, declare the advisability of the Arrangement Agreement and approve the transactions contemplated thereby, including the Arrangement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the Board with respect to the per share consideration pursuant to the Arrangement Agreement or of whether the Board would have been willing to agree to different consideration. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with Morgan Stanley's customary practice.

Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing, and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of Thoma Bravo, the Company, or any other company, the Thoma Bravo Related Entities (as defined below), or any currency or commodity, that may be involved in the Arrangement, or any related derivative instrument.

Under the terms of the MS Engagement Agreement, Morgan Stanley provided the Company financial advisory services and a financial opinion, described in this section and attached as Appendix "G" to this Circular, in connection with the Arrangement. The Company has agreed to pay Morgan Stanley a fee for its services as financial advisor, a portion of which was payable upon delivery of the MS Fairness Opinion and the remainder of which is contingent on the completion of the Arrangement or certain other events. The Company has also agreed to reimburse Morgan Stanley for its expenses, including fees of outside counsel and other professional advisors, incurred from time to time in connection with Morgan Stanley's engagement as financial advisor. The Company has also agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each Person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities Laws, related to or arising out of Morgan Stanley's engagement.

In the two years prior to the date of the MS Fairness Opinion, Morgan Stanley has provided financing services to Thoma Bravo and certain of its majority-controlled affiliates and portfolio companies (collectively, the "**Thoma Bravo Related Entities**"), and, in each case, have received fees in connection with such services. In addition, as of the date of the MS Fairness Opinion, Morgan Stanley or an affiliate thereof was providing financial advisory services to and was a lender to certain Thoma Bravo Related Entities, and acts as administrative agent with respect to the credit facilities of certain of such Thoma Bravo

Related Entities. Morgan Stanley may also seek to provide financial advisory and financing services to the Company, the Purchaser, Thoma Bravo and the Thoma Bravo Related Entities and their respective affiliates in the future and would expect to receive fees for the rendering of these services. In addition, Morgan Stanley, its affiliates, directors or officers, including individuals working with the Company in connection with this transaction, may have committed and may commit in the future to invest in private equity funds managed by Thoma Bravo or its affiliates, or in affiliates of Morgan Stanley that may hold direct equity and/or partnership interests in private equity funds managed by Thoma Bravo or its affiliates.

Particulars of the Arrangement

The following summarizes the material terms of the Arrangement and does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement filed on SEDAR at www.sedar.com and the Plan of Arrangement attached as Appendix "A" hereto. The Arrangement is structured to efficiently complete the acquisition by the Purchaser of (i) all of the issued and outstanding SV Shares, other than certain SV Shares held or controlled by any of the Rolling Shareholders, for the Non-RS Consideration; (ii) all of the issued and outstanding Shares held or controlled by the Rolling Shareholders, other than the Rollover Shares, for the RS Consideration; and (iii) the Rollover Shares which will be exchanged for the consideration payable to each Rolling Shareholder in accordance with the terms of their Rollover Agreement at an implied value of $39.00 per Rollover Share. In addition, (i) each Option, whether vested or unvested, will be surrendered by the holder thereof to the Company in exchange for a cash payment (without interest) from the Company equal to the amount by which the Convertible Consideration exceeds the exercise price of such Option; (ii) each DSU, whether vested or unvested, will be cancelled and the holder thereof will receive in consideration for the cancellation of such DSU, a cash payment (without interest) by the Company equal to the Convertible Consideration; and (iii) each RSU, whether vested or unvested, will be cancelled and the holder thereof will receive in consideration for the cancellation of such RSU, a cash payment (without interest) by the Company equal to the Convertible Consideration.

Effect of the Arrangement on Shares Held by Shareholders (Other than the Rolling Shareholders)

Pursuant to the Arrangement, Shareholders (other than any Rolling Shareholder and those who validly exercise their Dissent Rights) will receive, in accordance with the terms and conditions set forth in the Plan of Arrangement, a cash payment of $44.25 per SV Share from the Purchaser, less any withholdings or deductions required to be made pursuant to the Plan of Arrangement. See "*The Arrangement – Particulars of the Arrangement – The Plan of Arrangement*" and "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement*".

Dissenting Shareholders will be deemed to have transferred their Shares to the Purchaser, and will cease to have any rights as Shareholders other than the right to be paid the fair value for such Shares in accordance with the Plan of Arrangement. See "*Dissenting Shareholders Rights*".

Effect of the Arrangement on Shares Held by the Rolling Shareholders

Pursuant to the Arrangement, the Rolling Shareholders will receive, in accordance with the terms and conditions set forth in the Plan of Arrangement, a cash payment of $39.00 per Share (other than with respect to Rollover Shares) from the Purchaser, less any withholdings or deductions required to be made pursuant to the Plan of Arrangement. See "*The Arrangement – Particulars of the Arrangement – The Plan of Arrangement*" and "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement*".

Effect of the Arrangement on Rollover Shares

Pursuant to the Arrangement and in accordance with the terms and conditions set forth in the Plan of Arrangement, each Rollover Share held by a Rolling Shareholder will be transferred by the Rolling Shareholder pursuant to the Rollover Agreements in exchange for the consideration payable to the Rolling Shareholder in accordance with the terms of their Rollover Agreement at an implied value of $39.00 per Rollover Share, such that upon completion of the Arrangement, the Rolling Shareholders will be minority shareholders of the Purchaser. See "*The Arrangement – Particulars of the Arrangement – The Plan of Arrangement*" and "*Summary of Agreements in Connection with the Arrangement – Rollover Agreements*".

Effect of the Arrangement on Holders of Options

Pursuant to the Arrangement, each Option, whether vested or unvested, that is outstanding immediately prior to the Effective Time will be surrendered by the holder thereof to the Company in exchange for a cash payment (without interest) from the Company equal to the amount by which the Convertible Consideration exceeds the exercise price of such Option, less any withholdings or deductions required to be made in accordance with the Plan of Arrangement, and each such Option will immediately be cancelled and terminated.

Effect of the Arrangement on Holders of Deferred Share Units

Pursuant to the Arrangement, each DSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time will be, without any further action by or on behalf of the holder of such DSU, cancelled and terminated as of the Effective Time and such holder will receive in consideration for the cancellation and termination of such DSU a cash payment (without interest) by the Company equal to the Convertible Consideration, less any withholdings or deductions required to be made in accordance with the Plan of Arrangement.

Effect of the Arrangement on Holders of Restricted Share Units

Pursuant to the Arrangement, each RSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time will be, without any further action by or on behalf of the holder of such RSU, cancelled and terminated as of the Effective Time and such holder will receive in consideration for the cancellation and termination of such RSU a cash payment (without interest) by the Company equal to the Convertible Consideration, less any withholdings or deductions required to be made in accordance with the Plan of Arrangement.

Summary of Key Procedural Steps for the Arrangement to Become Effective

The Arrangement will be implemented by way of a statutory plan of arrangement under Section 182 of the OBCA pursuant to the terms of the Arrangement Agreement. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Arrangement Resolution must be approved by Shareholders by the Required Shareholder Approval in the manner set forth in the Interim Order;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all conditions precedent to the Arrangement, as set out in the Arrangement Agreement, must be satisfied or waived (if permitted) by the appropriate Party; and

(d) the Articles of Arrangement, prepared in the form prescribed by the OBCA, must be filed with the Director and a Certificate of Arrangement issued pursuant thereto.

Subject to the foregoing and pursuant to Subsection 183(3) of the OBCA, the Arrangement will become effective at 12:01 a.m. (Toronto time) on the date shown on the Certificate of Arrangement giving effect to the Arrangement. The Closing, including the filing of the Articles of Arrangement with the Director, will occur as soon as reasonably practicable (and in any event not later than five (5) Business Days) following the satisfaction or waiver (if permitted) of the conditions set out in the Arrangement Agreement unless another time or date is agreed to by the Company and the Purchaser. The Arrangement will be binding on: (i) the Company; (ii) the Purchaser; (iii) all holders of Shares (including Dissenting Shareholders), Options, DSUs and RSUs and any agent or transfer agent therefor; and (iv) the Depositary.

The Plan of Arrangement

The Arrangement will be implemented by way of a Court-approved plan of arrangement under the OBCA pursuant to the terms of the Arrangement Agreement and the Interim Order.

Pursuant to the terms of the Plan of Arrangement, each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

(1) each outstanding Share held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens (as defined in the Plan of Arrangement)), and:

   a. such Dissenting Shareholder shall cease to have any rights as a Shareholder other than the right to be paid the fair value of their Shares by the Purchaser in accordance with Article 3 of the Plan of Arrangement;

   b. the name of such holder shall be removed from the register of holders of Shares maintained by or on behalf of the Company; and

   c. the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Company as the holder of the Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens); and

(2) each outstanding SV Share (other than (i) SV Shares held by any Dissenting Shareholder who has validly exercised such holder's Dissent Rights, and (ii) Rollover Shares owned or beneficially controlled by the Rolling Shareholders) shall be transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the applicable Consideration per SV Share, and:

a. the holder of such SV Share shall cease to have any rights as a holder of SV Shares other than the right to be paid the applicable Consideration per SV Share in accordance with the Plan of Arrangement;

b. the name of such holder shall be removed from the register of holders of SV Shares maintained by or on behalf of the Company; and

c. the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Company as the holder of the SV Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens); and

(3) each outstanding MV Share (other than Rollover Shares owned or beneficially controlled by the Rolling Shareholders) shall be transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the applicable Consideration per MV Share, and:

a. the holder of such MV Share shall cease to have any rights as a holder of MV Shares other than the right to be paid the applicable Consideration per MV Share in accordance with the Plan of Arrangement;

b. the name of such holder shall be removed from the register of holders of MV Shares maintained by or on behalf of the Company; and

c. the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Company as the holder of the MV Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens).

(4) The Incentive Plans and the ESPP shall be terminated and of no further force and effect.

(5) Each Option, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the applicable Incentive Plan or any applicable Option Agreement in relation thereto, shall be, without any further action by or on behalf of the holder of such Option, surrendered by the holder thereof to the Company in exchange for, subject to Section 4.3 of the Plan of Arrangement, a cash payment (without interest) from the Company equal to the amount (if any) by which the Convertible Consideration exceeds the exercise price of such Option, multiplied by the number of SV Shares subject to such Option, and each such Option shall immediately be cancelled and terminated and, where such amount is zero or negative for any such Option, such Option shall be cancelled without any consideration and, with respect to each Option that is surrendered pursuant to Section 2.3(5) of the Plan of Arrangement, as of the effective time of such surrender: (A) the holder thereof shall cease to be the holder of such Option, (B) the holder thereof shall cease to have any rights as a holder in respect of such Option, or under the applicable Incentive Plan or Option Agreement, other than the right to receive the consideration, if any, to which such holder is entitled pursuant to Section 2.3(5) of the Plan of Arrangement, (C) such holder's name shall be removed from the applicable register, and (D) all agreements, grants and similar instruments relating thereto shall be cancelled.

(6) Each DSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the applicable Incentive Plan or any applicable DSU Agreement in relation thereto, shall be, without any further action by or on behalf of the holder of such DSU, cancelled and terminated as of the Effective Time and such holder shall receive in consideration for the cancellation and termination of such DSU, subject to Section 4.3 of the Plan of Arrangement, a cash payment (without interest) by the Company equal the Convertible Consideration and: (A) the holder thereof shall cease to be the holder of such DSU, (B) the holder thereof shall cease to have any rights as a holder in respect of such DSU or under the applicable Incentive Plan or DSU Agreement, other than the right to receive the consideration to which such holder is entitled pursuant to Section 2.3(6) of the Plan of Arrangement, (C) such holder's name shall be removed from the applicable register, and (D) all agreements, grants and similar instruments relating thereto shall be cancelled; provided that, any payments in respect of the DSUs shall be made in a manner that satisfies Section 1.409A-3(i)(5)(iv) of the Code, to the extent necessary to satisfy the requirements of Section 409A of the Code.

(7) Each RSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the applicable Incentive Plan or any applicable RSU Agreement in relation thereto, shall be, without any further action by or on behalf of the holder of such RSU, cancelled and terminated as of the Effective Time and such holder shall receive in consideration for the cancellation and termination of such RSU, subject to Section 4.3, a cash payment (without interest) by the Company equal to the Convertible Consideration and: (A) the holder thereof shall cease to be the holder of such RSU, (B) the holder thereof shall cease to have any rights as a holder in respect of such RSU or under the applicable Incentive Plan, other than the right to receive the consideration to which such holder is entitled pursuant to Section 2.3(7) of the Plan of Arrangement, (C) such holder's name shall be removed from the applicable register, and (D) all agreements, grants and similar instruments relating thereto shall be cancelled.

(8) The Rolling Shareholders or affiliates thereof shall subscribe for and acquire securities of the Purchaser pursuant to and in accordance with the provisions of the Rollover Agreements for the amount set forth in the Rollover Agreements.

(9) The Purchaser shall cause the Company to file an election to cease to be a "public corporation" under Subsection 89(1) of the Tax Act.

Interests of Certain Persons or Companies in the Arrangement

In considering the determinations and recommendations of the Special Committee and the Board with respect to the Arrangement, Shareholders should be aware that certain directors and executive officers of the Company have interests or benefits in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement. The Special Committee and the Board are aware of these interests and considered them when making their recommendation. See "C*ertain Legal and Regulatory Matters – Collateral Benefits*" and "*Information Concerning Magnet – Ownership of Securities of the Company*" for information concerning benefits to be received by the directors and certain officers of the Company upon completion of the Arrangement.

The Rolling Shareholders

The Rolling Shareholders have entered into the Rollover Agreements with the Purchaser and the Sponsor pursuant to which the Rollover Shares held by the Rolling Shareholders will be exchanged for the consideration payable to the Rolling Shareholder in accordance with the terms of their Rollover Agreement at an implied value of $39.00 per Rollover Share, such that upon completion of the Arrangement, the Rolling Shareholders will be minority shareholders of the Purchaser. See "*Summary of Agreements in Connection with the Arrangement – Rollover Agreements*". In addition, each Rolling Shareholder will receive (i) a cash payment of $39.00 per Share (other than with respect to Rollover Shares) from the Purchaser; and (ii) a cash payment (without interest) from the Company equal to the Convertible Consideration in respect of each Option, DSU and RSU held by such Rolling Shareholder, as applicable.

Insurance and Indemnification

For a description of the insurance and indemnification arrangement for directors and executive officers of the Company under the Arrangement Agreement, see "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Other Covenants – Insurance and Indemnification*".

Intention of the Supporting Shareholders

The Supporting Shareholders have entered into the Voting Support Agreements with the Purchaser. The Supporting Shareholders beneficially own an aggregate of 28,903,303 MV Shares and 1,676,501 SV Shares, representing 96.47% of the votes attached to all outstanding Shares. The Supporting Shareholders have agreed, subject to the terms of the Voting Support Agreements, to vote, or cause to be voted, their respective Supporting Shares in favour of the Arrangement Resolution.

Sources of Funds for the Arrangement

The total amount of funds required to complete the Arrangement will be provided through a combination of the debt financing and the equity financing.

Debt Financing

Debt Commitment Letter

On January 20, 2023, the Purchaser entered into the debt commitment letter (the "**Debt Commitment Letter**") with Thoma Bravo Credit Fund II, L.P. and a large private specialty finance and business development company (together with their affiliates, managed funds and accounts, the "**Commitment Parties**") pursuant to which each of the Commitment Parties severally, and not jointly, committed to provide a senior secured incremental term loan facility (the "**Incremental Term Loan Facility**") (as described in the Debt Commitment Letter) (the "**Debt Financing**").

The obligations of the Commitment Parties to provide the financing contemplated by the Debt Commitment Letter are subject to customary conditions, including, among others, the following:

(1) on or prior to the date that the loans under the Incremental Term Loan Facility are funded and the Arrangement is consummated, the Sponsor, along with any additional co-investors, will, directly or indirectly, contribute the sponsor equity investment, the proceeds of which will be contributed to the Purchaser or an affiliate thereof in accordance with the terms of the Debt Commitment Letter;

(2) subject to the pre-funding, the Arrangement shall have been consummated substantially in accordance with the terms of the Arrangement Agreement in all material respects (without any amendment, modification or waiver of any of the provisions thereof that would be materially adverse to the lenders in their capacity as such without the approval of the Commitment Parties);

(3) since the date of the Arrangement Agreement, there shall not have occurred a Material Adverse Effect which is continuing as of the Closing;

(4) certain representations and warranties in the Arrangement Agreement and certain representations and warranties set forth in the existing credit agreement to which the Purchaser will become a party, pursuant to which the Incremental Term Loan Facility will be made available, shall be true and correct to the extent required by the terms of the Debt Commitment Letter; and

(5) the refinancing of certain of the Company's credit agreements shall have been consummated substantially concurrently with the initial funding of the Incremental Term Loan Facility.

Equity Financing

Equity Commitment Letter

On January 20, 2023, the Purchaser entered into the equity commitment letter (the "**Equity Commitment Letter**") with Pandora Topco, L.P. (including each of its affiliates who are permitted assignees under the Equity Commitment Letter) (each, an "**Investor**" and collectively, the "**Investors**") pursuant to which the Investors agreed to capitalize the Purchaser on the Closing (the "**Commitment**"), in order to contribute to the Purchaser's source of funds for the Arrangement at the Closing and to pay any related fees, costs and expenses, in each case to be paid at the Closing, on the terms and subject to the conditions set forth in the Equity Commitment Letter.

The obligations of the Investors to provide the Commitment on the terms outlined in the Equity Commitment Letter are subject to, among other things, (a) the execution and delivery of the Arrangement Agreement; (b) the satisfaction or waiver by the Parties, as applicable, of each of the conditions to the Parties' obligations to consummate the transactions contemplated by the Arrangement Agreement; (c) the substantially concurrent consummation of the Arrangement in accordance with the terms of the Arrangement Agreement; (d) the consummation and funding of the Debt Financing on the terms set forth in the Debt Commitment Letter prior to or contemporaneously with such funding by the Investors (or confirmation from the Financing Sources under the Debt Financing that such proceeds will be received, at or prior to the Closing, subject only to the substantially concurrent funding of the Commitment); and (e) no material amendment or modification of the Arrangement Agreement, unless the Purchaser has consented in writing to such amendment or modification.

The Equity Commitment Letter and the commitments made thereunder were provided by the Investors severally, not jointly and severally, based upon their respective pro rata percentage and are solely for the benefit of the Purchaser.

The Equity Commitment Letter and the obligation of the Investors to fund the Commitment, or cause the Commitment to be funded, shall automatically and immediately terminate upon the earliest to occur of (i) the Effective Time and the payment of the Commitment; (ii) the termination of the Arrangement Agreement in accordance with its terms; (iii) the Company or any of its affiliates or agents asserting, filing or otherwise commencing, directly or indirectly, any lawsuit or other legal proceeding asserting a claim under, or action against, any Investor Affiliate (as defined in the Equity Commitment Letter) thereof relating to the Equity Commitment Letter, the Limited Guarantee, the Arrangement Agreement, the Debt Commitment Letter or any transaction contemplated thereby other than Retained Claims (as defined in, and to the extent permitted under, the Limited

Guarantee) by persons and against person(s), in each case, expressly permitted under all of the terms, conditions and limitations therein; (iv) the occurrence of any event which, by the express terms of the Limited Guarantee, is an event which terminates the Guarantor's obligations or liabilities under the Limited Guarantee; and (v) the payment in full by the Guarantor of its Guaranteed Obligations.

Limited Guarantee

On January 20, 2023, the Company entered into the limited guarantee (the "**Limited Guarantee**") with Pandora Topco, L.P. (the "**Guarantor**"), pursuant to which the Guarantor expressly, absolutely, irrevocably, and unconditionally guaranteed to the Company, subject to the terms and conditions of the Limited Guarantee, following the termination of the Arrangement Agreement, the due and punctual observance, performance and discharge of payment of (a) the aggregate amount of the Purchaser Termination Fee solely if and when any of the Purchaser Termination Fee is payable; (b) the reimbursement obligations of the Purchaser if and when required pursuant to Section 7.4(12) of the Arrangement Agreement; and (c) the indemnification obligations of the Purchaser if and when required pursuant to Sections 4.11(4) and 4.12(5) of the Arrangement Agreement (the Purchaser Termination Fee described in clause (a) hereof, the reimbursement obligations described in clause (b) hereof and the indemnification obligations described in clause (c) hereof, collectively the "**Guaranteed Obligations**"); provided that the Limited Guarantee will expire and will have no further force or effect, and the Company will have no rights thereunder, upon termination of the obligations and liabilities of the Guarantor thereunder. Notwithstanding anything to the contrary in the Limited Guarantee, the maximum aggregate liability of the Guarantor under the Limited Guarantee shall not exceed $71,000,000.

The Guarantor shall have no further liability or obligation under the Limited Guarantee from and after the earliest of: (i) the indefeasible payment in full of the Guaranteed Obligations; (ii) the funding of the Commitment (as such amount may be reduced as expressly provided in the Equity Commitment Letter) to the Purchaser, directly or indirectly; (iii) the Effective Time; (iv) termination of the Arrangement Agreement in accordance with its terms (other than a termination of the Arrangement Agreement for which a Purchaser Termination Fee is due and owing by the Purchaser (any such termination for which the Purchaser Termination Fee is so due and owing, a "**Qualifying Termination**")); and (v) the 60th day after a Qualifying Termination unless in the case of this clause (v) prior to the 60th day after a Qualifying Termination, the Company shall have commenced a suit, action or other proceeding against the Guarantor alleging that amounts are due and owing from the Guarantor under the Limited Guarantee in accordance with the terms of the Limited Guarantee.

Expenses of the Arrangement

The Company estimates that expenses in the aggregate amount of approximately $31.3 million will be incurred by it in connection with the Arrangement and related matters, including, without limitation, legal, financial advisory and accounting fees, the cost of preparing, printing and mailing this Circular and other related documents, costs with respect to the Meeting, stock exchange and regulatory filing fees and fees in respect of the Formal Valuation and Fairness Opinions.

Implementation of the Arrangement

The Arrangement will be implemented by way of a statutory plan of arrangement under Section 182 of the OBCA pursuant to the terms of the Arrangement Agreement. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Arrangement Resolution must be approved by Shareholders by the Required Shareholder Approval in the manner set forth in the Interim Order;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all conditions precedent to the Arrangement, as set out in the Arrangement Agreement, must be satisfied or waived (if permitted) by the appropriate Party; and

(d) the Articles of Arrangement, prepared in the form prescribed by the OBCA, must be filed with the Director and a Certificate of Arrangement issued pursuant thereto.

If all conditions for the implementation of the Arrangement have been satisfied or waived (if permitted), the steps, qualified in their entirety by the full text of the Plan of Arrangement annexed to this Circular as Appendix "A", described in the section "*The Arrangement – Particulars of the Arrangement – The Plan of Arrangement*", will occur under the Plan of Arrangement at the Effective Time.

Key Approvals

Required Shareholder Approval

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution. The full text of the Arrangement Resolution is set out in Appendix "B" hereto. In order to become effective, the Arrangement Resolution will require: (i) the affirmative vote of at least 66⅔% of the votes cast by Shareholders who vote in person or by proxy at the Meeting, with all Shareholders voting as a single class; (ii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting, after excluding the Excluded Votes; (iii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting; and (iv) the affirmative vote of at least a simple majority of the votes cast by holders of MV Shares who vote in person or by proxy at the Meeting (the "**Required Shareholder Approval**").

Court Approval

The Arrangement requires the granting by the Court of the Final Order in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement. Accordingly, on February 15, 2023, the Company obtained the Interim Order authorizing and directing the Company to call, hold and conduct the Meeting and to submit the Arrangement to the Shareholders for approval. A copy of the Interim Order is attached as Appendix "C" hereto. Subject to the terms of the Arrangement Agreement and receipt of the Required Shareholder Approval, the Company will make an application to the Court for the Final Order. A copy of the Notice of Application applying for the Final Order approving the Arrangement is attached as Appendix "D" hereto. The hearing in respect of the Final Order is expected to take place before the Ontario Superior Court of Justice (Commercial List), on March 27, 2023, or as soon as counsel may be heard by video conference at a virtual hearing location to be provided by the Court. At the hearing, the Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement and the rights and interests of every Person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Regulatory Approvals

The Arrangement Agreement provides that the Parties will prepare and file as promptly as practicable all required filings and submissions under the HSR Act. On February 2, 2023, the Parties each submitted the appropriate notification and report form as required by the HSR Act and requested early termination of the 30-calendar-day waiting period with respect to the transactions contemplated by the Arrangement Agreement. The applicable waiting period will expire 30 days after such filings, unless earlier terminated by the Antitrust Division of the United States Department of Justice (the "**DOJ**") and the United States Federal Trade Commission (the "**FTC**"), or unless the DOJ or the FTC issues a request for additional information and documentary material (a "**Second Request**") prior to the expiration of the applicable 30-day waiting period. If within the applicable 30-day waiting period, the DOJ or the FTC were to issue a Second Request, the waiting period with respect to the Arrangement would be extended until 30 days following substantial compliance with the Second Request unless the Antitrust Division of the DOJ or the FTC terminates the waiting period prior to its expiration. The expiration or termination of the waiting period does not bar the DOJ or the FTC from subsequently challenging the Arrangement.

The Arrangement Agreement provides that the Purchaser shall use its best efforts to file promptly a notification filing under Part III of the Investment Canada Act. The Purchaser's notification filing under Part III of the Investment Canada Act was received on January 31, 2023. Within 45 days of the filing of a complete notification, the Minister of Innovation, Science, and Economic Development ("**Minister**") may initiate an initial 45-day review period to assess whether a transaction may be injurious to national security. The Governor-in-Council may then, on the recommendation of the Minister, order a further review of the transaction for an initial period of 45 days, which may be extended for a further 45 days. At the end of this period, the Minister may refer the transaction to the Governor-in-Council, who within 20 days, may issue an order authorizing the transaction, authorizing the transaction on certain conditions, or prohibiting the transaction.

The Arrangement Agreement provides that the Purchaser shall use its best efforts to file promptly a notification in accordance with the requirements of the NSI Act. The Purchaser submitted its notification in accordance with the requirements of the NSI Act on February 2, 2023. The acceptance of notification under the NSI Act initiates a review period of 30 working days during which the Secretary of State of the U.K. Department for Business, Energy and Industrial Strategy ("**Secretary of State**") decides whether to clear the acquisition or exercise its call-in power to initiate further assessment of the acquisition (a "**Call-in Notice**"). If a Call-in Notice is received, the Secretary of State has an initial period of 30 working days to review the transaction with respect to national security issues, which the Secretary of State can extend a further 45 working days or for a further voluntary period agreed to with the Secretary of State. The Secretary of State can then end the review process by issuing a final notification without remedies imposed, issuing a final order with remedies imposed or prohibiting the transaction.

Effective Time and Outside Date

Pursuant to Subsection 183(3) of the OBCA, the Arrangement will become effective at 12:01 a.m. (Toronto time) on the date shown on the Certificate of Arrangement giving effect to the Arrangement. The Closing, including the filing of the Articles of Arrangement with the Director, will occur as soon as reasonably practicable (and in any event not later than five (5) Business Days) following the satisfaction or waiver (if permitted) of the conditions set out in the Arrangement Agreement unless another time or date is agreed to by the Company and the Purchaser. It is currently anticipated that the Effective Date will occur by the second quarter of 2023. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order. Pursuant to the Arrangement Agreement, the Arrangement must be completed on or prior to July 20, 2023, subject to the right of either the Company or the Purchaser to extend such date in accordance with the terms of the Arrangement Agreement.

SUMMARY OF AGREEMENTS IN CONNECTION WITH THE ARRANGEMENT

The Arrangement Agreement

Magnet entered into the Arrangement Agreement with the Purchaser on January 20, 2023. The Arrangement Agreement and the Plan of Arrangement are the legal documents that govern the Arrangement. The following is a summary only of certain provisions of the Arrangement Agreement and is subject to, and qualified in its entirety by, the full text of the Arrangement Agreement (subject to redaction of certain confidential information in conformity with securities Laws) which is filed on SEDAR under the Company's profile at www.sedar.com and the Plan of Arrangement attached as Appendix "A" hereto. This summary does not purport to be complete and may not contain all of the information about the Arrangement Agreement or the Plan of Arrangement that is important to you. The Company encourages you to read the Arrangement Agreement and the Plan of Arrangement in their entirety. The Arrangement Agreement establishes and governs the legal relationship between Magnet and the Purchaser with respect to the transactions described in this Circular. It is not intended to be a source of factual, business or operational information about Magnet or the Purchaser.

The Arrangement Agreement and this summary of its terms have been included to provide you with information regarding the terms of the Arrangement Agreement. The Arrangement Agreement contains representations and warranties made by the Company to the Purchaser and representations and warranties made by the Purchaser to the Company. The representations and warranties in the Arrangement Agreement and the description of them in this Circular should not be read alone, but instead should be read in conjunction with the other information contained in the reports, statements and filings under the Company's profile on SEDAR at www.sedar.com.

Capitalized terms used in this section "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement*" which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Arrangement Agreement.

Covenants

In the Arrangement Agreement, the Company and the Purchaser have agreed to certain covenants, certain of which are described below.

Conduct of the Business of the Company

In the Arrangement Agreement, the Company has agreed to certain customary negative and affirmative covenants relating to the operation of its business (including the business of its Subsidiaries) between the date of the Arrangement Agreement and the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, including that the business of the Company and its Subsidiaries shall be conducted in the Ordinary Course. Furthermore, the Company has agreed to use commercially reasonable efforts to maintain and preserve intact, in all material respects, its and its Subsidiaries' respective business organization, goodwill and assets (taken as a whole) and relationships with the Company Service Providers (as a group). Shareholders should refer to the Arrangement Agreement for details regarding the additional negative and affirmative covenants given by the Company in relation to the conduct of its business prior to the Effective Time.

Covenants of the Purchaser

The Purchaser has given, in favour of the Company, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including covenants to use its commercially reasonable efforts to:

(i) satisfy the conditions precedent in the Arrangement Agreement and carry out the terms of the Interim Order and the Final Order applicable to it;

(ii) provide, obtain and maintain all third party or other notices, consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are required or reasonably requested by the Company in connection with the transactions contemplated by the Arrangement Agreement;

(iii) effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement or the transactions contemplated by the Arrangement Agreement;

(iv) upon reasonable consultation with the Company, oppose, lift or rescind any injunction, restraining or other

order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers and challenging the Arrangement or the Arrangement Agreement; and

(v) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which is inconsistent with the Arrangement Agreement or the Arrangement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement.

In addition, the Purchaser has given, in favour of the Company, a covenant that it will not, without the prior written consent of the Company, amend, supplement, alter or otherwise modify any Rollover Agreement or waive any provision thereof or enter into any agreement, arrangement or understanding in respect of the subject matter thereof in a manner that would reasonably be expected to (i) prevent or delay consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement or any other matters or actions necessary for the consummation of such transactions; (ii) change the provisions of Section 9(a) of the Rollover Agreement; or (iii) affect the consideration payable, including the amount or form thereof, directly or indirectly, to the Rolling Shareholders for Shares, other than as contemplated under, or pursuant to, Section 5.4 of the Arrangement Agreement.

The Purchaser has an obligation to notify the Company of any notice or other communication from any Person alleging that the consent, waiver or approval of such Person is required in connection with the Arrangement Agreement or the Arrangement, any notice or other communication from any Governmental Entity in connection with the Arrangement Agreement, or any actions, suits, arbitrations or other proceedings commenced or, to the knowledge of the Purchaser, threatened against the Purchaser or affecting its assets that relate to the Arrangement Agreement or the Arrangement, in each case to the extent that such action, suit, arbitration or proceeding would reasonably be expected to impair, impede, materially delay or prevent the Purchaser from performing its obligations under the Arrangement Agreement.

Following receipt of the Final Order and, in any event (i) not later than five Business Days after the satisfaction or waiver of the other conditions precedent contained in the Arrangement Agreement in its favour and (ii) prior to the filing by the Company of the Articles of Arrangement, the Purchaser will deposit, or cause to be deposited with the Depositary in escrow the funds required to effect payment in full of the aggregate Consideration to be paid pursuant to the Arrangement.

Covenants of Magnet

The Company has given, in favour of the Purchaser, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including covenants to use its commercially reasonable efforts to:

(i) satisfy all conditions precedent in the Arrangement Agreement and carry out the terms of the Interim Order and the Final Order applicable to it;

(ii) provide, obtain and maintain all third party or other notices, consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are required or reasonably requested by the Purchaser in connection with the transactions contemplated by the Arrangement Agreement;

(iii) effect all necessary registrations, filings and submissions of information required by Governmental Entities from the Company and its Subsidiaries relating to the Arrangement;

(iv) obtain prior to Closing the registration of a certain domain name;

(v) upon reasonable consultation with the Purchaser, oppose, lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or any of its Subsidiaries or any of their directors or officers challenging the Arrangement or the Arrangement Agreement;

(vi) not take any action, to refrain from taking any action, or not permit any action to be taken or not taken, which is inconsistent with the Arrangement Agreement or the Arrangement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement; and

(vii) terminate the Investor Rights Agreement, effective as at or prior to the Effective Time.

The Company has an obligation to notify the Purchaser of (i) any Material Adverse Effect; (ii) any notice or other communication from any Person alleging (a) that the consent, waiver or approval of such Person is required in connection with the Arrangement Agreement or the Arrangement or (b) such Person is terminating or otherwise materially adversely modifying any Material Contract as a result of the Arrangement or the Arrangement Agreement; (iii) any notice or other communication from any Governmental Entity in connection with the Arrangement Agreement; or (iv) any actions, claims, suits, audits, investigations, arbitrations or other proceedings commenced or, to the knowledge of the Company, threatened against the Company or its Subsidiaries or affecting their assets that if pending on the date of the Arrangement Agreement, would have been required to have been disclosed pursuant to paragraph (19) [*Litigation*] of Schedule C of the Arrangement Agreement that relate to the Arrangement Agreement or the Arrangement.

Covenants Regarding Non-Solicitation

The Company has provided certain non-solicitation covenants (the "**Non-Solicitation Covenants**") in favour of the Purchaser, as set forth below.

Non-Solicitation

(1) Except as permitted in the Arrangement Agreement, or to the extent the Purchaser has otherwise consented in writing, the Company shall not, and shall cause its Subsidiaries not to, directly or indirectly, through any of its Representatives (and in so doing shall instruct its and its Subsidiaries' Representatives not to, directly or indirectly):

(a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, Books and Records or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than the Purchaser and its affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal, provided that the Company may (i) contact and communicate with any Person for the purposes of clarifying the terms of any inquiry, proposal or offer made by such Person that constitutes or could reasonably be expected to constitute or lead to, an Acquisition Proposal; (ii) advise any Person of the restrictions of the Arrangement Agreement and (iii) advise any Person making an Acquisition Proposal that the Board (or the relevant committee thereof) has determined that their Acquisition Proposal does not constitute a Superior Proposal;

(c) make a Change in Recommendation; or

(d) accept or enter into or publicly propose to accept or enter into any agreement, understanding or arrangement with any Person (other than the Purchaser or any of its affiliates) in respect of an Acquisition Proposal (other than a confidentiality agreement permitted by and in accordance with the Non-Solicitation Covenants).

(2) Except as expressly provided in Article 5 of the Arrangement Agreement, the Company shall, and shall cause its Subsidiaries and their respective Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities with any Person (other than the Purchaser and its affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection with such termination shall: (a) discontinue access to and disclosure of all information regarding the Company or any of its Subsidiaries; and (b) request (i) the return or destruction of all copies of any confidential information regarding the Company or any of its Subsidiaries provided to any Person other than the Purchaser and its Representatives, and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Company or any of its Subsidiaries, to the extent that such information has not previously been returned or destroyed.

(3) The Company agreed that (a) the Company shall use commercially reasonable efforts to enforce each confidentiality, standstill or similar agreement, restriction or covenant to which the Company or any of its

Subsidiaries is a party or may become a party in accordance with the Arrangement Agreement, and (b) neither the Company nor any of its Subsidiaries have released or will, without the prior written consent of the Purchaser, release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting the Company, or any of its Subsidiaries, under any confidentiality, standstill or similar agreement or restriction to which the Company or any of its Subsidiaries is a party or may become a party in accordance with the Arrangement Agreement (it being acknowledged by the Purchaser that the automatic termination or automatic release, in each case pursuant to the terms thereof, of any standstill restrictions of any such agreements as a result of the entering into and announcement of the Arrangement Agreement is not a violation of the Arrangement Agreement).

Notification of Acquisition Proposals

(1) If the Company or any of its Subsidiaries or, to the knowledge of the Company, any of their respective Representatives, receives or otherwise becomes aware of either: (i) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or (ii) any request for copies of, access to, or disclosure of, confidential information relating to the Company or any of its Subsidiaries, the Company shall promptly notify the Purchaser, at first orally, and then promptly, and in any event within 48 hours, in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request, and copies of material documents, correspondence or other material received in respect of, from or on behalf of any such Person if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such communication to the Company by or on behalf of any such Person. The Company shall keep the Purchaser reasonably informed of the status of developments and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments to the terms thereof.

Responding to an Acquisition Proposal

(1) Notwithstanding anything to the contrary contained in the "*Non-Solicitation*" and "*Notification of Acquisition Proposals*" sections above and any other provision of the Arrangement Agreement, if at any time prior to obtaining the Required Shareholder Approval, the Company receives a request for material non-public information, or to enter into discussions, from a Person or group of Persons that proposes to the Company an unsolicited Acquisition Proposal then the Company may (i) provide copies of, access to or disclosure of confidential information, properties, facilities, or Books and Records to such Person or group of Persons and their respective Representatives and/or (ii) enter into, participate, facilitate and maintain discussions or negotiations with, and otherwise cooperate with or assist, the Person or group of Persons making such request, provided that, if and only if:

   (a) the Board first determines (based upon, *inter alia*, the recommendation of the Special Committee) in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal and has provided the Purchaser with written confirmation thereof;

   (b) such Person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-solicitation or similar agreement with the Company (it being acknowledged by the Purchaser that the automatic termination or automatic release, in each case pursuant to the terms thereof, of any standstill restrictions of any such agreements as a result of the entering into and announcement of the Arrangement Agreement shall not be a violation of the Non-Solicitation Covenants);

   (c) the making of the Acquisition Proposal by such Person did not result from a material breach of the Non-Solicitation Covenants; and

   (d) prior to providing any such copies, access, or disclosure, the Company enters into a confidentiality and standstill agreement with such Person on terms no less favourable than the Confidentiality Agreement.

(2) If, pursuant to the terms of the Arrangement Agreement, the Company is entitled to enter into, participate, facilitate and maintain discussions or negotiations with, and otherwise cooperate with or assist, a Person or group of Persons making an Acquisition Proposal, it may (a) so advise any Rolling Shareholder, and (b) engage or participate in discussions and negotiations with a Rolling Shareholder and provide written information to a Rolling Shareholder in response to a request for information made by the Rolling Shareholder, in each case in accordance with the Voting Support Agreement executed by the Company and

the respective Rolling Shareholder, for the sole purpose of determining whether the Rolling Shareholder, in its capacity as a Shareholder, would be likely to support and vote in favour of such Acquisition Proposal and enter into agreements in respect of the Acquisition Proposal, if the Board were to determine that such Acquisition Proposal is a Superior Proposal, if, and only if, the Company has complied with its notification obligations to the Purchaser pursuant to the Arrangement Agreement; provided that the foregoing shall not in any way restrict the Company, the Board or the Special Committee from engaging or participating in any discussions or negotiations with, or providing any information to, a Rolling Shareholder or its beneficial owner in their capacity as a director or officer of the Company.

Right to Match

(1) If the Company receives an Acquisition Proposal that the Board determines, in good faith after consultation with its outside financial and legal advisors, constitutes a Superior Proposal prior to obtaining the Required Shareholder Approval, the Board may (based upon, *inter alia*, the recommendation of the Special Committee), subject to compliance with the Arrangement Agreement, enter into a definitive agreement or make a Change in Recommendation with respect to such Superior Proposal, if and only if: (a) the making of the Acquisition Proposal by such Person did not result from a material breach of the Non-Solicitation Covenants; (b) the Person making the Acquisition Proposal was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-solicitation or similar agreement with the Company; (c) the Company has delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal and/or withdraw or modify the Board Recommendation (the "**Superior Proposal Notice**"); (d) at least five (5) full Business Days (the "**Matching Period**") have elapsed from the date on which the Purchaser received the Superior Proposal Notice; (e) during any Matching Period, the Purchaser has had the opportunity (but not the obligation), to offer to amend the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal; (f) after the Matching Period, the Board has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by the Purchaser); and (g) prior to or concurrently with entering into such definitive agreement or withdrawing or modifying the Board Recommendation, the Company terminates the Arrangement Agreement in accordance with its terms and pays the Purchaser the Company Termination Fee.

(2) During the Matching Period, the Purchaser shall have the opportunity, but not the obligation, to propose to amend the terms of the Arrangement Agreement, including an increase in, or modification of, the Consideration. During the Matching Period: (a) the Board shall review any offer made by the Purchaser to amend the terms of the Arrangement Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) the Company shall negotiate in good faith with the Purchaser to make such amendments to the terms of the Arrangement Agreement or the Plan of Arrangement as would enable the Purchaser to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the Board determines (based upon, *inter alia*, the recommendation of the Special Committee) that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Purchaser and the Company and the Purchaser shall amend the Arrangement Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

(3) Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the Non-RS Consideration (or value of such Non-RS Consideration) to be received by Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal and the Purchaser shall be afforded a new Matching Period from the later of the date on which the Purchaser received the Superior Proposal Notice with respect to the new Superior Proposal from the Company.

(4) At the written request of the Purchaser, the Board shall promptly reaffirm the Board Recommendation (based upon, *inter alia*, the recommendation of the Special Committee) by press release after any Acquisition Proposal which the Board has determined not to be a Superior Proposal is publicly announced or publicly disclosed or the Board determines that a proposed amendment to the terms of the Arrangement Agreement or the Plan of Arrangement as contemplated under the Non-Solicitation Covenants would result in an Acquisition Proposal no longer being a Superior Proposal.

(5) If the Company provides a Superior Proposal Notice to the Purchaser on a date that is less than ten (10) Business Days before the Meeting, the Company shall be permitted to, and shall upon request from the

Purchaser, adjourn or postpone the Meeting to a date that is not more than five (5) Business Days after the scheduled date of the Meeting, but in any event the Meeting shall not be adjourned or postponed to a date which would prevent the Effective Date from occurring on or prior to the Outside Date.

(6) Nothing in the Arrangement Agreement shall prohibit the Board from responding through a directors' circular or otherwise as required by applicable Securities Laws to an Acquisition Proposal provided that the Company shall provide the Purchaser and its counsel with a reasonable opportunity to review the form and content of such disclosure and shall give reasonable consideration to any comments made by the Purchaser and its counsel. Further, nothing in the Arrangement Agreement shall prevent the Board from making any disclosure to the Shareholders if the Board, acting in good faith and upon the advice of its outside legal and financial advisors, shall have determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Board or such disclosure is otherwise required under Law; provided, however, that, notwithstanding the Board shall be permitted to make such disclosure, the Board shall not be permitted to make a Change in Recommendation, other than as permitted by the Non-Solicitation Covenants and provided that the Company shall provide the Purchaser and its counsel with a reasonable opportunity to review the form and content of such disclosure and shall give reasonable consideration to any comments made by the Purchaser and its counsel. In addition, nothing contained in the Arrangement Agreement shall prevent the Company or the Board from calling and/or holding a meeting of Shareholders requisitioned by Shareholders in accordance with the OBCA or ordered to be held by a court in accordance with applicable Laws.

Other Covenants

Required Regulatory Approvals

(1) The Parties will (i) make or file with the applicable Governmental Entity such applications and related submissions required to obtain the Required Regulatory Approvals, and in doing so, keep the other Party informed as to the status of those applications; and (ii) prepare and file as promptly as practicable (and in no event later than ten (10) Business Days following the date of the Arrangement Agreement) all required filings and submissions under the HSR Act.

(2) The Purchaser shall use its best efforts to file promptly (and in any event, within ten (10) Business Days) after the date of the Arrangement Agreement a notification filing under Part III of the Investment Canada Act and a notification in accordance with the requirements of the NSI Act.

(3) Each party shall, and shall cause its affiliates to, use its reasonable best efforts to obtain the Required Regulatory Approvals as soon as is reasonably practicable after the date of the Arrangement Agreement. Notwithstanding the foregoing or anything to the contrary in the Arrangement Agreement, the Purchaser shall not be required to (or cause or consent to), and the Company shall not, without the Purchaser's prior written consent, sell, divest, license, hold separate, or accept any restriction on its freedom of action with respect to any assets or businesses of any Person, or agree to do any of the foregoing.

(4) The Purchaser shall not, and shall cause its affiliates and ultimate parent entities not to, acquire or agree to acquire, by merging with or into or consolidating with, or by purchasing a portion of the assets of or equity in, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire any assets or equity interests, if the entering into of a definitive agreement relating to, or the consummation of such acquisition, merger or consolidation would reasonably be expected to (i) impose any material delay in the obtaining of, or increase the risk of not obtaining, any of the Required Regulatory Approvals; (ii) materially increase the risk of any Governmental Entity seeking or entering an order prohibiting the consummation of the transactions contemplated by the Arrangement Agreement; (iii) materially increase the risk of not being able to remove any such order on appeal or otherwise; or (iv) materially delay or prevent the consummation of the transactions contemplated by the Arrangement Agreement.

(5) Each party shall not, without the written consent of the other party, "pull-and-refile", enter into any agreement with a Governmental Entity to delay Closing in connection with the Required Regulatory Approvals, or take any similar action with respect to any filing made with any Governmental Entity.

(6) The Parties will furnish one another or the applicable Governmental Entity with such information and assistance as each other Party or Governmental Entity may reasonably request in order to obtain a Required Regulatory Approval. All requests and inquiries from any Governmental Entity will be dealt with by the Parties in consultation with one another.

(7) With respect to obtaining the Required Regulatory Approvals, the Parties will:

(a) promptly notify one another of substantive written communications of any nature from a Governmental Entity relating to the Required Regulatory Approvals and provide the other Parties with copies thereof, except to the extent of competitively sensitive information, which competitively sensitive information will be provided only to the external legal counsel or external expert of the other and will not be shared by such counsel or expert with any other Person;

(b) respond as promptly as reasonably possible to any inquiries or requests received from a Governmental Entity in respect of the Required Regulatory Approvals;

(c) permit the other Parties to review in advance any proposed substantive written communications of any nature with a Governmental Entity in respect of the Required Regulatory Approvals, and provide the other Parties with final copies thereof, except to the extent of competitively sensitive information, which competitively sensitive information will be provided only to the external legal counsel or external expert of the other Parties and will not be shared by such counsel or expert with any other Person; and

(d) not participate in any substantive meeting or discussion (whether in person, by telephone or otherwise) with a Governmental Entity in respect of the Required Regulatory Approvals, or concerning required regulatory approvals, unless it consults with the other Parties in advance and gives the other Parties the opportunity to attend and participate at such meeting or discussion (except where a Governmental Entity expressly requests that the other Parties should not be present at the meeting or discussion or part or parts of the meeting or discussion, or except where competitively sensitive information may be discussed, in which case, with respect to meetings and discussions with the Commissioner, every effort will be made to allow external legal counsel to participate).

(8) All filing fees and applicable Taxes in respect of any filing made with a Governmental Entity in order to obtain the Required Regulatory Approvals will be the responsibility of the Purchaser.

Insurance and Indemnification

The Company shall use its commercially reasonable efforts to and, if the Company is unable after using commercially reasonable efforts, the Purchaser shall cause the Company to obtain and fully pay the premium for the extension of the directors' and officers' liability coverage of the Company's and its Subsidiaries' existing directors' and officers' insurance policies for a claims reporting or run-off and extended reporting period and claims reporting period of at least six years from and after the Effective Time with respect to any claim related to any period of time at or prior to the Effective Time. If the Company for any reason fails, after having used commercially reasonable efforts, to obtain such run off insurance policies as of the Effective Time, the Purchaser shall, or shall cause the Company and its Subsidiaries to, maintain in effect for a period of at least six years from and after the Effective Time the director and officer insurance in place as of the date of the Arrangement Agreement or the Company shall purchase comparable director and officer insurance for such six-year period. Notwithstanding the foregoing, the cost of such run off insurance policies or other policies shall not exceed 300% of the current annual premium for the Company's director and officer insurance, it being understood that if the annual premiums payable for such insurance coverage exceed such amount the Purchaser shall be obligated to obtain a policy with the greatest coverage available for a cost equal to such amount.

The Purchaser shall, from and after the Effective Time, cause the Company or the applicable Subsidiary to honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of the Company and its Subsidiaries.

Limited Guarantee

The Purchaser has delivered to the Company an unconditional and irrevocable limited guarantee addressed to, and in favour of, the Company from the Sponsor, guaranteeing the obligations of the Purchaser pursuant to Section 7.4(7), Section 7.4(12), Section 4.11(4) and Section 4.12(5) of the Arrangement Agreement.

Financing

The Purchaser shall use its reasonable best efforts to take, or cause to be taken, all actions, and do, or cause to be done, all things reasonably necessary, proper or advisable to obtain the proceeds of the Financing on the terms and conditions described in the Commitment Letters, including (i) maintaining in effect the Commitment Letters, (ii) negotiating definitive agreements with respect to the Debt Financing (the "**Definitive Agreements**") consistent with the terms and conditions contained in the Debt Commitment Letter (including, as necessary, any "flex" provisions contained in any related fee letter), and (iii) satisfying on a timely basis (or obtaining a waiver of) all conditions in the Commitment Letters and the Definitive Agreements applicable to the Purchaser to obtain the Financing. In the event that all conditions contained in the Commitment

Letters (other than, with respect to the Debt Financing, the availability of the Equity Financing) have been satisfied (or upon funding will be satisfied) or waived, the Purchaser shall use its reasonable best efforts to cause the lenders, and shall cause the Equity Investors, to fund the Financing required to consummate the transactions contemplated by the Arrangement Agreement and to pay related fees and expenses on the Effective Date. The Purchaser shall use reasonable best efforts to comply with its obligations that are within its control, and enforce its rights, under the Commitment Letters in a timely and diligent manner. The Purchaser shall not, without the prior written consent of the Company, permit any amendment, supplement or modification to, or any waiver of any material provision or remedy under, or voluntarily replace, the Commitment Letters if such amendment, supplement, modification, waiver or voluntary replacement:

(1) would (y) add new (or adversely modify any existing) conditions to the Commitment Letters or otherwise adversely affect (including with respect to timing) the ability or likelihood of the Purchaser to timely consummate the transactions contemplated by the Arrangement Agreement or (z) be reasonably expected to make the timely funding of the Financing less likely to occur;

(2) reduces the aggregate amount of the Financing (including by changing the amount of fees to be paid in respect of the Debt Financing or original issue discount in respect of the Debt Financing) below the amount required to fund the Purchaser's payment obligations under the Arrangement Agreement;

(3) adversely affects the ability of the Purchaser to enforce its rights against any of the other parties to the Commitment Letters or the Definitive Agreements as so amended, replaced, supplemented or otherwise modified, relative to the ability of the Purchaser to enforce its rights against any of such other parties to the Commitment Letters as in effect on the date hereof; or

(4) would otherwise reasonably be expected to prevent, impede or materially delay the consummation of the Arrangement and the other transactions contemplated by the Arrangement Agreement; provided, that the Purchaser may amend or otherwise modify the Debt Commitment Letter (A) to add or replace lenders, lead arrangers, bookrunners, syndication agents or similar entities that have not executed the Debt Commitment Letter as of the date of the Arrangement Agreement or (B) in accordance with any "flex" provisions thereof.

The Purchaser will, in the event that any portion of the Financing becomes unavailable on the terms and conditions contemplated in the applicable Commitment Letter (after taking into account "flex" provisions):

(1) use its reasonable best efforts to arrange and obtain, as promptly as practicable following the occurrence of such event, alternative financing (as applicable, in an amount sufficient to replace such unavailable Financing) from the same or other sources and on terms and conditions not materially less favorable to the Purchaser in the aggregate than such unavailable Financing (including, in the case of the Debt Financing, any "flex" provisions contained in any related fee letter); and

(2) promptly notify the Company of such unavailability.

The Purchaser shall provide the Company with prompt written notice of (A) any material breach or default by any party to any Commitment Letters or the Definitive Agreements of which the Purchaser becomes aware, or (B) the receipt of any written notice or other written communication from any lender, Equity Investor, or other financing source with respect to any actual material breach, default, termination or repudiation by any party to any Commitment Letters or the Definitive Agreements of any provision thereof.

Pre-Acquisition Reorganization

The Company has agreed that, upon the reasonable written request of the Purchaser, the Company shall, and shall cause each of its Subsidiaries to, use commercially reasonable efforts to effect such reorganizations of the Company's or its Subsidiaries' business, operations and assets or such other transactions as the Purchaser may request in writing, acting reasonably, including amalgamations, continuances, wind-ups, distributions, contributions, sales, intercompany loans or the refinancing thereof, and any other transaction (each a "**Pre-Acquisition Reorganization**"); provided that any Pre-Acquisition Reorganization, among other things: (i) does not adversely affect the interests of the Company, any of its Subsidiaries or the Securityholders in any material respect; (ii) does not impair, prevent or materially delay the consummation of the Arrangement or the ability of the Purchaser to obtain any financing required by it in connection with the transactions contemplated by the Arrangement Agreement; and (iii) is effected as closely as is reasonably practicable prior to the Effective Time.

The Purchaser has agreed that if the Arrangement is not completed, it will (i) reimburse the Company for all reasonable costs and expenses, including legal fees, disbursements and Taxes incurred by the Company and its Subsidiaries in connection with any proposed Pre-Acquisition Reorganization; and (ii) indemnify and hold harmless the Company, its Subsidiaries and their respective directors, officers, employees, agents and representatives from and against any and liabilities, losses, damages, claims, costs, expenses, interest, awards, judgements, Taxes and penalties suffered or incurred by any of them in connection

with or as a result of any Pre-Acquisition Reorganization and, at the discretion of the Company, reverse or unwind any Pre-Acquisition Reorganization.

Representations and Warranties

The Arrangement Agreement contains representations and warranties made by the Company to the Purchaser and representations and warranties made by the Purchaser to the Company. The representations and warranties were made solely for the purposes of the Arrangement Agreement and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, some of the representations and warranties contained in the Arrangement Agreement have been made as of specified dates or are subject to a contractual standard of materiality (including Material Adverse Effect) that are different from what may be viewed as material to Shareholders, or may have been used for the purpose of allocating risk between parties to an agreement instead of establishing such matters as facts. For the foregoing reasons, you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by the Company in favour of the Purchaser relate to, among other things: (i) organization and qualification; (ii) corporate authorization; (iii) execution and binding obligation; (iv) governmental authorization; (v) no conflict/non-contravention; (vi) capitalization; (vii) shareholders' and similar agreements; (viii) subsidiaries; (ix) securities law matters; (x) compliance with laws; (xi) authorizations and licenses; (xii) fairness opinions; (xiii) the formal valuation; (xiv) interested parties; (xv) brokers; (xvi) board and special committee approval; (xvii) material contracts; (xviii) government contracts; (xix) litigation; (xx) financial statements; (xxi) absence of certain changes; (xxii) related party transactions; (xxiii) taxes; (xxiv) employee matters; (xxv) property; (xxvi) insurance; (xxvii) environmental laws; (xxviii) anti-money laundering and anti-corruption; (xxix) intellectual property, technology and privacy; (xxx) auditor and transfer agent; (xxxi) government assistance; and (xxxii) the Investment Canada Act.

The representations and warranties provided by the Purchaser in favour of the Company relate to, among other things: (i) organization and qualification; (ii) corporate authorization; (iii) execution and binding obligation; (iv) governmental authorization; (v) non-contravention; (vi) litigation; (vii) security ownership; (viii) certain arrangements; (ix) Investment Canada Act; (x) financial capacity; (xi) interests in Purchaser; (xii) the Competition Act; and (xiii) the Rollover Agreements.

Conditions of Closing

Mutual Conditions

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of the Parties:

(1) the Arrangement Resolution has been approved and adopted by the Shareholders at the Meeting in accordance with the Interim Order;

(2) the Interim Order and the Final Order have each been obtained on terms consistent with the Arrangement Agreement and have not been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise;

(3) the Required Regulatory Approvals, other than the Investment Canada Approval, shall have been obtained;

(4) no Law is in effect (whether temporary, preliminary or permanent) which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser from consummating the Arrangement or any of the other transactions contemplated in the Arrangement Agreement;

(5) no action has been commenced by any Governmental Entity against the Company, any of its Subsidiaries or the Purchaser that remains pending and would (i) prohibit consummation of the Arrangement or (ii) cease trade, enjoin or prohibit the Purchaser's ability to acquire any Shares upon completion of the Arrangement;

(6) each of the Rollover Agreements has been since the date of execution thereof and continues to remain in full force and effect and enforceable against the parties thereof; and

(7) the Articles of Arrangement to be filed with the Director under the OBCA in accordance with the Arrangement shall be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

Additional Conditions Precedent to the Obligations of the Purchaser

The Purchaser is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

(1) the representations and warranties of the Company:

(a) relating to organization and qualification, corporate authorization, execution and binding obligation and Subsidiaries are, as of the date of the Arrangement Agreement, and will be, as of the Effective Time, true and correct in all respects other than failures to be true and correct that result from actions that are expressly required by the terms of the Arrangement Agreement or approved in writing by the Purchaser (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date);

(b) relating to capitalization are, as of the date of the Arrangement Agreement, and will be, as of the Effective Time, true and correct in all respects other than such failures to be true and correct that would have no more than a de minimis impact on the aggregate Consideration payable pursuant to the Arrangement (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date); and

(c) other than the representations and warranties to which items (i) or (ii) above applies, are, as of the date of the Arrangement Agreement, and will be, as of the Effective Time, true and correct, except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date);

(2) the Company shall have fulfilled or complied in all material respects with its covenants contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time;

(3) Dissent Rights have not been validly exercised, and not withdrawn or deemed to have been withdrawn, with respect to more than 5% of the issued and outstanding Shares;

(4) since the date of the Arrangement Agreement, there shall have not occurred a Material Adverse Effect which is continuing as of the Closing; and

(5) the Investment Canada Approval shall have been obtained.

Additional Conditions Precedent to the Obligations of the Company

The Company is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

(1) the representations and warranties of the Purchaser:

(a) relating to organization and qualification, corporate authorization, execution and binding obligation, non-contravention, security ownership, certain arrangements and financial capacity are, as of the date of the Arrangement Agreement, and will be, as of the Effective Time, true and correct in all respects, except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date; and

(b) other than the representations and warranties to which item (i) above applies are, as of the date of the Arrangement Agreement, and will be, as of the Effective Time, true and correct in all material respects, except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not materially impede completion of the Arrangement;

(2) the Purchaser has fulfilled or complied in all material respects with each of the covenants of the Purchaser in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time; and

(3) the Purchaser has deposited or caused to be deposited with the Depositary the funds required to effect payment in full of the aggregate Consideration to be paid pursuant to the Arrangement.

Termination

The Arrangement Agreement may be terminated prior to the Effective Time by:

(1) the mutual agreement of the parties; or

(2) either the Company or the Purchaser if:

(a) **No Required Shareholder Approval.** The Required Shareholder Approval is not obtained at the Meeting in accordance with the Interim Order, provided that a Party may not terminate the Arrangement Agreement if the failure to obtain the Required Shareholder Approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement;

(b) **Illegality.** After the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Company or the Purchaser from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate the Arrangement Agreement has complied with its obligations under the Arrangement Agreement to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement and provided further that the enactment, making, enforcement or amendment of such Law was not primarily due to a result of a breach by such Party of any of its representations or warranties, or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or

(c) **Occurrence of Outside Date.** The Effective Time does not occur on or prior to the Outside Date, provided that neither the Company nor the Purchaser may terminate the Arrangement Agreement if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement.

(3) the Company if:

(a) **Breach of Representation or Warranty or Failure to Perform Covenant by the Purchaser.** A breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser under the Arrangement Agreement shall have occurred that would cause any condition in (1) or (2) described above under the heading "*Additional Conditions Precedent to the Obligations of the Company*" not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of the Arrangement Agreement; provided that the Company is not then in breach of the Arrangement Agreement so as to cause any condition in either (1) or (2) described above under the heading "*Additional Conditions Precedent to the Obligations of the Purchaser*" not to be satisfied;

(b) **Failure to Close.** (i) All mutual conditions precedent and additional conditions precedent to the obligations of the Purchaser (other than conditions that, by their terms, are to be satisfied on the Effective Date) have been satisfied or waived, (ii) at least two (2) Business Days prior to such termination, the Company has notified the Purchaser in writing stating the Company's intention to terminate the Arrangement Agreement, and (iii) the Purchaser does not provide, or cause to be provided, the funds required to be provided to the Depositary in accordance with the Arrangement Agreement within three (3) Business Days following receipt of such notice; or

(c) **Superior Proposal.** Prior to the approval by the Shareholders of the Arrangement Resolution, the Board authorizes the Company to enter into a definitive written agreement with respect to a Superior Proposal, provided the making of the Acquisition Proposal that constituted a Superior Proposal did not result from a material breach of the Non-Solicitation Covenants and that prior or concurrent with such termination the Company pays the Company Termination Fee.

(4) the Purchaser if:

(a) **Breach of Representation or Warranty or Failure to Perform Covenant by the Company**. A breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under the Arrangement Agreement occurs that would cause any condition in (1) or (2) described above under the heading "*Additional Conditions Precedent to the Obligations of the Purchaser*" not to be satisfied, and such breach or failure is incapable of being cured on or

prior to the Outside Date or is not cured in accordance with the terms of the Arrangement Agreement; provided that the Purchaser is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any condition in either (1) or (2) described above under the heading "*Additional Conditions Precedent to the Obligations of the Company*" not to be satisfied, and provided further, that the Purchaser may not terminate the Arrangement Agreement if the Purchaser or its Representatives had actual knowledge of the breach of the representation or warranty as of the date of the Arrangement Agreement, or the breach of covenant is the result of any action or failure to take any action by the Purchaser after the date of the Arrangement Agreement;

(b) **Change in Recommendation.** Prior to the approval by the Shareholders of the Arrangement Resolution, the Board or the Special Committee (A) fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to the Purchaser, or publicly proposes or states an intention to so withdraw, amend, modify or qualify, the Board Recommendation, (B) accepts, approves, endorses, enters into, recommends, or publicly proposes to accept, approve, endorse, enter into or recommend an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five (5) Business Days (or in the event that the Meeting is scheduled to occur within such five (5) Business Day period, beyond the third (3rd) Business Day prior to the date of the Meeting), or (C) fails to publicly recommend or reaffirm the Board Recommendation within five (5) Business Days after having been requested in writing by the Purchaser to do so (or in the event that the Meeting is scheduled to occur within such five (5) Business Day period, prior to the third (3rd) Business Day prior to the date of the Meeting) (each, a "**Change in Recommendation**");

(c) **Wilful Breach of Non-Solicit.** Prior to the approval by the Shareholders of the Arrangement Resolution, the wilful breach by the Company, its Subsidiaries or their respective Representatives of any of its obligations under the Non-Solicitation Covenants; or

(d) **Material Adverse Effect.** Since the date of the Arrangement Agreement, there has occurred a Material Adverse Effect which is incapable of being cured on or prior to the Outside Date.

Termination Fees

The Arrangement Agreement specifies that the Company will pay the Purchaser an amount equal to $50,000,000 (the "**Company Termination Fee**") upon termination of the Arrangement Agreement pursuant to one of the events below (each, a "**Company Termination Fee Event**"):

(1) by the Purchaser pursuant to item (4)(b) "*Change in Recommendation*" above;

(2) by the Purchaser pursuant to item (4)(c) "*Wilful Breach of Non-Solicit*" above;

(3) by the Company pursuant to item (3)(c) "*Superior Proposal*" above;

(4) by the Company or the Purchaser pursuant to item (2)(a) "*No Required Shareholder Approval*" above, but only if:

(a) prior to the Meeting, a *bona fide* Acquisition Proposal is publicly made or publicly announced and such Acquisition Proposal has not been withdrawn; and

(b) within twelve (12) months following the date of such termination, any Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (a) above) is consummated or effected,

provided, however, that for the purposes of this item (4) all references to "20% or more" in the definition of Acquisition Proposal shall be deemed to be references to "50% or more".

If a Company Termination Fee Event occurs, the Company shall pay the Company Termination Fee to the Purchaser by wire transfer of immediately available funds, as follows: (a) if the Company Termination Fee is payable pursuant to items (1) or (2) above, the Company Termination Fee shall be payable within two (2) Business Days following such termination; (b) if the Company Termination Fee is payable pursuant to item (3) above, the Company Termination Fee shall be payable concurrently with such termination; and (c) if the Company Termination Fee is payable pursuant to item (4) above, the Company Termination Fee shall be payable concurrently with the consummation of the Acquisition Proposal referred to in item (4)(b) above.

The Arrangement Agreement specifies that the Purchaser will pay the Company an amount equal to $70,000,000 (the "**Purchaser Termination Fee**") upon termination of the Arrangement Agreement pursuant to one of the events below (each, a "**Purchaser Termination Fee Event**"):

(1) by the Company pursuant to item (3)(a) "*Breach of Representation or Warranty or Failure to Perform Covenant by the Purchaser*" above as a result of a wilful breach by the Purchaser; or

(2) by the Company pursuant to item (3)(b) "*Failure to Close*" above.

If a Purchaser Termination Fee Event occurs, the Purchaser shall pay the Purchaser Termination Fee to the Company by wire transfer of immediately available funds within two (2) Business Days following such termination.

Notwithstanding anything to the contrary set forth in the Arrangement Agreement, except for an order of specific performance, as and only to the extent permitted by Section 8.5 thereto, or in the case of fraud, in the event of the termination of the Arrangement Agreement by the Purchaser or the Company, as applicable:

(a) the right to receive the Purchaser Termination Fee by the Company, when payable in accordance with the terms of the Arrangement Agreement (including as a consequence of payment thereof pursuant to the Limited Guarantee), shall be the sole and exclusive remedy (including damages, specific performance and injunctive or other equitable relief) of the Company and each of its and its Subsidiaries' former, current or future affiliates and Representatives (each of the foregoing Persons and such Persons' successors and assigns, a "**Company Group Member**") against the Purchaser, the Lenders, the Sponsor, any of the Financing Sources, prospective Financing Source, and each and any of their respective former, current or future directors, officers, employees, affiliates, general or limited partners, shareholders (or equivalent), equityholders, managers, members or agents (each of the foregoing Persons and such Persons' successors and assigns, a "**Purchaser Group Member**"), for any monetary or other damages suffered by any Company Group Member, or any liability or obligation of any kind of any Purchaser Group Member; and

(b) in the event that the Company Termination Fee is payable, the right to receive the Company Termination Fee by the Purchaser, when payable in accordance with the terms of the Arrangement Agreement, shall be the sole and exclusive remedy (including damages, specific performance and injunctive or other equitable relief) of the Purchaser or any other Purchaser Group Member against the Company or any other Company Group Member, for any monetary or other damages suffered by any Purchaser Group Member, or any liability or obligation of any kind of any Company Group Member,

in each case, caused by, arising out of, relating to or in connection with (A) any and all breaches or threatened or attempted breach of any representation, warranty, covenant or agreement contained in the Arrangement Agreement or any other agreement, certificate or other document contemplated thereby by the Purchaser or the Company, as applicable, and the failure of the transactions contemplated therein or in any other agreement, certificate or other document contemplated thereby to be consummated (including with respect to any loss suffered as a result of the failure of the Arrangement to be consummated or the funding of the Financing or for a breach or failure to perform thereunder, in any case whether wilfully, intentionally, unintentionally or otherwise), (B) any failure or threatened or attempted failure of the Purchaser or the Company, as applicable, to comply with its obligations under the Arrangement Agreement and any other agreement, certificate or document contemplated thereby, or (C) the Arrangement Agreement, the agreements, certificates and documents contemplated thereby and the transactions contemplated thereby or the termination of the Arrangement Agreement, in each case, including any action, suit or other proceeding under any legal theory whether in equity or at Law, in contract, in tort or otherwise; provided that, notwithstanding the foregoing, nothing therein shall limit the remedies available under the Confidentiality Agreement. In no event shall (i) the Company be entitled to collect the Purchaser Termination Fee on more than one occasion or (ii) the Purchaser be entitled to collect the Company Termination Fee on more than one occasion.

Injunctive Relief

Subject to Section 7.4(10), Section 7.4(11) and Section 8.5(3) of the Arrangement Agreement, the Parties have agreed that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of the Arrangement Agreement were not performed in accordance with their specific terms or were otherwise breached. Subject to Section 7.4(10), Section 7.4(11) and Section 8.5(3) thereto, it was accordingly agreed that the Parties (so long as the Company Termination Fee or Purchaser Termination Fee, as the case may be, has not been paid pursuant to this terms of the Arrangement Agreement) shall be entitled to specific performance of the terms of the Arrangement Agreement and an injunction or injunctions and other equitable relief to prevent breaches or threatened breaches of the Arrangement Agreement, and to enforce compliance with the terms of the Arrangement Agreement without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief thereby being waived.

The Arrangement Agreement specifies that under no circumstances shall: (a) the Company, directly or indirectly, be permitted or entitled to receive both (A) a grant of specific performance to enforce the Purchaser's obligation to enforce the Equity Commitment Letters and to consummate the Arrangement and the other transactions contemplated by the Arrangement Agreement, in each case, if, and to the extent, permitted by Section 8.5(3) thereto, or other equitable relief (other than under the Confidentiality Agreement), on the one hand, and (B) payment of the Purchaser Termination Fee, on the other hand; or (b) either Party, directly or indirectly, be permitted or entitled to receive both (A) payment of any monetary damages whatsoever, on the one hand, and (B) payment of the Purchaser Termination Fee or the Company Termination Fee, as applicable, on the other hand.

Notwithstanding anything in the Arrangement Agreement to the contrary, the Parties thereby acknowledged and agreed that the Company shall be entitled to specific performance or injunctive relief to cause the Equity Financing to be funded (but not the right of the Company to specific performance for obligations in respect of the Debt Financing or otherwise other than with respect to the Equity Financing), if and only if and for so long as: (a) all mutual conditions precedent and additional conditions precedent to the obligations of the Purchaser have been satisfied (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party in whose favour the condition is, of those conditions as of the Effective Date); (b) the Debt Financing has been funded or will be funded at the Effective Time in accordance with its terms if the Equity Financing is funded prior the Effective Time in accordance with its terms; (c) the Purchaser fails to complete the Closing by the date the Closing is required to have occurred pursuant to Section 2.8 of the Arrangement Agreement; and (d) the Company has irrevocably confirmed in writing that if specific performance is granted and the Debt Financing has been funded or will be funded at the Effective Time in accordance with its terms, then the Closing will occur.

Amendments

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, subject to the Plan of Arrangement, the Interim Order and the Final Order, without further notice to or authorization on the part of the Shareholders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;

(c) waive compliance with or modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or

(d) waive compliance with or modify conditions contained in the Arrangement Agreement,

provided that no such amendment or waiver may reduce or materially adversely affect the Consideration to be received by Shareholders under the Arrangement or change the timing of payment, or the form of, the Consideration without their approval at the Meeting or, following the Meeting, without their approval given in the same manner as required by applicable Laws for the approval of the Arrangement as may be required by the Court.

Governing Law

The Arrangement Agreement is governed by and will be interpreted and enforced in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.

Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the Ontario courts situated in the City of Toronto and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

Subject to the rights of the parties to the Debt Commitment Letter under the terms thereof, none of the Parties, in their capacities as parties to the Arrangement Agreement, shall have any direct or indirect rights or claims against any Financing Source in connection with the Arrangement Agreement, the Debt Financing or the transactions contemplated thereby, whether at law, in contract, in tort or otherwise, and no Financing Source, in its capacity as a lender or arranger in connection with the Debt Financing, shall have any direct or indirect rights or claims against any Party thereto in connection with the Arrangement Agreement, the Debt Financing or the transactions contemplated thereby, whether at Law, in contract, in tort or otherwise. For the avoidance of doubt, nothing contained therein shall in any way limit or modify the rights and obligations of the Purchaser, the Sponsor or the Financing Sources set forth under the Debt Commitment Letters.

No Liability

The Arrangement Agreement may only be enforced against, and any proceeding based upon, arising out of, or related

to the Arrangement Agreement, or the negotiation, execution or performance of the Arrangement Agreement, may only be brought against, the entities that are expressly named as Parties thereto and then only with respect to the specific obligations set forth therein with respect to such Party; provided, that the foregoing shall not limit or otherwise affect the rights and obligations of the parties to the Limited Guarantee and the Equity Commitment Letter. No Financing Sources or past, present or future director, officer, employee, incorporator, manager, member, general or limited partner, shareholder (or equivalent), equityholder, controlling person, affiliate, agent, attorney or other representative of any Party thereto or any of their successors or permitted assigns or any director, officer, employee, incorporator, manager, member, general or limited partner, shareholder, equityholder, controlling person, affiliate, agent, attorney or other representative of any of the foregoing (each, a "**Non-Recourse Party**") shall have any liability whatsoever (whether in contract, in tort or otherwise) to a Company Group Member under the Arrangement Agreement or the transactions contemplated thereby or the Debt Commitment Letter, the performance thereof or the Financing related thereto; provided, that the foregoing shall not limit or otherwise affect the rights and obligations of the parties to the Limited Guarantee and the Equity Commitment Letter. Without limiting the rights of any Party to the Arrangement Agreement against any other Party thereto, in no event shall the Purchaser, the Company or any of their respective affiliates seek to enforce the Arrangement Agreement against, make any claims for breach of the Arrangement Agreement against, or seek to recover monetary damages from, any Non-Recourse Party; provided that the foregoing shall not limit or otherwise affect (A) the rights and obligations of the parties to the Limited Guarantee and the Equity Commitment Letter or (B) the rights of the Purchaser to enforce or seek remedies under the Debt Commitment Letter.

Voting Support Agreements

The Rolling Shareholders as well as each of the other directors and certain of the officers of the Company have entered into voting support agreements ("**Voting Support Agreements**") with the Purchaser and the Company in connection with the Arrangement. An aggregate of 28,903,303 MV Shares and 1,676,501 SV Shares (the "**Supporting Shares**") are subject to Voting Support Agreements, representing approximately 96.47% of the votes attached to all outstanding Shares.

The Voting Support Agreements entered into between the Purchaser and each of the Supporting Shareholders can be found under the Company's profile on SEDAR at www.sedar.com. The following is a summary only of certain provisions of the Voting Support Agreements and is subject to, and qualified in its entirety by, the full text of each of the Voting Support Agreements.

Directors and Certain Officers of the Company

The directors and certain officers of the Company (who are not Rolling Shareholders) are the beneficial owners of an aggregate of 1,307,979 SV Shares, representing 0.43% of the votes attached to all outstanding Shares, and have agreed, solely in their capacity as Shareholders and subject to the terms of the applicable Voting Support Agreements, to vote, or cause to be voted, the Supporting Shares held by them in favour of the Arrangement Resolution. The Voting Support Agreements of the directors and certain officers of the Company (who are not Rolling Shareholders) will terminate, among other things, automatically in the event the Arrangement Agreement is terminated in accordance with its terms.

Rolling Shareholders

The Rolling Shareholders have entered into Voting Support Agreements with the Purchaser substantially in the form of the Voting Support Agreements entered into by the directors and certain officers of the Company who are not Rolling Shareholders. The Rolling Shareholders are the beneficial owners of an aggregate of 28,903,303 MV Shares and 368,522 SV Shares, representing 96.04% of the votes attached to all outstanding Shares, and have agreed, subject to the terms of the applicable Voting Support Agreements, to vote, or cause to be voted, the Supporting Shares held by them in favour of the Arrangement Resolution.

Notwithstanding certain covenants and restrictions set forth in Section 2.1 of the Voting Support Agreement for the Rolling Shareholders, if the Company provides the Rolling Shareholder and the Purchaser with a certificate executed by the Chair of the Special Committee stating that (A) the Board, after consultation with its legal and financial advisors and upon the recommendation of the Special Committee, has received an Acquisition Proposal which the Board has determined constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal (a "**Recommended Acquisition Proposal**"), (B) the Board is permitted by Article 5 (*Additional Covenants Regarding Non-Solicitation*) of the Arrangement Agreement to engage or participate in discussions and negotiations with the Rolling Shareholder regarding the Recommended Acquisition Proposal, and (C) the Recommended Acquisition Proposal does not contemplate any equity financing or debt financing from the Rolling Shareholder (other than a rollover or reinvestment of any Subject Securities (as defined in the Voting Support Agreements) or the proceeds thereof, as applicable), then (and only then) the Rolling Shareholder shall be entitled to (x) deliver to the Board a request to receive information relating solely to the Recommended Acquisition Proposal, including (1) any related financing terms, (2) any terms which would require the consent or agreement of the Rolling Shareholder in connection with the Recommended Acquisition Proposal, and a description of the expectations (if any) with respect to the Rolling

Shareholder and the other Rolling Shareholders, including the rollover or reinvestment required or permitted by the Rolling Shareholder and, if applicable, the proposed governance terms related thereto, and, if applicable, the terms of future employment or other role of the Rolling Shareholder or its beneficial owner with the Company or its successor resulting from completion of the transactions contemplated by the Recommended Acquisition Proposal and (3) the views of the Board and the Special Committee with respect thereto, including the views of their respective legal and financial advisors (the "**Permitted Information Request**"), (y) receive a written response to a Permitted Information Request, and (z) engage or participate in discussions and negotiations with the Board and the Special Committee and their respective representatives, the other Rolling Shareholders, and the Rolling Shareholder's and the other Rolling Shareholders', respective representatives with respect to the foregoing, in each case, for the sole purpose of informing the Board and/or the Special Committee, as applicable, as to whether the Rolling Shareholder, in its capacity as a Shareholder, would be likely to support and vote in favour of such Recommended Acquisition Proposal, enter into agreements in respect of the Acquisition Proposal if the Board were to determine that such Acquisition Proposal is a Superior Proposal (the discussions and negotiations contemplated by this clause (z), "**Approved Discussions**"); provided that Approved Discussions may only occur if (i) the Recommended Acquisition Proposal did not result from a material breach by the Rolling Shareholder of any of the provisions of the relevant Voting Support Agreement, and (ii) the Company has complied with its notification obligations to the Purchaser pursuant to Sections 5.2 and 5.4 of the Arrangement Agreement.

The Voting Support Agreements of the Rolling Shareholders will terminate, among the occurrence of other events (a) upon delivery of written notice of termination to the Purchaser, and without prejudice to any of their rights thereunder and in their sole discretion, if (i) the Purchaser amends the Arrangement Agreement, without prior written consent of the Rolling Shareholder, in a manner that either results in a reduction or a variation in the form of the RS Consideration payable, or that is materially adverse to the Rolling Shareholder or (ii) the Purchaser shall not have complied with Section 3(h) of the Rollover Agreement in all material respects, and such non-compliance has not been remedied or cured within five Business Days of written notice by the Rolling Shareholder of such non-compliance; or (b) automatically upon the earliest of (i) the occurrence of the Effective Time, (ii) 12 months from the date of the Voting Support Agreement, and (iii) the termination of the Arrangement Agreement or the applicable Rollover Agreement in accordance with their respective terms.

Rollover Agreements

The Rolling Shareholders have entered into the Rollover Agreements with the Purchaser and the Sponsor pursuant to which the Rolling Shareholders have agreed that each outstanding Rollover Share held by a Rolling Shareholder will be transferred by the Rolling Shareholder to the Purchaser in exchange for the consideration payable to the Rolling Shareholder in accordance with the terms of their Rollover Agreement at an implied value of $39.00 per Rollover Share. Under the terms of the Plan of Arrangement, each Rolling Shareholder or affiliates thereof will acquire securities of the Purchaser pursuant to and in accordance with the provisions of the Rollover Agreements for the amount set forth in the Rollover Agreements.

CERTAIN CANADIAN LEGAL AND REGULATORY MATTERS

Canadian Securities Law Matters

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or business advice to any particular Shareholder. This summary does not include any information regarding securities law considerations for jurisdictions other than Canada. Shareholders who reside in a jurisdiction outside of Canada are urged to obtain independent advice in respect of the consequences to them of the Arrangement having regard to their particular circumstances.

The Company is a reporting issuer or its equivalent in each of the provinces and territories of Canada. Among other things, the Company is subject to MI 61-101, which is intended to regulate certain transactions between a corporation and related parties, generally by requiring enhanced disclosure, approval by a majority of shareholders excluding interested or related parties and, in certain instances, independent valuations and approval and oversight of the transaction by a special committee of independent directors.

The protections of MI 61-101 generally apply to "business combinations" (as defined in MI 61-101). A "business combination" includes, for an issuer, a transaction (including an arrangement), (i) as a consequence of which the interest of a holder of an equity security of the issuer may be terminated without the holder's consent; and (ii) where a Person who is a "related party" (as defined in MI 61-101) of the issuer at the time the transaction is agreed to (a) would, as a consequence of the transaction, directly or indirectly, acquire the issuer or the business of the issuer; (b) is a party to any "connected transaction" (as defined in MI 61-101) to the transaction; or (c) is entitled to receive, directly or indirectly, as a consequence of the transaction, a "collateral benefit" (as defined in MI 61-101).

As discussed below, the Arrangement is a "business combination" for the purposes of MI 61-101.

Formal Valuation

Pursuant to MI 61-101, a formal valuation of the Shares is required since the Arrangement is a "business combination" within the meaning of MI 61-101 and "interested parties", including the Rolling Shareholders, will as a consequence of the Arrangement, directly or indirectly, acquire Magnet or the business of Magnet, or combine with Magnet, through an amalgamation, arrangement or otherwise, whether alone or with joint actors. Consequently, the Special Committee retained CIBC pursuant to the terms of the CIBC Engagement Agreement, to provide the Special Committee with the CIBC Formal Valuation and Fairness Opinion, which includes a formal valuation of the fair market value of the Shares in accordance with the requirements of MI 61-101.

The CIBC Formal Valuation and Fairness Opinion, dated January 20, 2023 determined that, as of January 20, 2023, based upon and subject to the assumptions, limitations and qualifications set out therein, the fair market value of the Shares was in the range of $36.50 to $48.75 per Share. A copy of the CIBC Formal Valuation and Fairness Opinion is attached as Appendix "F" hereto.

To the knowledge of the directors and officers of the Company, after reasonable enquiry, there have been no prior valuations, as defined in MI 61-101, prepared in respect of the Company within the 24 months preceding the date of this Circular.

Bona Fide Prior Offers

During the 24 months prior to the entering into of the Arrangement Agreement, except as disclosed herein, the Company has not received any bona fide prior offer related to the subject matter of the Arrangement or that is otherwise relevant to the Arrangement.

Collateral Benefits

A "collateral benefit", as defined under MI 61-101, includes any benefit that a "related party" of the Company, which includes the directors and "senior officers" (as defined under MI 61-101) of the Company, is entitled to receive, directly or indirectly, as a consequence of the Arrangement, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant of the Company or another person. MI 61-101 excludes from the meaning of collateral benefit certain benefits to a related party received solely in connection with the related party's services as an employee, director or consultant of an issuer

or an affiliated entity of the issuer or a successor to the business of the issuer where, among other things, (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction, (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner, (c) full particulars of the benefit are disclosed in the disclosure document for the transaction, and (d)(i) at the time the transaction was agreed to, the related party and its associated entities beneficially own or exercise control or direction, over less than 1% of the outstanding shares of the issuer, or (ii) an independent committee, acting in good faith, determines that the value of the collateral benefit, net of any offsetting costs to the related party, is less than 5% of the value of the consideration the related party expects to receive under the terms of the transaction and this determination is disclosed in the disclosure document for the transaction.

Certain of the senior officers of the Company hold Options and RSUs and certain of the directors of the Company hold DSUs. If the Arrangement is completed, the vesting of all Options, RSUs and DSUs is to be accelerated in accordance with their terms, and such senior officers and directors holding in-the-money Options, RSUs or DSUs (as applicable) will be entitled to receive cash payments in respect thereof at the Effective Time. See "*The Arrangement – Interest of Certain Persons or Companies in the Arrangement*". In addition, cash transaction bonuses of up to an aggregate of US$850,000 will be paid to certain employees of the Company and its Subsidiaries to recognize and compensate such individuals for the additional work they have taken on with respect to the Arrangement. Subject to the exclusions set out above, the cash payments in respect of the in-the-money Options, RSUs, DSUs and transaction bonuses may be considered to be "collateral benefits" received by the applicable senior officers and directors of the Company for the purposes of MI 61-101.

As at the date of the Arrangement Agreement, no senior officer or director of the Company holding Options, RSUs or DSUs (as applicable) or who may be entitled to a transaction bonus, other than the applicable Rolling Shareholders, Scott Williams and Angelo Loberto, nor any associated entities of any of the foregoing persons, beneficially owns or exercises control or direction over, 1% or more of the SV Shares and/or the MV Shares. As a result, the benefit to be received by such senior officers and directors holding Options, RSUs or DSUs (as applicable) or who may be entitled to a transaction bonus pursuant to the Arrangement does not constitute a "collateral benefit" for the purposes of MI 61-101. Since the vote attached to Shares owned or controlled by the Rolling Shareholders will be excluded from the majority of the minority vote under MI 61-101 as a result of them being deemed to acquire the Company under MI 61-101, it is not necessary to consider any collateral benefits they may receive.

As at the date of the Arrangement Agreement, Scott Williams is entitled to receive a "collateral benefit" as a result of his entitlement to the cash payments in respect of his holdings of Options and RSUs. Mr. Williams, together with his associated entities, beneficially owns or exercises control over more than 1% of the issued and outstanding SV Shares (assuming the exercise of certain Options, as required by MI 61-101), and the benefit he is entitled to receive is greater than 5% of the amount of consideration that he is entitled to receive pursuant to the Arrangement in exchange for the Shares beneficially owned by him.

Angelo Loberto, who is entitled to receive a cash payment in respect of his Options and RSUs in connection with the Arrangement, together with his associated entities, also beneficially owns or exercises control or direction over 1% of the issued and outstanding SV Shares. However, the Special Committee, acting in good faith, has determined that the value of the benefit to Mr. Loberto (i.e., the cash payment in respect of his unvested Options and RSUs and any transaction bonus to which he is entitled), net of any offsetting costs, is less than 5% of the value of the consideration that Mr. Loberto is entitled to receive under the terms of the Arrangement in respect of the Shares he beneficially owns. Consequently, Mr. Loberto is not entitled to receive a "collateral benefit" in connection with the Arrangement.

Minority Approval

Under the OBCA and the Interim Order, the approval of the Arrangement Resolution requires the affirmative vote of at least two-thirds ($66^2/_3$%) of the votes cast by the Shareholders, voting in accordance with the Interim Order and the Company's Articles, present in person or represented by proxy at the Meeting and entitled to vote. In addition, as the Arrangement is a "business combination" for the purposes of MI 61-101, the Company is required to obtain "minority approval" for the Arrangement from the holders of every class of "affected securities" of the Company, in each case voting separately as a class. For the Arrangement, the SV Shares and the MV Shares are "affected securities".

Pursuant to Section 8.1(2) of MI 61-101, in determining whether minority approval for the Arrangement has been obtained, the Company is required to exclude the votes attaching to the Shares beneficially owned by, or over which control or direction is exercised by, in each case to the knowledge of the Company or any interested party or their respective senior officers, after reasonable inquiry: the Company, "interested parties", "related parties" of such interested parties (unless the related party meets that description solely in its capacity as a director or senior officer of one or more Persons that are neither

interested parties nor insiders of the issuer), and "joint actors" of such interested parties or related parties, all as defined in MI 61-101.

MI 61-101 provides that the following are "interested parties": related parties who would, as a consequence of the transaction, directly or indirectly, acquire the issuer or the business of the issuer; related parties who are party to any connected transaction to the business combination; and related parties who receive a collateral benefit.

The votes that are required to be excluded from the vote at the Meeting on the Arrangement Resolution for the purposes of determining majority of the minority approval pursuant to Section 8.1(2) of MI 61-101, are, to the knowledge of the Company, after reasonable inquiry, limited to the votes attaching to the SV Shares beneficially owned or over which direction or control is exercised by (i) the Rolling Shareholders and (ii) the related party who is receiving a collateral benefit, which, as noted above, for the purposes of the Arrangement is Mr. Williams.

Pursuant to MI 61-101, the approval of the Arrangement Resolution requires the affirmative vote of a majority (50% +1) of the votes cast by all holders of SV Shares present in person or represented by proxy at the Meeting and entitled to vote, other than votes attaching to the SV Shares held by the Rolling Shareholders, who are interested parties, and Mr. Williams, who is a related party that is receiving a collateral benefit. However, under MI 61-101, the Arrangement Resolution is exempt from minority approval by the holders of MV Shares. Section 4.6(1)(a) of MI 61-101 provides that a business combination such as the Arrangement is not subject to minority approval if one or more Persons that are interested parties beneficially own, in the aggregate, 90% or more of the outstanding securities of a class of affected securities at the time that the business combination is agreed to, and an appraisal remedy is available to holders of the class of affected securities under the statute under which the issuer is organized or is governed as to corporate law matters. The Rolling Shareholders are interested parties with respect to the Arrangement and beneficially own an aggregate of 28,903,303 MV Shares, representing 100.00% of the issued and outstanding MV Shares. Further, holders of MV Shares have the Dissent Rights under the OBCA and the Interim Order, which constitute an appraisal remedy within the meaning of MI 61-101. As a result, the Arrangement Resolution is exempt from minority approval from the holders of MV Shares.

Accordingly, to the knowledge of the Company, after reasonable inquiry, the Excluded Votes are those votes attaching to an aggregate of 369,446 SV Shares (being approximately 3.00% of the issued and outstanding SV Shares as at the date of this Circular), as follows:

Name	Aggregate Number of SV Shares	Percentage of Outstanding SV Shares
Jad Saliba	184,261[(1)]	1.5%
Adam Belsher	184,261[(2)]	1.5%
Scott Williams	924	0.01%

Notes:
(1) Held by Candestra Holdings Inc., which is directly wholly owned by Mr. Saliba.
(2) Held by Fortis Investments Inc., which is directly wholly owned by Mr. Belsher.

See "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement*".

Stock Exchange Delisting and Reporting Issuer Status

The SV Shares are listed and posted for trading on the TSX under the symbol "MAGT". It is expected that the SV Shares will be delisted from the TSX shortly after the completion of the Arrangement, subject to the rules of the TSX. Following the completion of the Arrangement, the Purchaser will also seek a ruling of applicable Canadian securities regulators that the Company cease to be a reporting issuer under the securities legislation of each of the provinces and territories under which it is currently a reporting issuer.

PROCEDURE FOR THE SURRENDER OF SHARES AND RECEIPT OF CONSIDERATION

Depositary Agreement

Prior to the Effective Date, the Company, the Purchaser and the Depositary will enter into a depositary agreement.

Pursuant to the Arrangement Agreement and prior to the filing of the Articles of Arrangement, the Purchaser is required to deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Dissenting Shareholders), cash with the Depositary in the aggregate amount equal to the payments in respect thereof required pursuant to the Plan of Arrangement, with the amount per Share in respect of which Dissent Rights have been exercised being deemed to be the applicable Consideration per Share for this purpose, net of applicable withholding for the benefit of the Shareholders.

Non-Registered Shareholders

Non-registered (or beneficial) Shareholders whose Shares are registered in the name of an Intermediary should follow the instructions of their Intermediary or contact their Intermediary for assistance. It is recommended that non-registered (or beneficial) Shareholders who have questions regarding depositing Shares or receiving the Consideration contact their Intermediary as soon as possible. If you hold your Shares through an Intermediary you should carefully follow the instructions of such Intermediary.

Letter of Transmittal for Registered Shareholders

Only registered Shareholders should submit a Letter of Transmittal. If you are a non-registered (or beneficial) Shareholder holding your Shares through an Intermediary, see " – *Non-Registered Shareholders* ".

Enclosed with this Circular is a form of Letter of Transmittal which, when properly completed and duly executed and returned to the Depositary together with the certificate(s) representing the Shares, other than Rollover Shares held by a Rolling Shareholder or Shares held by a Dissenting Shareholder, and such additional documents and instruments as the Depositary may reasonably require, will enable each registered Shareholder, other than a Rolling Shareholder in respect of Rollover Shares or a Dissenting Shareholder, to obtain the Consideration that such holder is entitled to receive under the Arrangement, less any amounts required to be withheld.

The form of Letter of Transmittal contains instructions on how to exchange certificate(s) representing Shares held by a registered Shareholder, other than a Rolling Shareholder in respect of Rollover Shares or a Dissenting Shareholder, for the Consideration under the Arrangement. A Shareholder, other than a Rolling Shareholder in respect of Rollover Shares or a Dissenting Shareholder, will not receive the Consideration under the Arrangement until after the Arrangement is completed, provided that such Shareholder has returned properly completed documents, including the Letter of Transmittal, and the certificate(s) representing such Shareholder's Shares to the Depositary.

Only registered Shareholders, other than Rolling Shareholders in respect of Rollover Shares or Dissenting Shareholders, are required to submit a Letter of Transmittal. If you have any questions or require further information about the procedures to complete your Letter of Transmittal, please contact Computershare, the Depositary, at 1-800-564-6253 (toll-free within North America) or by email at corporateactions@computershare.com.

Any use of mail to transmit certificate(s) representing Shares and the Letter of Transmittal is at each Shareholder's risk. Magnet recommends that such certificate(s) and other documents and instruments be delivered by hand to the Depositary and a receipt therefor be obtained or that registered mail be used (with proper acknowledgment) and appropriate insurance be obtained.

In accordance with the Plan of Arrangement, until surrendered as contemplated by Section 4.1 of the Plan of Arrangement, each certificate that immediately prior to the Effective Time represented Shares (other than the Rollover Shares) shall be deemed after the Effective Time to represent only the right to receive the Consideration to which the holder of such Shares (other than a Rollover Share) is entitled to in accordance with the Plan of Arrangement, less any amounts withheld pursuant to the Plan of Arrangement. Any such certificate formerly representing Shares not duly surrendered on or before the sixth anniversary of the Effective Date will cease to represent a claim by or interest of any former Shareholder of any kind or nature against or in the Company or the Purchaser. On such date, all cash to which such former holder was entitled will be deemed to have been surrendered to the Purchaser or the Company, as applicable, and will be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

Unless as otherwise specified in the Letter of Transmittal and/or unless the registered Shareholder (other than a Rolling Shareholder in respect of Rollover Shares or a Dissenting Shareholder) instructs the Depositary otherwise, a cheque (or other

form of immediately-available funds) in the amount payable, less any applicable withholdings, to which such former Shareholder (other that a Rolling Shareholder in respect of Rollover Shares or a Dissenting Shareholder) who has complied with the procedures set out above will, as soon as practicable after the Effective Date: (i) be forwarded to the holder at the address specified in the Letter of Transmittal by insured first class mail and if no mailing address is indicated, the cheque will be mailed to the address of the holder as it appears on Magnet's shareholder register as maintained by its transfer agent, Computershare, or (ii) be made available at the offices of the Depositary for pick-up by the holder as requested by the holder in the Letter of Transmittal.

Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more Shares that were transferred pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the share register maintained by or on behalf of the Company, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, a cheque (or other form of immediately available funds) representing the cash amount to which such holder is entitled to receive for such Shares under the Plan of Arrangement in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered must, as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary, each acting reasonably, in such sum as the Purchaser may direct, or otherwise indemnify the Company and the Purchaser in a manner satisfactory to the Company and the Purchaser, each acting reasonably, against any claim that may be made against the Company or the Purchaser with respect to the certificate alleged to have been lost, stolen or destroyed.

Withholding Rights

Each of the Company, the Purchaser and the Depositary, as applicable, will be entitled to deduct and withhold from any amount otherwise payable or deliverable to any Person under the Plan of Arrangement, such amounts as are required to be deducted and withheld with respect to such payment under the Tax Act or any provision of any other Law in respect of Taxes and will remit such deduction and withholding to the appropriate Governmental Entity. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes of the Plan of Arrangement as having been paid to the Person in respect of which such withholding was made.

DISSENTING SHAREHOLDERS RIGHTS

The following is only a summary of the provisions of the OBCA regarding the rights of Dissenting Shareholders (as modified by the Plan of Arrangement and the Interim Order), which are technical and complex. Shareholders are urged to review a complete copy of Section 185 of the OBCA, attached as Appendix "E" hereto, and those Shareholders who wish to exercise Dissent Rights are also advised to seek legal advice, as failure to comply strictly with the provisions of the OBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order, may result in the loss or unavailability of their Dissent Rights.

Registered Shareholders (other than the Rolling Shareholders in respect of the Rollover Shares) as of the close of business on the Record Date have been provided with the right to dissent in respect of the Arrangement Resolution in the manner provided in Section 185 of the OBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement (the "**Dissent Rights**"). The following summary is qualified in its entirety by the provisions of Section 185 of the OBCA, the Interim Order, the Final Order and the Plan of Arrangement. It is a condition to completion of the Arrangement in favour of the Purchaser that Dissent Rights shall not have been exercised in respect of more than 5% of the issued and outstanding Shares.

Any registered Shareholder as of the Record Date who validly exercises Dissent Rights (a "**Dissenting Shareholder**") may be entitled, in the event the Arrangement becomes effective, to be paid by the Purchaser the fair value of the Shares held by such Dissenting Shareholder, which fair value, notwithstanding anything to the contrary contained in Part XIV of the OBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted. A Dissenting Shareholder will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Shares. Shareholders are cautioned that fair value could be determined to be less than the amount per Share payable pursuant to the terms of the Arrangement.

Section 185 of the OBCA provides that a Dissenting Shareholder may only make a claim under that section with respect to all of the Shares held by the Dissenting Shareholder on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. **One consequence of this provision is that a registered Shareholder may exercise Dissent Rights only in respect of Shares that are registered in that registered Shareholder's name.**

In many cases, Shares beneficially owned by a non-registered (or beneficial) Shareholder are registered either: (a) in the name of an Intermediary, or (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant. Accordingly, a non-registered (or beneficial) Shareholder will not be entitled to exercise its Dissent Rights directly (unless the Shares are re-registered in such Shareholder's name). A non-registered (or beneficial) who wishes to exercise Dissent Rights should immediately contact the Intermediary with whom such Shareholder deals in respect of their Shares and either: (i) instruct the Intermediary to exercise Dissent Rights on its behalf (which, if the Shares are registered in the name of CDS & Co. or other clearing agency, may require that such Shares first be re-registered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such Shares in the name of such Shareholder, in which case the non-registered (or beneficial) Shareholder would be able to exercise Dissent Rights directly.

A registered Shareholder as of the close of business on the Record Date who wishes to dissent must provide a written notice of dissent (a "Dissent Notice") to the Company at 2220 University Avenue East, Suite 300, Waterloo, Ontario, N2K 0A8, Attention: Vivian Leung, General Counsel, to be received not later than 5:00 p.m. (Toronto time) on March 21, 2023 (or 5:00 p.m. (Toronto time) on the Business Day that is two Business Days immediately preceding any adjourned or postponed Meeting). Failure to properly exercise Dissent Rights may result in the loss or unavailability of the right to dissent.

The filing of a Dissent Notice does not deprive a registered Shareholder of the right to vote at the Meeting. However, no registered Shareholder who has voted FOR the Arrangement Resolution shall be entitled to exercise Dissent Rights with respect to their Shares. **A vote against the Arrangement Resolution, an abstention from voting, or a proxy submitted instructing a proxyholder to vote against the Arrangement Resolution does not constitute a Dissent Notice,** but a registered Shareholder need not vote their Shares against the Arrangement Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote FOR the Arrangement Resolution does not constitute a Dissent Notice. However, any proxy granted by a registered Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxyholder from voting such Shares in favour of the Arrangement Resolution and thereby causing the registered Shareholder to forfeit his or her Dissent Rights.

Within 10 days after the Shareholders adopt the Arrangement Resolution, the Company is required to notify each Dissenting Shareholder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any Shareholder who voted FOR the Arrangement Resolution or who has withdrawn its Dissent Notice.

A Dissenting Shareholder who has not withdrawn its Dissent Notice prior to the Meeting must then, within 20 days after receipt of notice that the Arrangement Resolution has been adopted, or if a Dissenting Shareholder does not receive such notice, within 20 days after learning that the Arrangement Resolution has been adopted, send to the Company a written notice containing his or her name and address, the number and class of Shares in respect of which he or she dissents (the "**Dissenting Shares**"), and a demand for payment of the fair value of such Shares (the "**Demand for Payment**"). Within 30 days after sending a Demand for Payment, a Dissenting Shareholder must send to the Company certificates representing the Shares in respect of which he or she dissents. The Company will or will cause its transfer agent to endorse on the applicable share certificates received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return such share certificates to a Dissenting Shareholder.

Failure to strictly comply with the requirements set forth in Section 185 of the OBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order may result in the loss of any right to dissent.

After sending a Demand for Payment, a Dissenting Shareholder ceases to have any rights as a Shareholder in respect of its Dissenting Shares other than the right to be paid the fair value of the Dissenting Shares held by such Dissenting Shareholder, except where: (i) a Dissenting Shareholder withdraws its Dissent Notice before the Purchaser makes an offer to pay (an "**Offer to Pay**"), or (ii) the Purchaser fails to make an Offer to Pay and a Dissenting Shareholder withdraws the Demand for Payment, in which case a Dissenting Shareholder's rights as a Shareholder will be reinstated as of the date of the Demand for Payment.

Pursuant to the Plan of Arrangement, in no case shall the Purchaser, the Company or any other Person be required to recognize any Dissenting Shareholder as a Shareholder after the Effective Time and the names of such Dissenting Shareholders shall be removed from the registers of holders of Shares in respect of which Dissent Rights have been validly exercised at the Effective Time and the Purchaser shall be recorded as the registered holder of such Shares and shall be deemed to be the legal owner of such Shares.

In addition to any other restrictions under Section 185 of the OBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Options, RSUs or DSUs; (ii) Shareholders who vote or have instructed a proxyholder to vote their Shares FOR the Arrangement Resolution; and (iii) the Rolling Shareholders with respect to the Rollover Shares.

Pursuant to the Plan of Arrangement, Dissenting Shareholders who are ultimately not entitled, for any reason, to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as Shareholders who have not exercised Dissent Rights in respect of such Shares and will be entitled to receive the applicable Consideration per Share to which holders of Shares who have not exercised Dissent Rights are entitled under the Plan of Arrangement.

The Company is required, not later than seven days after the later of the Effective Date or the date on which a Demand for Payment is received from a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Demand for Payment, an Offer to Pay for its Dissenting Shares in an amount considered by the Board to be the fair value of the Shares, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay for Shares of the same class must be on the same terms. The Company must pay for the Dissenting Shares of a Dissenting Shareholder within 10 days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such offer lapses if the Company does not receive an acceptance within 30 days after the Offer to Pay has been made.

If the Company fails to make an Offer to Pay for Dissenting Shares, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, the Company may, within 50 days after the Effective Date or within such further period as a court may allow, apply to a court to fix a fair value for the Dissenting Shares. If the Company fails to apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

Before the Company makes an application to a court or not later than seven days after a Dissenting Shareholder makes an application to a court, the Company will be required to give notice to each Dissenting Shareholder of the date, place and consequences of the application and of its right to appear and be heard in person or by counsel. Upon an application to a court, all Dissenting Shareholders who have not accepted an Offer to Pay will be joined as parties and be bound by the decision of the court. Upon any such application to a court, the court may determine whether any Person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the Dissenting Shares of all Dissenting Shareholders. The final order of a court will be rendered against the Company in favour of each Dissenting Shareholder for the amount of the fair value of its Dissenting Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

There can be no assurance that the fair value of Dissenting Shares as determined under the applicable provisions of the OBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement, will be greater than or equal to the Consideration under the Arrangement Agreement. Judicial determination of fair value could delay payment of Consideration in respect of Dissenting Shares.

INFORMATION CONCERNING MAGNET

Magnet is a developer of data analytics software used for digital forensics investigations. Digital forensics is the science of finding evidence from digital devices. Such evidence is found in the form of traces of data, referred to as digital forensic artifacts, left behind on digital devices. Digital forensic investigators use artifacts to determine what happened, where it happened, who it happened to, when it happened, how it happened, and who did what. The Company is governed by the OBCA. The Company's head and registered office is located at 2220 University Avenue East, Suite 300, Waterloo, Ontario, N2K 0A8. The Company's corporate website address is www.magnetforensics.com. The information on the Company's website is not incorporated by reference into this Circular.

Description of Share Capital

The Company is authorized to issue an unlimited number of SV Shares, unlimited number of MV Shares and an unlimited number of preferred shares, issuable in series. As at the date of this Circular, there are (i) 12,305,697 fully paid and non-assessable SV Shares issued and outstanding, (ii) 28,903,303 fully paid and non-assessable MV Shares issued and outstanding and (iii) nil issued and outstanding preferred shares. The holders of outstanding SV Shares are entitled to one vote per share and the holders of MV Shares are entitled to 10 votes per share, and the holders of SV Shares and MV Shares vote together as a single class, except as expressly provided in the Company's constating documents or as provided by law.

Market Price and Trading Volume

The Company's SV Shares are listed for trading on the TSX under the symbol "MAGT". The following table sets forth, for the periods indicated, the reported high and low closing trading prices and the aggregate volume of trading of the SV Shares on the TSX. On January 19, 2023, the last trading day prior to the announcement of the Arrangement, the closing price of the SV Shares on the TSX was $38.35. On February 15, 2023, the last trading day prior to the date of this Circular, the closing price of the SV Shares on the TSX was $44.45.

Month	Monthly High Price	Monthly Low Price	Monthly Volume
February 2022	$28.93	$23.00	1,242,792
March 2022	$31.97	$24.06	1,305,299
April 2022	$30.05	$22.90	662,788
May 2022	$24.74	$15.95	1,376,095
June 2022	$19.20	$14.89	1,479,037
July 2022	$21.37	$16.80	600,999
August 2022	$26.45	$20.62	737,983
September 2022	$25.13	$20.15	459,514
October 2022	$27.99	$21.08	323,638
November 2022	$38.89	$23.19	1,046,101
December 2022	$44.11	$33.50	1,265,338
January 2023	$44.34	$37.19	3,883,193
February 1-15, 2023	$45.20	$43.70	1,354,079

None of the Company's other securities were listed for trading or quoted on any exchange or market, however the MV Shares can be converted into SV Shares on a one-for-one basis at any time, at the option of the holders thereof.

Principal Holders of Shares

As of February 16, 2023, the only persons or companies who, to the knowledge of the Company, its directors or executive officers, beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of the voting securities of the Company are as follows:

Name of Shareholder	Quantity of Class of Shares	% of Quantity of Class of Shares	% of Votes within Class of Shares	% of Quantity of All Shares[6]	% of Total Voting Power of All Shares[1]
Jad Saliba[2]					

SV Shares.....	184,261	1.5%	1.5%	0.45%	0.06%[6]
MV Shares.....	11,626,418	40.2%	40.2%	28.2%	38.6%
Adam Belsher[3]					
SV Shares.....	184,261	1.5%	1.5%	0.45%	0.06%[6]
MV Shares.....	11,077,835	38.3%	38.3%	26.9%	36.8%
Jim Balsillie[4]					
SV Shares.....	-	N/A	N/A	N/A	N/A[6]
MV Shares.....	6,199,050	21.4%	21.4%	15.0%	20.6%
Nellore Capital Management LLC ("**Nellore**")					
SV Shares.....	1,303,075[5]	10.6%	10.6%	3.2%	0.4%[6]
MV Shares.....	-	N/A	N/A	N/A	N/A

Notes:

(1) Percentage of total voting power of all Shares represents the voting power with respect to all of the SV Shares and MV Shares, voting as a single class. Holders of MV Shares are entitled to ten votes per share and holders of SV Shares are entitled to one vote per share.

(2) Includes (i) 184,261 SV Shares and 3,612,237 MV Shares held by Candestra Holdings Inc., which is directly wholly owned by Mr. Saliba; (ii) 7,779,568 MV Shares held by The Saliba 2014 Family Trust, of which Mr. Saliba is the sole trustee; and (iii) 234,613 MV Shares held directly by Mr. Saliba. Mr. Saliba also holds an aggregate of 46,825 RSUs of the Company, which represent the right to receive an equivalent number of SV Shares on the vesting date.

(3) Includes (i) 184,261 SV Shares and 3,681,847 MV Shares held by Fortis Investments Inc., which is directly wholly owned by Mr. Belsher; (ii) 7,260,271 MV Shares held by The Belsher 2014 Family Trust, of which Mr. Belsher is the sole trustee; and (iii) 135,717 MV Shares held directly by Mr. Belsher. Mr. Belsher also holds an aggregate of 54,829 RSUs of the Company, which represent the right to receive an equivalent number of SV Shares on the vesting date.

(4) MV Shares held by Amolino Holdings Inc., a holding company indirectly controlled by Mr. Balsillie. Mr. Balsillie also holds an aggregate of 71,273 equity incentive awards granted by the Company, consisting of (i) 60,000 Options granted under the Option Plan, which are exercisable for an equivalent number of SV Shares; and (ii) 11,273 DSUs, which represent the right to receive an equivalent number of SV Shares or the market price thereof in cash on the settlement date.

(5) Based on the early warning report of Nellore dated February 14, 2023.

(6) Figure represents ownership on a non-diluted basis. On a fully-diluted basis, assuming all outstanding securities issued by the Company are converted into or exercised, exchanged or redeemed for SV Shares (including the conversion of all MV Shares for an equivalent number of SV Shares), Messrs. Saliba, Belsher and Balsillie and Nellore will beneficially own, control or direct, directly or indirectly, 27.4%, 26.2%, 14.5% and 3.0% of the issued and outstanding Shares, respectively, and hold 38.4%, 36.6%, 20.5% and 0.4% of the total voting power attached to all of the issued and outstanding Shares, respectively.

Investor Rights Agreement

Registration Rights

The Investor Rights Agreement provides the Rolling Shareholders with the right (the "**Demand Registration Right**"), among others, to require the Company to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, to qualify all or any portion of the Shares held by them for distribution to the public (a "**Demand Distribution**"), provided that the Company is not obliged to effect (i) more than two Demand Distributions in any 12-month period, or (ii) any Demand Distribution where the value of the Shares offered under such demand registration is less than $10 million. The Company may also distribute SV Shares in connection with a Demand Distribution provided that if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number of Shares to be included in such Demand Distribution should be limited for certain prescribed reasons, the Shares to be included in the Demand Distribution will first be allocated to the Rolling Shareholders.

The Investor Rights Agreement also provides the Rolling Shareholders with the right (the "**Piggy-Back Registration Right**") to require the Company to include their Shares in any future public offerings of SV Shares undertaken by the Company by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a "**Piggy-Back Distribution**"). The Company is required to use reasonable commercial efforts to cause to be included in the Piggy-Back Distribution all of the Shares that the Rolling Shareholders request to be sold, provided that if the Piggy-Back Distribution involves an underwriting and the lead underwriter determines that the total number of Shares to be included in such Piggy-Back Distribution should be limited for certain prescribed reasons, the Shares to be included in the Piggy-Back Distribution will first be allocated to the Company.

The Demand Registration Right and Piggy-Back Registration Right are subject to various conditions and limitations, and the Company is entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 90 days. The

expenses in respect of a Demand Distribution, subject to certain exceptions, are borne by the Company and the Rolling Shareholders on a proportionate basis according to the gross proceeds to be realized by each. The expenses in respect of a Piggy-Back Distribution, subject to certain exceptions, are borne by the Company, except that any underwriting fee on the sale of Shares by the Rolling Shareholders and the fees of their external legal counsel are borne by the Rolling Shareholders on a proportionate basis according to the number of Shares distributed by each.

The Company will indemnify the Rolling Shareholders for any misrepresentation in a prospectus under which the Rolling Shareholders' Shares are distributed (other than in respect of any prospectus disclosure provided by the Rolling Shareholders, in respect of the Rolling Shareholders). The Rolling Shareholders have indemnified the Company for any prospectus disclosure provided by the Rolling Shareholders in respect of the Rolling Shareholders.

Pre-Emptive Rights

In the event that the Company decides to issue SV Shares or any type of securities convertible into or exchangeable or redeemable for SV Shares or an option or other right to acquire such securities, each of the Rolling Shareholders, for so long as each of them or their Permitted Holders continue to own at least 5% of the issued and outstanding Shares on a non-diluted basis, shall have pre-emptive rights to purchase SV Shares or such other securities as are being contemplated for issuance to maintain their *pro rata* ownership interest. Notice of exercise of such rights is to be provided in advance of the commencement of any offering of securities of the Company or such other securities as are being contemplated for issuance and otherwise in accordance with the terms and conditions to set out in the Investor Rights Agreement.

The pre-emptive rights do not apply to issuances in the following circumstances:

- to participants in any distribution reinvestment plan or similar plan;
- in respect of the exercise of options, warrants, rights or other securities issued under equity-based compensation arrangements of the Company, which for clarity shall include any employee share purchase plan adopted by the Company;
- to holders of Shares in lieu of cash distributions;
- exercise by a holder of a conversion, exchange or other similar right pursuant to the terms of a security in respect of which a Rolling Shareholder did not exercise, failed to exercise, or waived its pre-emptive right or in respect of which the pre-emptive right did not apply;
- pursuant to a rights offering that is offered to all holders of SV Shares;
- pursuant to a shareholders' rights plan of the Company;
- to the Company or any subsidiary of the Company;
- pursuant to a share split, stock dividend or any similar recapitalization;
- pursuant to any bona fide arm's length acquisition by the Company of the shares, assets, properties or business of any Person, or joint venture, commercial relationship, debt financing, charitable contribution, or other strategic transaction, in each case that is approved by the Board; and
- pursuant to the exercise of pre-emptive rights under the Investor Rights Agreement.

A copy of the Investor Rights Agreement is available under the Company's profile on SEDAR at www.sedar.com. It is contemplated that the Investor Rights Agreement will be terminated at the Effective Time in accordance with the terms of the Arrangement Agreement and the Rollover Agreements.

Interest of Informed Persons in Material Transactions

To the knowledge of the Company, other than as disclosed in this Circular or in other continuous disclosure documents made available under the Company's profile on SEDAR at www.sedar.com, no director or executive officer of the Company or a person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the voting rights attached to any class of outstanding voting securities of the Company, or an associate or affiliate thereof, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial

year or in the Arrangement or any other proposed transaction which has materially affected or would materially affect the Company or any of its Subsidiaries.

Ownership of Securities of the Company

As of the close of business on the Record Date, to the knowledge of the Company, the directors and executive officers of the Company together with their associates and affiliates, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 28,903,303 MV Shares, representing 100% of the issued and outstanding MV Shares, and 1,794,913 SV Shares, representing 14.59% of the issued and outstanding SV Shares, and collectively, 96.51% of the votes attached to all outstanding Shares.

All of the Shares, Options, DSUs and RSUs held by such directors and executive officers of the Company (other than the Rollover Shares and Options, DSUs and RSUs held by the Rolling Shareholders, as applicable) will be treated in the same fashion under the Arrangement as Shares held by all other Shareholders (other than the Rolling Shareholders). The Rolling Shareholders and their respective associates and affiliates will receive (i) for each Share held by them (other than any Rollover Shares), the RS Consideration; and (ii) for each Rollover Share held by them, the consideration payable to the Rolling Shareholder in accordance with the terms of their Rollover Agreement at an implied value of $39.00 per Rollover Share. In addition, certain directors and executive officers of the Company own Options, DSUs and/or RSUs, in each case as set out in the table below. Pursuant to the Arrangement, each holder of Options, DSUs and/or RSUs will receive consideration from the Company for the transfer of such holder's Options, DSUs and/or RSUs, as applicable, in accordance with the terms of the Plan of Arrangement. See "*The Arrangement – Particulars of the Arrangement*".

The following table sets out the names and positions of the directors, officers and other insiders of the Company as of the Record Date, the number of Shares, Options, DSUs and RSUs and, where applicable, percentage of the outstanding Shares of any class of Shares of the Company beneficially owned, or over which control or direction was exercised, by each of them and, where known after reasonable inquiry, by their respective associates or affiliates, as of such date and the consideration to be received for such Shares, Options, DSUs and RSUs pursuant to the Arrangement.

	MV Shares		**Estimated amount of Consideration to be received in respect of MV Shares[1]**	**SV Shares**		**Estimated amount of Consideration to be received in respect of SV Shares[2][3]**	**Options, DSUs and RSUs**	**Estimated amount of Convertible Consideration to be received in respect of Options, DSUs and RSUs (as applicable)[4]**	**Total estimated amount of consideration to be received (before applicable withholdings)**
	(#)	**(%)**		**(#)**	**(%)**				
Jad Saliba *Director, President & Chief Technology Officer*	11,626,418[5]	40.2%	$453,430,302.00	184,261[6]	1.50%	$7,186,179.00	46,825 RSUs	$1,826,175.00	$462,442,656.00
Adam Belsher *Director, Chief Executive Officer*	11,077,835[7]	38.3%	$432,035,565.00	184,261[8]	1.50%	$7,186,179.00	54,829 RSUs	$2,138,331.00	$441,360,075.00
Jim Balsillie *Director, Chair of the Board of Directors*	6,199,050[9]	21.5%	$241,762,950.00	-	-	-	11,273 DSUs 60,000 Options	$2,592,965.88	$244,355,915.88
Carol Leaman *Director*	-	-	-	5,880	0.05%	$260,190.00	5,634 DSUs 60,000 Options	$2,717,623.38	$2,977,813.38

Jerome Pickett *Director*	-	-	-	2,000	0.02%	$88,500.00	8,574 DSUs 60,000 Options	$2,847,718.38	$2,936,218.38
Angelo Loberto *Chief Operating Officer*	-	-	-	1,110,000[10]	9.02%	$49,117,500.00	30,373 RSUs 60,000 Options	$3,812,324.13	$52,929,824.13
Peter Vreeswyk *Chief Financial Officer*	-	-	-	100,125	0.81%	$4,430,531.25	13,426 RSUs 27,375 Options	$1,731,430.62	$6,161,961.87
Scott Williams *Chief Strategy Officer*	-	-	-	924	0.01%	$40,887.00	30,373 RSUs 205,500 Options	$9,973,010.96	$10,013,897.96
Craig McLennan *Chief Revenue Officer*	-	-	-	11,151	0.09%	$493,431.75	92,545 RSUs	$4,095,116.25	$4,588,548.00
Ben Schommer *Chief Information Security Officer*	-	-	-	2,267	0.02%	$100,314.75	7,238 RSUs	$320,281.50	$420,596.25
Dany Bolduc *Vice President, Sales – Asia Pacific*	-	-	-	48,296	0.39%	$2,137,098.00	5,205 RSUs 7,500 Options	$542,240.68	$2,679,338.68
Matt Brooks *Vice President, Sales – Americas*	-	-	-	28,570	0.23%	$1,264,222.50	5,386 RSUs 4,500 Options	$425,244.78	$1,689,467.28
Chuck Cobb *Vice President, Training & Professional Services*	-	-	-	2,730	0.02%	$120,802.50	5,349 RSUs 49,500 Options	$2,337,811.34	$2,458,613.84
Neil Desai *Vice President, Corporate Affairs*	-	-	-	1,167	0.01%	$51,639.75	4,813 RSUs 72,000 Options	$3,290,757.99	$3,332,574.24
Joshua Hurwitz *Vice President, Corporate Development*	-	-	-	862	0.01%	$38,143.50	4,245 RSUs	$187,841.25	$225,984.75
Jeff LeJeune *Vice President, Engineering*	-	-	-	-	-	-	4,808 RSUs 37,875 Options	$1,805,817.62	$1,805,817.62

Vivian Leung *General Counsel*	-	-	-	-	-	-	8,978 RSUs	$397,276.50	$397,276.50
Geoffrey MacGillivray *Senior Vice President, Product Management*	-	-	-	77,899	0.63%	$3,447,030.75	11,596 RSUs 8,625 Options	$872,636.01	$4,319,666.76
Roselynn Medaglia *Senior Vice President, Marketing*	-	-	-	213	0.00%	$9,425.25	4,842 RSUs 90,000 Options	$4,063,717.48	$4,073,142.73
Natalie Roffey *Vice President, Revenue Operations*	-	-	-	-	-	-	9,077 RSUs	$401,657.25	$401,657.25
Jody Stecho *Senior Vice President, Human Resources*	-	-	-	-	-	-	6,459 RSUs 29,000 Options	$1,481,849.02	$1,481,849.02
Mike Stiles *Vice President, Business Systems*	-	-	-	117	0.00%	$5,177.25	4,200 RSUs	$185,850.00	$191,027.25
Dean Turner *Vice President, Product Management*	-	-	-	-	-	-	12,478 RSUs	$552,151.50	$552,151.50
Chris Warden *Vice President, Sales – Europe, Middle East and Africa*	-	-	-	34,190	0.28%	$1,512,907.50	4,800 RSUs 66,000 Options	$3,048,822.54	$4,561,730.04
Nellore Capital Management LLC *>10% holder of SV Shares*	-	-	-	1,303,075[(11)]	10.6%	$57,661,068.75	-	N/A	$57,661,068.75

Notes:

(1) The estimated Consideration to be received by the holders of the MV Shares was calculated based on the RS Consideration amount of $39.00 per MV Share and implied value of $39.00 per Rollover Share that is a MV Share. Specifically, the estimated Consideration for the MV Shares beneficially owned or controlled by Mr. Saliba is $204,043,632 in cash representing his RS Consideration and $249,386,670 representing the implied value of his Rollover Shares. The estimated Consideration for the MV Shares beneficially owned or controlled by Mr. Belsher is $194,416,014 in cash representing his RS Consideration and $237,619,551 representing the implied value of his Rollover Shares. The estimated Consideration for the MV Shares beneficially owned or controlled by Mr. Balsillie is $108,793,308 in cash representing his RS Consideration and $132,969,642 representing the implied value of his Rollover Shares.

(2) The estimated Consideration to be received by Messrs. Saliba and Belsher in respect of the SV Shares beneficially owned or controlled by them was calculated based on the RS Consideration amount of $39.00 per SV Share and implied value of $39.00 per Rollover Share that is a SV Share, being, in respect of each of Messrs. Saliba and Belsher, $3,233,763 in cash representing their respective RS Consideration and $3,952,416 representing the implied value of their Rollover Shares.

(3) Estimated Consideration to be received by the directors and executive officers, other than the Rolling Shareholders, as applicable, was calculated based on the Non-RS Consideration amount of $44.25 per SV Share.

(4) Estimated Consideration was calculated for each Corporation RSU and Corporation DSU as the cash payment equal to the applicable Convertible Consideration, and for each Option as the cash payments equal to the amount by which the applicable Convertible Consideration exceeds the exercise

price of such Option. Any Option contracts denominated in U.S. dollars have been converted to Canadian dollars at an exchange rate of 1.3411 which represents the Bank of Canada closing rate on February 15, 2023.

(5) The amount comprises an aggregate of 234,613 MV Shares held by Mr. Saliba, 3,612,237 MV Shares held by Candestra Holdings Inc. and 7,779,568 MV Shares held by The Saliba 2014 Family Trust. Mr. Saliba is the sole trustee of The Saliba 2014 Family Trust.

(6) Held by Candestra Holdings Inc., which is directly wholly owned by Mr. Saliba.

(7) The amount comprises an aggregate of 135,717 MV Shares held by Mr. Belsher, 3,681,847 MV Shares held by Fortis Investments Inc. and 7,260,271 MV Shares held by The Belsher 2014 Family Trust. Mr. Belsher is the sole trustee of The Belsher 2014 Family Trust.

(8) Held by Fortis Investments Inc., which is directly wholly owned by Mr. Belsher.

(9) Held by Amolino Holdings Inc., a holding company indirectly controlled by Mr. Balsillie.

(10) The amount comprises an aggregate of 1,010,000 SV Shares held by Mr. Loberto and 100,000 held by 1000019034 Ontario Inc., which is directly wholly owned by Mr. Loberto.

(11) Based on the early warning report of Nellore dated February 14, 2023.

Commitments to Acquire Securities of the Company

Except as otherwise disclosed in this Circular, there are no agreements, commitments or understandings to acquire securities of the Company by (a) the Company, (b) any directors or officers of the Company or (c) to the knowledge of the directors and officers of the Company, after reasonable enquiry, by any insider of the Company (other than a director or officer) or any associate or affiliate of such insider or any associate or affiliate of the Company or any person or company acting jointly or in concert with the Company.

Acceptance of Arrangement and Benefits

To the extent that any of the votes of the aforementioned persons under the above heading "*Commitments to Acquire Securities of the Company*" are not Excluded Votes, the Company expects that the independent directors and officers of the Company will vote in favour of the Arrangement Resolution. See also "*Summary of Agreements in Connection with the Arrangement – Voting Support Agreements*". The Company is not aware of any direct or indirect benefits to such persons for accepting or rejecting the Arrangement Resolution, or as a result of any subsequent transactions or material changes, other than those disclosed elsewhere in this Circular. See "*Certain Legal and Regulatory Matters*" and "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement*".

Material Changes in the Affairs of the Company and Other Benefits

Except as publicly disclosed or otherwise described in this Circular, the directors and officers of the Company are not aware of any plans or proposals for material changes in the affairs of the Company. See "*Certain Legal and Regulatory Matters – Securities Law Matters – Stock Exchange Delisting and Reporting Issuer Status*".

Except as disclosed elsewhere in this Circular, the directors and officers of the Company are not aware of any specific benefit, direct or indirect, as a result of the material changes or subsequent transactions contemplated in this Circular. See "*Certain Legal and Regulatory Matters – Securities Law Matters – Collateral Benefit*".

Arrangements between the Company and Security Holders

Except as disclosed elsewhere in this Circular, the Company has not made and is not proposing to make any agreement, commitment or understanding to a security holder of the Company relating to the Arrangement. See "*Summary of Agreements in Connection with the Arrangement*".

Previous Purchases and Sales by the Company

No Shares of the Company have been purchased or sold by the Company during the 12-month period prior to the date hereof.

Previous Distributions

Except as disclosed in the table below, no Shares, Options, DSUs or RSUs were distributed during the five-year period preceding the date of this Circular. As a part of the pre-closing capital changes that were completed in connection with the Company's initial public offering (the "**Pre-IPO Capital Changes**"), the Company filed articles of amalgamation pursuant to which, among other things, the common shares of the Company were converted into SV Shares and MV Shares, as applicable, on a one-to-three basis. In addition, Options granted under the Option Plan became exercisable for SV Shares. The figures in the following table reflect such Pre-IPO Capital Changes.

Date	Type of Security	Number of Securities	Issuance / Exercise Price

			per Security[1]	Aggregate Proceeds to the Company
January 31, 2023	SV Shares[2]	2,070	$31.61	$65,432.70
January 6, 2023	SV Shares[3]	1,875	US$2.32	US$4,350.00
December 30, 2022	DSUs[5]	2,277	$37.15	N/A
December 21, 2022	SV Shares[3]	750	US$2.32	US$1,740.00
December 19, 2022	SV Shares[3]	2,250	US$2.32	US$5,220.00
December 19, 2022	SV Shares[3]	400	US$1.45	US$580.00
December 16, 2022	SV Shares[4]	107	$38.50	N/A
December 16, 2022	SV Shares[3]	2,000	US$1.25	US$2,500.00
December 16, 2022	SV Shares[3]	2,000	US$1.45	US$2,900
December 15, 2022	SV Shares[3]	500	US$1.45	US$725.00
December 15, 2022	SV Shares[4]	65,156	$40.85	N/A
December 14, 2022	SV Shares[3]	9,000	$0.00	$27.00
December 14, 2022	SV Shares[3]	7,500	$0.63	$4,725.00
December 14, 2022	SV Shares[3]	2,000	US$1.25	US$2,500.00
December 13, 2022	SV Shares[3]	1,500	US$2.32	US$3,480.00
December 12, 2022	SV Shares[3]	2,250	US$2.32	US$5,220.00
December 9, 2022	SV Shares[3]	1,500	US$1.25	US$1,875.00
December 9, 2022	SV Shares[3]	400	US$1.45	US$580.00
December 9, 2022	SV Shares[3]	1,125	US$2.32	US$2,610.00
December 5, 2022	SV Shares[3]	1,250	US$1.45	US$1,812.50
December 5, 2022	SV Shares[3]	3,000	US$1.25	US$3,750.00
December 5, 2022	SV Shares[3]	1,875	US$2.32	US$4,350.00
December 5, 2022	SV Shares[3]	2,625	US$1.63	US$4,278.75
December 2, 2022	SV Shares[3]	325	US$1.45	US$471.25
December 2, 2022	SV Shares[3]	1,125	US$2.32	US$2,610.00
December 1, 2022	SV Shares[3]	2,175	US$2.32	US$5,046.00
November 30, 2022	SV Shares[3]	1,200	US$1.45	US$1,740.00
November 30, 2022	SV Shares[3]	5,475	US$2.32	US$12,702.00
November 30, 2022	SV Shares[3]	1,500	US$2.22	US$3,330.00
November 29, 2022	SV Shares[4]	3,618	$36.30	N/A
November 25, 2022	SV Shares[3]	1,875	US$1.45	US$2,718.75
November 25, 2022	SV Shares[3]	750	US$2.32	US$1,740.00
November 25, 2022	SV Shares[3]	1,500	US$1.63	US$2,445.00
November 25, 2022	SV Shares[4]	402	$35.40	N/A
November 22, 2022	SV Shares[3]	300	US$1.25	US$375.00
November 22, 2022	SV Shares[3]	4,500	US$1.45	US$6,525.00
November 22, 2022	SV Shares[3]	2,250	US$2.22	US$4,995.00
November 21, 2022	SV Shares[3]	6,700	US$1.25	US$8,375.00
November 21, 2022	SV Shares[3]	7,500	US$0.87	US$6,525.00
November 21, 2022	SV Shares[3]	1,000	US$1.45	US$1,450.00
November 21, 2022	SV Shares[3]	300	US$2.32	US$696.00
November 18, 2022	SV Shares[3]	35,500	$0.63	$22,365.00
November 18, 2022	SV Shares[3]	300	US$2.32	US$696.00
November 17, 2022	SV Shares[3]	21,500	$0.63	$13,545.00
November 17, 2022	SV Shares[3]	2,000	US$1.25	US$2,500.00
November 17, 2022	SV Shares[3]	1,125	US$2.32	US$2,610.00
November 16, 2022	SV Shares[3]	1,125	US$2.32	US$2,610.00

November 16, 2022	SV Shares[3]	750	US$1.63	US$1,222.50
November 16, 2022	SV Shares[3]	2,250	US$2.22	US$4,995.00
November 15, 2022	SV Shares[3]	11,250	$0.41	$4,612.50
November 15, 2022	SV Shares[3]	2,250	US$0.87	US$1,957.50
November 15, 2022	SV Shares[3]	5,000	US$1.25	US$6,250.00
November 15, 2022	SV Shares[3]	3,675	US$1.45	US$5,328.75
November 15, 2022	SV Shares[3]	2,250	US$1.63	US$3,667.50
November 15, 2022	SV Shares[3]	1,500	US$2.22	US$3,330.00
November 15, 2022	SV Shares[3]	2,550	US$2.32	US$5,916.00
November 10, 2022	SV Shares[4]	1,272	$30.43	N/A
November 10, 2022	SV Shares[4]	15,869	$28.38	N/A
September 30, 2022	DSUs[5]	3,852	$22.23	N/A
September 28, 2022	SV Shares[4]	138	$23.13	N/A
September 19, 2022	RSUs[6]	12,478	$22.44	N/A
September 13, 2022	SV Shares[3]	3,500	US$1.25	US$4,375.00
September 13, 2022	SV Shares[3]	1,750	US$1.45	US$2,537.50
September 12, 2022	SV Shares[3]	1,125	US$1.63	US$1,833.75
August 25, 2022	SV Shares[3]	5,625	US$2.32	US$13,050.00
August 23, 2022	SV Shares[4]	273	$24.66	N/A
August 15, 2022	RSUs[6]	9,077	$24.24	N/A
August 15, 2022	SV Shares[3]	18,000	US$1.25	US$22,500.00
August 15, 2022	SV Shares[3]	3,375	US$1.45	US$4,893.75
August 15, 2022	SV Shares[3]	6,000	US$1.63	US$9,780.00
August 15, 2022	SV Shares[3]	1,500	US$2.22	US$3,330.00
August 15, 2022	SV Shares[3]	750	US$2.32	US$1,740.00
August 11, 2022	SV Shares[4]	30,873	$23.50	N/A
August 11, 2022	SV Shares[4]	103	$23.80	N/A
August 9, 2022	RSUs[6]	8,451	$23.66	N/A
June 30, 2022	DSUs[5]	4,664	$17.27	N/A
June 8, 2022	SV Shares[3]	750	US$2.32	US$1,740.00
June 7, 2022	SV Shares[3]	7,500	US$1.25	US$9,375.00
June 7, 2022	SV Shares[3]	7,500	US$1.45	US$10,875.00
June 7, 2022	SV Shares[3]	1,500	US$1.63	US$2,445.00
June 7, 2022	SV Shares[3]	1,125	US$2.22	US$2,497.50
May 31, 2022	SV Shares[4]	221	$16.50	N/A
May 17, 2022	SV Shares[4]	31	$17.55	N/A
May 12, 2022	SV Shares[3]	1,500	US$2.32	US$3,480.00
May 11, 2022	SV Shares[3]	6,375	US$1.45	US$9,243.75
May 10, 2022	SV Shares[3]	7,500	$0.63	$4,725.00
May 6, 2022	SV Shares[4]	23,088	$21.60	N/A
April 11, 2022	RSUs[6]	8,978	$27.85	N/A
March 31, 2022	DSUs[5]	2,802	$27.93	N/A
March 17, 2022	SV Shares[3]	4,575	US$1.45	US$6,633.75
March 17, 2022	SV Shares[3]	2,250	US$2.32	US$5,220.00
March 16, 2022	SV Shares[3]	7,500	US$2.22	US$16,650.00
March 16, 2022	SV Shares[3]	1,750	US$2.32	US$4,060.00
March 15, 2022	SV Shares[3]	18,000	$0.63	$11,340.00
March 15, 2022	SV Shares[3]	625	US$0.87	US$543.75
March 15, 2022	SV Shares[4]	112	$28.25	N/A
March 15, 2022	SV Shares[3]	52,500	US$1.25	US$65,625.00

March 15, 2022	SV Shares[3]	7,300	US$1.45	US$10,585.00
March 15, 2022	SV Shares[3]	4,500	US$1.63	US$7,335.00
March 15, 2022	SV Shares[3]	3,000	US$2.22	US$6,660.00
March 15, 2022	SV Shares[3]	4,125	US$2.32	US$9,570.00
March 14, 2022	RSUs[6]	128,054	$24.98	N/A
March 9, 2022	RSUs[6]	400	$25.01	N/A
March 9, 2022	SV Shares[4]	80	$26.66	N/A
February 9, 2022	SV Shares[4]	10	$26.48	N/A
February 3, 2022	SV Shares[4]	88	$25.93	N/A
December 31, 2021	DSUs[5]	2,417	$32.87	N/A
December 17, 2021	SV Shares[3]	12,000	US$1.25	US$15,000.00
December 17, 2021	SV Shares[3]	500	US$2.32	US$1,160.00
December 15, 2021	RSUs[6]	252,420	$29.58	N/A
December 13, 2021	SV Shares[3]	7,750	US$1.45	US$11,237.50
December 6, 2021	SV Shares[3]	18,750	US$1.25	US$23,437.50
November 30, 2021	SV Shares[3]	3,000	US$1.25	US$3,750.00
November 30, 2021	SV Shares[3]	1,050	US$2.32	US$2,436.00
November 29, 2021	SV Shares[3]	1,125	US$2.32	US$2,610.00
November 26, 2021	SV Shares[3]	2,925	US$2.32	US$6,786.00
November 25, 2021	SV Shares[3]	900	US$2.22	US$1,998.00
November 19, 2021	SV Shares[3]	1,500	US$1.25	US$1,875.00
November 19, 2021	SV Shares[3]	2,250	US$1.45	US$3,262.50
November 18, 2021	SV Shares[3]	3,000	US$0.87	US$2,610.00
November 18, 2021	SV Shares[3]	2,250	US$1.45	US$3,262.50
November 17, 2021	SV Shares[3]	3,250	US$1.45	US$4,712.50
November 16, 2021	SV Shares[3]	1,250	US$1.25	US$1,562.50
November 15, 2021	SV Shares[3]	1,000	US$1.25	US$1,250.00
November 12, 2021	SV Shares[3]	3,000	US$1.63	US$4,890.00
November 11, 2021	SV Shares[3]	30,250	US$1.25	US$37,812.50
November 10, 2021	SV Shares[3]	26,000	US$1.25	US$32,500.00
November 10, 2021	SV Shares[3]	3,000	US$1.63	US$4,890.00
November 10, 2021	SV Shares[3]	3,000	US$2.22	US$6,660.00
November 10, 2021	SV Shares[3]	6,000	US$1.25	US$7,500.00
November 8, 2021	SV Shares[3]	75,000	US$1.45	US$108,750.00
September 30, 2021	DSUs[5]	1,867	$42.55	N/A
September 21, 2021	SV Shares[3]	1,500	US$1.63	US$2,445.00
September 21, 2021	SV Shares[3]	5,625	US$1.45	US$8,156.25
September 21, 2021	SV Shares[3]	7,500	US$1.25	US$9,375.00
September 21, 2021	SV Shares[3]	15,000	US$0.87	US$13,050.00
September 17, 2021	SV Shares[3]	1,500	US$1.63	US$2,445.00
September 15, 2021	RSUs[6]	88,264	$48.25	N/A
September 15, 2021	SV Shares[3]	12,800	$0.63	$8,064.00
September 15, 2021	SV Shares[3]	1,500	US$2.22	US$3,330.00
September 15, 2021	SV Shares[3]	3,000	US$1.63	US$4,890.00
September 15, 2021	SV Shares[3]	23,750	US$1.25	US$29,687.50
September 13, 2021	SV Shares[3]	7,500	US$0.87	US$6,525.00
August 25, 2021	SV Shares[3]	3,750	US$1.25	US$4,687.50
August 24, 2021	SV Shares[3]	1,125	US$2.22	US$2,497.50
August 23, 2021	RSUs[6]	1,093	$43.42	N/A
August 19, 2021	SV Shares[3]	1,500	US$1.63	US$2,445.00

August 9, 2021	RSUs[6]	413	$32.67	N/A
August 3, 2021	SV Shares[3]	2,250	US$1.63	US$3,667.50
August 3, 2021	SV Shares[3]	5,625	US$1.45	US$8,156.25
August 3, 2021	SV Shares[3]	7,500	US$1.25	US$9,375.00
July 13, 2021	SV Shares[3]	750	US$1.63	US$1,222.50
July 13, 2021	SV Shares[3]	4,300	US$1.25	US$5,375.00
July 13, 2021	SV Shares[3]	5,625	US$1.45	US$8,156.25
June 30, 2021	DSUs[5]	3,040	$25.53	N/A
June 7, 2021	SV Shares[3]	3,375	US$1.45	US$4,893.75
June 7, 2021	SV Shares[3]	1,875	US$1.25	US$2,343.75
May 21, 2021	SV Shares[3]	59,450	US$1.25	US$74,312.50
May 18, 2021	SV Shares[3]	1,125	US$1.63	US$1,833.75
May 18, 2021	SV Shares[3]	5,625	US$1.45	US$8,156.25
May 18, 2021	SV Shares[3]	22,500	US$0.87	US$19,575.00
May 17, 2021	RSUs[6]	220	$23.91	N/A
May 3, 2021	DSUs[5]	4,562	$17.00	N/A
May 3, 2021	RSUs[6]	192,858	$17.00	N/A
May 3, 2021	SV Shares[7]	6,773,500	$17.00	$115,149,500
April 23, 2021	SV Shares[3]	2,250	US$1.45	US$3,262.50
April 23, 2021	SV Shares[3]	2,250	US$1.25	US$2,812.50
April 23, 2021	SV Shares[3]	3,000	US$0.87	US$2,610.00
April 23, 2021	SV Shares[3]	5,625	$0.003	$16.88
April 21, 2021	SV Shares[3]	2,250	US$1.45	US$3,262.50
April 20, 2021	SV Shares[3]	3,000	$0.63	$1,890.00
March 11, 2021	SV Shares[3]	5,625	US$1.25	US$7,031.25
March 11, 2021	SV Shares[3]	7,500	US$0.87	US$6,525.00
February 8, 2021	SV Shares[3]	750	US$1.25	US$937.50
December 21, 2020	Options[8]	7,500	US$2.32	N/A
November 26, 2020	Options[8]	631,200	US$2.32	N/A
November 9, 2020	SV Shares[3]	30,000	$0.63	$18,900.00
November 9, 2020	SV Shares[3]	15,000	US$0.87	US$13,050.00
November 9, 2020	SV Shares[3]	5,625	US$1.25	US$7,031.25
November 9, 2020	SV Shares[3]	3,000	US$1.45	US$4,350.00
November 9, 2020	SV Shares[3]	1,500	US$1.63	US$2,445.00
October 29, 2020	SV Shares[3]	1,260,000	$0.63	$793,800.00
October 22, 2020	SV Shares[3]	30,000	$0.63	$18,900
October 22, 2020	SV Shares[3]	45,000	US$0.87	US$39,150.00
October 22, 2020	SV Shares[3]	2,250	US$1.45	US$3,262.50
October 22, 2020	SV Shares[3]	1,500	US$1.63	US$2,445.00
July 21, 2020	Options[8]	91,500	US$2.22	N/A
May 8, 2020	SV Shares[3]	18,750	$0.003	$56.25
May 5, 2020	Options[8]	30,000	US$2.22	N/A
November 20, 2019	SV Shares[3]	18,750	$0.00	$56.25
October 7, 2019	SV Shares[3]	750	US$1.25	US$937.50
September 19, 2019	SV Shares[3]	37,500	$0.00	$112.50
July 31, 2019	Options[8]	129,000	US$1.63	N/A
May 13, 2019	Options[8]	30,000	US$1.63	N/A
May 3, 2019	SV Shares[3]	3,750	$0.00	$11.25
March 21, 2019	SV Shares[3]	18,750	$0.00	$56.25
September 1, 2018	SV Shares[3]	750	US$1.25	US$937.50

July 9, 2018	Options[8]	60,000	US$1.45	N/A
April 30, 2018	Options[8]	255,000	US$1.45	N/A
April 17, 2018	Options[8]	313,500	US$1.45	N/A
February 22, 2018	SV Shares[3]	15,000	$0.00	$45.00

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Notes:

(1) Based on the volume weighted average price of the SV Shares on the TSX during the immediately preceding trading day for DSUs and RSUs, unless otherwise indicated. For DSUs and RSUs granted on May 3, 2021, the closing date of the Company's initial public offering, based on the issue price of the SV Shares issued pursuant to the initial public offering.

(2) SV Shares issued pursuant to the ESPP. The purchase price of the SV Shares under the ESPP is not less than 85% of the weighted average trading price of the SV Shares on the trading day immediately preceding the last day of a purchase period.

(3) SV Shares issued upon the exercise of Options.

(4) SV Shares issued upon the settlement of RSUs.

(5) DSUs issued pursuant to the DSU Plan to non-employee directors of the Company as part of annual retainer. DSU awards are granted on the last day of each fiscal quarter and the grant date fair value of a DSU award is equal to the volume weighted average trading price of the SV Shares on the TSX during the immediately preceding trading day. DSUs are only paid out following a non-employee director ceasing to be on the Board and may be settled in cash, SV Shares or a combination thereof, in accordance with the terms of the DSU Plan.

(6) RSUs granted pursuant to the LTIP. RSUs are measured based on the grant date fair value as determined by the volume weighted average price of the SV Shares for the preceding day prior to the day of the grant. RSUs, which have time-based vesting conditions, represent the right to receive an equivalent number of SV Shares or the market price in cash on the vesting date.

(7) Issued in connection with the closing of the Company's initial public offering (including exercise of the over-allotment option thereunder).

(8) Issued under the Option Plan. Options are exercisable for an equivalent number of SV Shares and vest according to their vesting schedules, which the Board can accelerate. Options are exercisable no later than ten years after the date of grant.

Dividend Policy

The Company has not declared or paid any cash dividends on its securities during the 24-month period preceding the date of this Circular. The Company does not intend to declare or pay dividends or other distributions prior to the completion of the Arrangement.

The Company currently intends to retain any future earnings to fund the development and growth of the business and does not currently anticipate paying dividends on the Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

Under the terms of certain of the Company's credit facilities and the loan issued to the Company by the Federal Economic Development Agency of Southern Ontario, the Company is required to obtain the consent of the applicable lenders and the Federal Economic Development Agency of Southern Ontario prior to paying dividends on the Shares.

Auditor

KPMG LLP, located in Waterloo, Ontario, is currently the auditor of the Company.

Other Material Facts

Other than disclosed in this Circular, there are no other material facts concerning the securities of the Company and no other matters not disclosed in this Circular that have not been previously generally disclosed and are known to the Company and that would reasonably be expected to affect the decision of the Shareholders to vote for or against the Arrangement Resolution.

INFORMATION CONCERNING THE PURCHASER

The information concerning the Purchaser and its affiliates, including the Thoma Bravo Funds and Thoma Bravo, contained in this Circular has been provided by the Purchaser for inclusion in this Circular. Although the Company has no knowledge that any statement contained herein taken from, or based on, such information and records or information provided by the Purchaser is untrue or incomplete, the Company assumes no responsibility for the accuracy of the information contained in such documents, records or information or for any failure by the Purchaser to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Company.

The Purchaser was incorporated under the OBCA for the purposes of completing the Arrangement and, as of the date hereof, the Sponsor owns indirectly all of the outstanding securities of the Purchaser. After the closing of the transactions contemplated by the Arrangement, the securities of the Purchaser will be held directly or indirectly by the Sponsor and the Rolling Shareholders. The Purchaser has not engaged in any business other than in connection with the Arrangement. The principal executive offices of the Purchaser are c/o Thoma Bravo, L.P., 600 Montgomery Street, 20th Floor, San Francisco, CA 94111 with a telephone number of (415) 263-3600.

The Purchaser and the Sponsor are affiliated with the Thoma Bravo Funds, all of which are affiliated with Thoma Bravo. Thoma Bravo is a leading private equity firm focused on the software and technology-enabled services sectors.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR SHAREHOLDERS

The following summary describes the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder of SV Shares who disposes of SV Shares pursuant to the Arrangement. This summary is applicable only to a Shareholder who, at all relevant times, for purposes of the Tax Act: (a) deals at arm's length with Magnet and the Purchaser; (b) is not affiliated with Magnet or the Purchaser; and (c) holds SV Shares as capital property (a "**Holder**"). Generally, SV Shares will be capital property to a Holder unless the SV Shares are held or were acquired in the course of carrying on a business of buying or selling securities or as part of an adventure or concern in the nature of trade. Certain Resident Holders (as defined below) may be entitled to make or may have already made the irrevocable election permitted by Subsection 39(4) of the Tax Act, the effect of which would be to deem to be capital property any SV Shares (and all other "Canadian securities", as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years. Resident Holders whose SV Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

This summary does not describe the tax consequences of the Arrangement to a holder of MV Shares (including with respect to any SV Shares owned or beneficially controlled by a holder of MV Shares), and is also not applicable to a Holder of SV Shares who acquired such SV Shares pursuant to any equity-based employment compensation plan (including an Option). In addition, this summary does not describe the tax consequences of the Arrangement to holders of DSUs, RSUs or any other equity-based employment compensation plan. Such holders should consult their own tax advisors.

This summary is not applicable to a Holder (i) that is a "specified financial institution", (ii) an interest in which is a "tax shelter investment", (iii) that is a "financial institution" for purposes of certain rules applicable to securities held by financial institutions (referred to as the "mark-to-market" rules), (iv) that has made an election pursuant to the functional currency reporting election rules in the Tax Act to report the Holder's "Canadian tax results" in a currency other than Canadian currency, (v) that is exempt from tax under Part I of the Tax Act, or (vi) that has entered into a "derivative forward agreement" or "synthetic disposition arrangement", as those terms are defined in the Tax Act, in respect of the SV Shares. Such Holders should consult their own tax advisors with respect to the consequences of the Arrangement.

This summary is based on the current provisions of the Tax Act, and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. No assurances can be given that the Proposed Amendments will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction which may be different from those discussed herein. This summary assumes that, at all relevant times prior to and including the time of acquisition of the SV Shares by the Purchaser, the SV Shares will be listed on the TSX.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is, or is deemed to be, resident in Canada (a "**Resident Holder**").

Disposition of SV Shares

Generally, a Resident Holder who disposes of SV Shares pursuant to the Arrangement will realize a capital gain (or capital loss) equal to the amount, if any, by which the aggregate consideration received for such SV Shares, net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base to the Resident Holder of such SV Shares immediately before the disposition.

Generally, a Resident Holder is required to include in computing its income for a taxation year one half of the amount of any capital gain (a "**taxable capital gain**") realized in such taxation year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in such taxation year. Allowable capital losses in excess of taxable capital gains for the year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, in accordance with and subject to the rules contained in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of an SV Share may be reduced by the amount of any dividends received (or deemed to be received) by it on such SV Share to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a SV Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Resident Holders should consult their own advisors.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable for a refundable tax on its aggregate investment income, which includes amounts in respect of taxable capital gains. Proposed Amendments released on August 9, 2022 extend this additional refundable tax to "substantive CCPCs" as defined in the Proposed Amendments. Resident Holders should consult their own advisors with respect to the application of the Proposed Amendments.

A capital gain realized by a Resident Holder who is an individual or trust (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the potential application of alternative minimum tax.

Dissenting Shareholders

A Resident Holder who duly and validly exercises Dissent Rights (a "**Resident Dissenting Shareholder**") who receives a cash payment from or on behalf of the Purchaser in respect of the fair value of the Resident Dissenting Shareholder's Dissenting Shares will be deemed to have disposed of the Dissenting Shares to the Purchaser for proceeds of disposition equal to the amount received by the Resident Dissenting Shareholder (excluding the amount of any interest awarded by a court). As a result, such Resident Dissenting Shareholder will generally realize a capital gain (or a capital loss) to the extent that such proceeds of disposition (excluding any interest awarded by a court) net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base to the Resident Dissenting Shareholder of such Dissenting Shares. See the disclosure above under "*Holders Resident in Canada – Disposition of SV Shares*" for a description of the tax treatment of capital gains and losses.

Interest awarded by a court to a Resident Dissenting Shareholder will be included in the Resident Dissenting Shareholder's income for the purposes of the Tax Act.

In general, the tax consequences as described above under "*Holders Resident in Canada – Disposition of SV Shares*" should apply to a Resident Dissenting Shareholder who receives consideration other than the fair value of such Resident Dissenting Shareholder's SV Shares.

Resident Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, has not been and is not, and is not deemed to be, resident in Canada and does not use or hold and is not deemed to use or hold the SV Shares in a business carried on in Canada (a "**Non-Resident Holder**"). This portion of the summary is not applicable to Non-Resident Holders that are: (i) insurers carrying on an insurance business in Canada and elsewhere; or (ii) "authorized foreign banks" (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors with respect to the Arrangement.

Disposition of SV Shares

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition of SV Shares under the Arrangement unless the SV Shares are "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act at the time such SV Shares are disposed of to the Purchaser and the Non-Resident Holder is not exempt from Canadian tax on any gain realized under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, the SV Shares will not constitute taxable Canadian property to a Non-Resident Holder at the time of disposition, provided that the SV Shares are listed on a designated stock exchange (which includes the TSX) at that time unless at any time during the 60-month period that ends at that time (a) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or such non-arm's length persons holds a membership interest (either directly or indirectly through one or more partnerships) or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of the capital stock of Magnet, and (b) more than 50% of the fair market value of the SV Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties

whether or not such properties exist. Notwithstanding the foregoing, SV Shares may be deemed to be taxable Canadian property in certain circumstances specified in the Tax Act.

Even if SV Shares constitute taxable Canadian property to a Non-Resident Holder, any gain realized on a disposition of any such SV Shares may be exempt from tax under the Tax Act pursuant to the terms of an applicable income tax convention. Non-Resident Holders should consult their own tax advisors with respect to the availability of relief under the terms of any applicable income tax convention.

In the event that SV Shares constitute taxable Canadian property to a Non-Resident Holder and any capital gain realized by the Non-Resident Holder on the disposition of the SV Shares under the Arrangement is not exempt from tax under the Tax Act by virtue of an applicable income tax convention, then the tax consequences described above under the heading "*Holders Resident in Canada – Disposition of SV Shares*" will generally apply.

Non-Resident Holders whose SV Shares are taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.

Dissenting Shareholders

A Non-Resident Holder who duly and validly exercises Dissent Rights (a "**Non-Resident Dissenting Shareholder**") who receives a cash payment from or on behalf of the Purchaser in respect of the fair value of the Non-Resident Dissenting Shareholder's Dissenting Shares will be deemed to have disposed of the Dissenting Shares to the Purchaser for proceeds of disposition equal to the amount received by the Non-Resident Dissenting Shareholder (excluding the amount of any interest awarded by a court). The tax treatment of a Non-Resident Dissenting Shareholder in respect of such a disposition will be similar to that of a Non-Resident Holder who participates in the Arrangement, as described above.

The amount of any interest awarded by a court to a Non-Resident Dissenting Shareholder will not be subject to Canadian withholding tax provided that such interest is not "participating debt interest" (as defined in the Tax Act).

In general, the tax consequences as described above under "*Holders Not Resident in Canada – Disposition of SV Shares*" should apply to a Non-Resident Dissenting Shareholder who receives consideration other than the fair value of such Non-Resident Dissenting Shareholder's Shares.

Non-Resident Dissenting Shareholders whose SV Shares are taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.

RISK FACTORS

In evaluating whether to approve the Arrangement Resolution, Shareholders should carefully consider the following risk factors relating to the Company and the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Company or the Arrangement. Please also refer to the section entitled "*Risk Factors*" in the Company's annual information form for the year ended December 31, 2021 for risks and uncertainties associated with the Company's business.

Risks Relating to the Company

If the Arrangement is not completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the Company's annual financial statements, management's discussion and analysis and annual information form for the year ended December 31, 2021 and its financial statements and management's discussion and analysis for the interim period ended September 30, 2022, which have been filed on SEDAR at www.sedar.com.

Risks Relating to the Arrangement

Completion of the Arrangement is subject to several conditions that must be satisfied or waived

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside the control of the Company and the Purchaser, including receipt of the Required Regulatory Approvals, Required Shareholder Approval and the granting of the Final Order. In addition, the completion of the Arrangement by the Purchaser is conditional on, among other things, Dissent Rights not having been exercised by the holders of more than 5% of the issued and outstanding Shares and no Material Adverse Effect having occurred between the date of the Arrangement Agreement and the Closing. There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Moreover, a substantial delay in obtaining satisfactory approvals could result in the Arrangement not being completed. In addition, each of the Purchaser and the Company have the right to terminate the Arrangement Agreement in certain circumstances.

Failure to complete the Arrangement for any reason could have a material negative impact on the trading price of the SV Shares. If the Company is unable to complete the Arrangement, the market price of the SV Shares may decline to the extent that the market price reflects a market assumption that the Arrangement will be completed. In addition, if the Arrangement is not completed and the Board decides to seek an alternative transaction, there can be no assurance that it will be able to find a party willing to pay consideration for the Shares that is equivalent to, or more attractive than, the Consideration payable pursuant to the Arrangement. In accordance with the terms of their Voting Support Agreements, the ability of the Rolling Shareholders and the other directors and certain officers of the Company to support an alternative transaction is subject to restrictions. See "*Summary of Agreements in Connection with the Arrangement – Voting Support Agreements*". Failure to complete the Arrangement could have an impact on the Company's current business relationships (including with current and prospective employees, customers, distributers, suppliers and partners).

The Company will incur costs in connection with the Arrangement

Certain costs relating to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by the Company even if the Arrangement is not completed. The Company estimates that expenses in the aggregate amount of approximately $31.3 million will be incurred by it in connection with the Arrangement and related matters.

The pending Arrangement may divert the attention of the Company's management

The Arrangement could cause the attention of Management to be diverted from the Company's day-to-day operations, and customers or suppliers may seek to modify or limit their business relationships with the Company. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the operations or prospects of the Company.

The Company is restricted from taking certain actions under the Arrangement Agreement

Under the Arrangement Agreement, the Company must generally conduct its business in the ordinary course, consistent in nature and scope with past practice of the Company, and prior to the completion of the Arrangement or the termination of the Arrangement Agreement, the Company is subject to certain covenants prohibiting the Company from taking certain actions without the prior consent of the Purchaser, and requiring the Company to take other actions, which in either case may delay or prevent the Company from pursuing business opportunities that may arise or preclude actions that would

otherwise be advisable if the Company were to remain a publicly-traded issuer. See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement*".

Restrictions on the Company's ability to solicit Acquisition Proposals from other potential purchasers

While the terms of the Arrangement Agreement permit the Company to consider unsolicited Acquisition Proposals upon the satisfaction of certain conditions, the Arrangement Agreement restricts the Company from soliciting Acquisition Proposals from third parties. See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants – Covenants Regarding Non-Solicitation – Non-Solicitation*".

The Required Shareholder Approval may not be obtained

There can be no certainty, nor can the Company provide any assurance, that the Required Shareholder Approval for the Arrangement Resolution will be obtained. The requisite approval for the Arrangement Resolution is (i) the affirmative vote of at least 66⅔% of the votes cast by Shareholders who vote in person or by proxy at the Meeting, with all Shareholders voting as a single class; (ii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting, after excluding the Excluded Votes; (iii) the affirmative vote of at least a simple majority of the votes cast by holders of SV Shares who vote in person or by proxy at the Meeting; and (iv) the affirmative vote of at least a simple majority of the votes cast by holders of MV Shares who vote in person or by proxy at the Meeting. If the Required Shareholder Approval is not obtained and the Arrangement is not completed, it could have a material adverse effect on the business, operating results or prospects of the Company.

The Company may become liable to pay the Company Termination Fee

Each of the Company and the Purchaser has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of closing, to terminate the Arrangement Agreement. Accordingly, there can be no certainty, nor can the Company provide any assurance, that the Arrangement Agreement will not be terminated by either the Company or the Purchaser prior to the completion of the Arrangement. The Company's business, financial condition or results of operations could also be subject to various material adverse consequences, including that the Company would remain liable for significant costs relating to the Arrangement including, among others, legal, accounting and printing expenses.

If the Arrangement Agreement is terminated under certain circumstances, the Company may be required to pay the Company Termination Fee to the Purchaser. Moreover, if the Company is required to pay the Company Termination Fee under the Arrangement Agreement and the Company does not enter into or complete an alternative transaction, the financial condition of the Company may be materially adversely affected. Even if the Arrangement Agreement is terminated without payment of the Company Termination Fee, the Company may, in the future, be required to pay the Company Termination Fee in certain circumstances. See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Fees*".

The Company Termination Fee may discourage other parties from proposing a significant business transaction with the Company

Under the Arrangement Agreement, the Company is required to pay the Company Termination Fee in the event that the Arrangement Agreement is terminated in certain circumstances, including circumstances related to a possible alternative transaction to the Arrangement. While the Board has determined that the Company Termination Fee is reasonable, it may nevertheless discourage other parties from attempting to propose a significant business transaction with the Company, even if a different transaction could provide better value to Shareholders than the Arrangement. The Board is also limited in its ability to change its recommendation with respect to arrangement-related proposals. See "*Summary of Agreements in Connection with Arrangement – The Arrangement Agreement – Termination Fees*".

The Parties may not satisfy all regulatory requirements or obtain the necessary approvals for completion of the Arrangement

Completion of the Arrangement is subject to the receipt of the Required Regulatory Approvals, including the HSR Act Expiration, the Investment Canada Approval and the UK NSI Approval. See "*Certain Legal and Regulatory Matters – Regulatory Matters*". There can be no certainty, nor can either Party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

Uncertainty surrounding completion of the Arrangement may impact the Company's existing relationships and its ability to attract and retain key personnel

As the Arrangement is dependent upon satisfaction of a number of conditions precedent, its completion is uncertain. In response to this uncertainty, the entities that do business with the Company, including its customers and suppliers, may delay or defer decisions concerning the Company. Any delay or deferral of those decisions by such entities could adversely affect the operations or prospects of the Company, regardless of whether the Arrangement is ultimately completed.

Uncertainty from the Arrangement may also adversely affect the Company's ability to attract or retain key personnel. In the event the Arrangement Agreement is terminated, the Company's relationships with future, prospective and current employees, customers, distributors, suppliers, partners and other stakeholders may be adversely affected, which could in turn adversely affect the business, financial condition or results of operations of the Company.

Shareholders (other than the Rolling Shareholders) will no longer hold an interest in the Company following the Arrangement

Following the Arrangement, each Shareholder will cease to hold such Shareholder's Shares and to have any rights as a holder of such Shares other than the right to be paid the Consideration by the Purchaser or, in respect of Rollover Shares, to receive equity of the Purchaser, as applicable, or in the case of Shareholders who have validly exercised Dissent Rights, be paid the fair value of such Shareholder's Shares, in each case in accordance with the Plan of Arrangement. After the Effective Time, the sole shareholder of the Company will be the Purchaser. Management expects that the Purchaser will operate the Company in a way that seeks to enhance the value of the Company. In the event such value is enhanced, the Purchaser and the Company, and not the larger group of Shareholders (with the exception of the Rolling Shareholders who will continue to have an indirect interest in the Company) that existed prior to the Effective Time, will benefit and such larger group of Shareholders will forego any increase in value that might result from future growth and the potential achievements of the Company's business going forward.

Directors and senior officers of the Company may have interests in the Arrangement that are different from those of Shareholders

In considering the recommendation of the Board to vote **FOR** the Arrangement Resolution, Shareholders should be aware that directors and officers of the Company have interests in connection with the Arrangement as described herein that may be in addition to, or separate from, those of Shareholders generally in connection with the Arrangement. See "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement*" and "*Certain Legal and Regulatory Matters – Securities Law Matters – Collateral Benefits*".

The conditions set forth in the Debt Commitment Letter and the Equity Commitment Letter may not be satisfied or events may occur preventing such debt and equity financings from being consummated

Although the Arrangement Agreement does not contain a financing condition, there is a risk that the conditions set forth in the Debt Commitment Letter and the Equity Commitment Letter may not be satisfied or that other events may arise which could prevent the Purchaser from consummating the debt and equity financings. Since the Purchaser is a special purpose entity with limited assets, if the Purchaser is unable to consummate such debt and equity financings, the Company expects that the Purchaser will be unable to fund the Consideration required to complete the Arrangement. In the event the Arrangement cannot be completed due to the failure of the Purchaser to fund the Consideration, the Purchaser will, subject to limited exceptions, be obligated to pay the $70 million Purchaser Termination Fee and the Shareholders will not receive the Consideration.

The Arrangement is a taxable transaction

The Arrangement is generally a taxable transaction for Canadian federal income tax purposes (and may also be a taxable transaction under other applicable tax Laws) and, as a result, Shareholders will generally be required to pay taxes on gains, if any, that result from the receipt of the Consideration under the Arrangement. Shareholders are advised to consult with their own tax advisors to determine the tax consequences of the Arrangement to them. See "*Certain Canadian Federal Income Tax Considerations for Shareholders*".

ADDITIONAL INFORMATION

Except where otherwise indicated, information contained herein is given as of the date hereof. Financial information relating to the Company is provided in the Company's audited financial statements and related management's discussion and analysis for the year ended December 31, 2021 and for the interim period ended September 30, 2022, in each case available on SEDAR at www.sedar.com. Shareholders may contact the Company's Chief Financial Officer at 2220 University Avenue East, Suite 300, Waterloo, Ontario, N2K 0A8, to obtain without charge a copy of the Company's most recent annual financial statements, interim financial statements and related management's discussion and analysis.

OTHER MATTERS

Management is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Special Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

LEGAL MATTERS

Certain legal matters in connection with the Arrangement will be passed upon for the Company by Blake, Cassels & Graydon LLP. As of the date of this Circular, the partners and associates of Blake, Cassels & Graydon LLP beneficially owned, directly or indirectly, less than 1% of the outstanding Shares.

APPROVAL OF CIRCULAR

The contents and the sending of the Notice of Special Meeting and this Circular, including the sending to each director, to each Shareholder entitled to notice of the Meeting and to the auditors of the Company, have been approved by the Board of the Company.

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

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Carol Leaman"

Name: Carol Leaman

Title: Director, Chair of the Special Committee

CONSENT OF CIBC WORLD MARKETS INC.

We refer to the written formal valuation and fairness opinion of our firm dated January 20, 2023 (the "**CIBC Formal Valuation and Fairness Opinion**") attached as Appendix "F" to the management information circular dated February 16, 2023 (the "**Circular**") of Magnet Forensics Inc. (the "**Company**") which we prepared for the exclusive benefit and use of the Special Committee in connection with their consideration of the Arrangement (as defined in the Circular).

In connection with the Arrangement, we hereby consent to the inclusion of the CIBC Formal Valuation and Fairness Opinion as Appendix "F" to the Circular, to the filing of the CIBC Formal Valuation and Fairness Opinion with the securities regulatory authorities in the provinces and territories of Canada, and to the inclusion of a summary of the CIBC Formal Valuation and Fairness Opinion, and the reference thereto, in the Circular. The CIBC Formal Valuation and Fairness Opinion was given as at January 20, 2023 and remains subject to the assumptions, limitations and qualifications contained therein. In providing our consent, we do not intend that any person other than the Special Committee of the Board of Directions of the Company shall be entitled to rely upon the CIBC Formal Valuation and Fairness Opinion.

(signed) "*CIBC World Markets Inc.*"

CIBC WORLD MARKETS INC.

Toronto, Ontario
February 16, 2023

CONSENT OF MORGAN STANLEY & CO. LLC

February 16, 2023

To: The Special Committee of Magnet Forensics Inc. (the "Company")

We refer to the management information circular dated February 16, 2023 (the "**Circular**") of the Company. We consent to the inclusion in the Circular of our fairness opinion dated January 20, 2023 and references to our firm name and our fairness opinion in the Circular. Our fairness opinion was given as of January 20, 2023 and remains subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth therein. In providing our consent, we do not intend that any person other than the Special Committee of the Board of the Company shall be entitled to rely upon our opinion.

(signed) "*Morgan Stanley & Co. LLC*"

MORGAN STANLEY & CO. LLC

APPENDIX "A"

PLAN OF ARRANGEMENT

UNDER SECTION 182
OF THE BUSINESS CORPORATIONS ACT (ONTARIO)

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Arrangement**" means the arrangement under Section 182 of the OBCA in accordance with the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations to this Plan of Arrangement made in accordance with the terms of the Arrangement Agreement and Section 5.1, in accordance with the terms of the Interim Order (once issued), or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated January 20, 2023 between the Purchaser and the Corporation (including the schedules thereto), as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Meeting, substantially in the form of Schedule B to the Arrangement Agreement.

"**Articles of Arrangement**" means the articles of arrangement of the Corporation in respect of the Arrangement, required by the OBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Corporation and the Purchaser, each acting reasonably.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario or New York, New York.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

"**Circular**" means the notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto and information incorporated by reference into such management information circular, to be sent to the Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

"**Consideration**" means the amount in cash per Share (other than Excluded Shares) equal to the CS Consideration and/or the Non-CS Consideration to be paid to Shareholders, without interest.

"**Continuing Shareholders**" means, collectively, Candestra Holdings Inc., The Saliba 2014 Family Trust, Jad Saliba, Fortis Investments Inc., The Belsher 2014 Family Trust, Adam Belsher, Amolino Holdings Inc. and Jim Balsillie.

"**Convertible Consideration**" means, with respect to a holder of Corporation Options, Corporation DSUs or Corporation RSUs (other than a Continuing Shareholder), $44.25, and with respect to a holder of Corporation Options, Corporation DSUs or Corporation RSUs who is a Continuing Shareholder, $39.00.

"**Corporation**" means Magnet Forensics Inc.

"**Corporation DSUs**" means any outstanding deferred share units issued pursuant to an Incentive Plan or otherwise.

"**Corporation Options**" means any outstanding options to purchase Subordinate Voting Shares issued pursuant to an Incentive Plan or otherwise.

"**Corporation RSUs**" means any outstanding restricted share units issued pursuant to an Incentive Plan or otherwise.

"**Court**" means the Ontario Superior Court of Justice (Commercial List) in the City of Toronto.

"**CS Consideration**" means $39.00 in cash per Share (other than Excluded Shares) to be received by the Continuing Shareholders, without interest.

"**Depositary**" means Computershare Trust Company of Canada in its capacity as depositary for the Arrangement, or such other Person as the Corporation and the Purchaser agree to engage as depositary for the Arrangement.

"**Director**" means the Director appointed pursuant to Section 278 of the OBCA.

"**Dissent Rights**" has the meaning specified in Section 3.1.

"**Dissenting Holder**" means a registered Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Shares in respect of which Dissent Rights are validly exercised by such holder.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the parties agree to in writing before the Effective Date.

"**ESPP**" means the Employee Stock Purchase Plan of the Corporation dated June 15, 2022.

"**Excluded Shares**" means, collectively: (i) 101,344 of the Subordinate Voting Shares and 6,092,809 of the Multiple Voting Shares beneficially owned or controlled by Adam Belsher, (ii) 101,344 of the Subordinate Voting Shares and 6,394,530 of the Multiple Voting Shares beneficially owned or controlled by Jad Saliba and (iii) 3,409,478 of the Multiple Voting Shares beneficially owned or controlled by Jim Balsillie.

"**Final Order**" means the final order of the Court under Section 182 of the OBCA in a form acceptable to the Corporation and the Purchaser, each acting reasonably, approving the Arrangement, as such order may

be amended by the Court (with the consent of both the Corporation and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Corporation and the Purchaser, each acting reasonably) on appeal.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, territorial, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitrator or arbitral body (public or private), commission, commissioner, board, bureau, minister, ministry, governor in council, cabinet, agency or instrumentality, domestic or foreign; (ii) any subdivision, agent or authority of any of the foregoing; (iii) any quasi-governmental or private body including any tribunal, commission, regulatory agency or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iv) any Securities Authority or stock exchange, including the Toronto Stock Exchange.

"**Incentive Plans**" means, collectively: (i) the amended and restated long term incentive plan of the Corporation dated June 15, 2022, (ii) the amended and restated deferred share unit plan of the Corporation dated June 15, 2022, and (iii) the second amended and restated employee stock option plan of the Corporation dated June 15, 2022.

"**Interim Order**" means the interim order of the Court under Section 182 of the OBCA in a form acceptable to the Corporation and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the Corporation and the Purchaser, each acting reasonably.

"**Law**" means, with respect to any Person, any and all applicable national, federal, provincial, state, municipal or local law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, act, statute, code, rule, regulation, order, injunction, judgment, decree, ruling, award, writ, or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, all policies, guidelines, notices and protocols of any Governmental Entity, as amended.

"**Letter of Transmittal**" means the letter of transmittal sent to holders of Subordinate Voting Shares and Multiple Voting Shares for use in connection with the Arrangement.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachment, option, right of first refusal or first offer, license, occupancy right, restrictive covenant, assignment, lien (statutory or otherwise), license, defect of title or encumbrance of any kind.

"**Meeting**" means the special meeting of Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Circular and agreed to in writing by the Purchaser.

"**Multiple Voting Shares**" means the multiple voting shares in the capital of the Corporation.

"**MVS Shareholders**" means the registered and/or beneficial holders of the Multiple Voting Shares, as the context requires.

"**Non-CS Consideration**" means $44.25 in cash per Share to be received by the Shareholders (other than the Continuing Shareholders), without interest.

"**OBCA**" means the Business Corporations Act (Ontario).

"**Option Agreement**" means an agreement evidencing the terms of any Corporation Option.

"**Parties**" means the Corporation and the Purchaser and "**Party**" means any one of them.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means this plan of arrangement proposed under Section 182 of the OBCA, and any amendments or variations made in accordance with the terms of the Arrangement Agreement and Section 5.1, in accordance with the terms of the Interim Order (once issued), or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

"**Purchaser**" means Morpheus Purchaser Inc.

"**Rollover Agreements**" means the contribution and exchange agreements dated the date of the Arrangement Agreement between the Purchaser, Pandora Topco, L.P. and each of the Continuing Shareholders.

"**RSU Agreement**" means an agreement evidencing the terms of any Corporation RSU.

"**Securities Authority**" means the Ontario Securities Commission, any other applicable securities commission or regulatory authority of a province or territory of Canada or any other jurisdiction with authority in respect of the Parties and/or the Subsidiaries.

"**Securityholders**" means, collectively, the Shareholders and the holders of Corporation Options, Corporation DSUs and Corporation RSUs.

"**Shareholders**" means the SVS Shareholders and the MVS Shareholders.

"**Subordinate Voting Shares**" means the subordinate voting shares in the capital of the Corporation, and, for greater certainty, includes any subordinate voting shares issued upon the valid exercise of Corporation Options or exchange of Corporation DSUs or Corporation RSUs.

"**SVS Shareholders**" means the registered and/or beneficial holders of the Subordinate Voting Shares, as the context requires.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereto.

Section 1.2 Certain Rules of Interpretation.

In this Plan of Arrangement, unless otherwise specified:

(1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.

(2) **Currency.** All references to dollars or to $ are references to Canadian dollars.

(3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(4) **Certain Phrases and References, etc.** The words "including," "includes" and "include" mean "including (or includes or include) without limitation," and "the aggregate of," "the total of," "the sum of," or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of." Unless stated otherwise, "Article" and "Section" followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement. The terms "Plan of Arrangement," "hereof," "herein" and similar expressions refer to this Plan of Arrangement (as it may be amended, modified or supplemented from time to time) and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

(5) **Statutes.** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(6) **Computation of Time.** For purposes of this Plan of Arrangement, a period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. (Toronto time) on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

(7) **Time References.** References to time herein or in any Letter of Transmittal are to local time, Toronto, Ontario.

ARTICLE 2
THE ARRANGEMENT

Section 2.1 Arrangement

This Plan of Arrangement constitutes an arrangement under Section 182 of the OBCA and is made pursuant to, and is subject to the provisions of, the Arrangement Agreement.

Section 2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Corporation, the Purchaser, all Securityholders (including Dissenting Holders), any agent or transfer agent therefor and the Depositary at and after the Effective Time, without any further act or formality required on the part of any Person, except as expressly provided in this Plan of Arrangement.

Section 2.3 Arrangement

Pursuant to the Arrangement, each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

(1) each outstanding Share held by a Dissenting Holder in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens), and:

(a) such Dissenting Holder shall cease to have any rights as a Shareholder other than the right to be paid the fair value of its Shares by the Purchaser in accordance with Article 3;

(b) the name of such holder shall be removed from the register of holders of Shares maintained by or on behalf of the Corporation; and

(c) the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Corporation as the holder of the Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens); and

(2) each outstanding Subordinate Voting Share (other than (i) Subordinate Voting Shares held by any Dissenting Holder who has validly exercised such holder's Dissent Rights, and (ii) Excluded Shares owned or beneficially controlled by the Continuing Shareholders) shall be transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the applicable Consideration per Subordinate Voting Share, and

(a) the holder of such Subordinate Voting Share shall cease to have any rights as a SVS Shareholder other than the right to be paid the applicable Consideration per Subordinate Voting Share in accordance with this Plan of Arrangement;

(b) the name of such holder shall be removed from the register of holders of Subordinate Voting Shares maintained by or on behalf of the Corporation; and

(c) the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Corporation as the holder of the Subordinate Voting Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens); and

(3) each outstanding Multiple Voting Share (other than Excluded Shares owned or beneficially controlled by the Continuing Shareholders) shall be transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the applicable Consideration per Multiple Voting Share, and

(a) the holder of such Multiple Voting Share shall cease to have any rights as a MVS Shareholder other than the right to be paid the applicable Consideration per Multiple Voting Share in accordance with this Plan of Arrangement;

(b) the name of such holder shall be removed from the register of holders of Multiple Voting Shares maintained by or on behalf of the Corporation; and

(c) the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Corporation as the holder of the Multiple Voting Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens).

(4) The Incentive Plans and the ESPP shall be terminated and of no further force and effect.

(5) Each Corporation Option, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the applicable Incentive Plan or any applicable Option Agreement in relation thereto, shall be, without any further action by or on behalf of the holder of such Corporation Option, surrendered by the holder thereof to the Corporation in exchange for, subject to Section 4.3, a cash payment (without interest) from the Corporation equal to the amount (if any) by which the Convertible Consideration exceeds the exercise price of such Corporation Option, multiplied by the number of Subordinate Voting Shares subject to such Corporation Option, and each such Corporation Option shall immediately be cancelled and terminated and, where such amount is zero or negative for any such Corporation Option, such Corporation Option shall be cancelled without any consideration and, with respect to each Corporation Option that is surrendered pursuant to this Section 2.3(5), as of the effective time of such surrender: (A) the holder thereof shall cease to be the holder of such Corporation Option, (B) the holder thereof shall cease to have any rights as a holder in respect of such Corporation Option, or under the applicable Incentive Plan or Option Agreement, other than the right to receive the consideration, if any, to which such holder is entitled pursuant to this Section 2.3(5), (C) such holder's name shall be removed from the applicable register, and (D) all agreements, grants and similar instruments relating thereto shall be cancelled.

(6) Each Corporation DSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the applicable Incentive Plan or any applicable DSU Agreement in relation thereto, shall be, without any further action by or on behalf of the holder of such Corporation DSU, cancelled and terminated as of the Effective Time and such holder shall receive in consideration for the cancellation and termination of such DSU, subject to Section 4.3, a cash payment (without interest) by the Corporation equal to the Convertible Consideration and: (A) the holder thereof shall cease to be the holder of such Corporation DSU, (B) the holder thereof shall cease to have any rights as a holder in respect of such Corporation DSU or under the applicable Incentive Plan or DSU Agreement, other than the right to receive the consideration to which such holder is entitled pursuant to this Section 2.3(6), (C) such holder's name shall be removed from the applicable register, and (D) all agreements, grants and similar instruments relating thereto shall be cancelled; provided that, any payments in respect of the Corporation DSUs shall be made in a manner that satisfies Section 1.409A-3(i)(5)(iv) of the Code, to the extent necessary to satisfy the requirements of Section 409A of the Code.

(7) Each Corporation RSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the applicable Incentive Plan or any applicable RSU Agreement in relation thereto, shall be, without any further action by or on behalf of the holder of such Corporation RSU, cancelled and terminated as of the Effective Time and such holder shall receive in consideration for the cancellation and termination of such RSU, subject to Section 4.3, a cash payment (without interest) by the Corporation equal to the Convertible Consideration and: (A) the holder thereof shall cease to be the holder of such Corporation RSU, (B) the holder thereof shall cease to have any rights as a holder in respect of such Corporation RSU or under the applicable Incentive Plan, other than the right to receive the consideration to which such holder is entitled pursuant to this Section 2.3(7), (C) such holder's name shall be removed from the applicable register, and (D) all agreements, grants and similar instruments relating thereto shall be cancelled.

(8) The Continuing Shareholders or affiliates thereof shall subscribe for and acquire securities of the Purchaser pursuant to and in accordance with the provisions of the Rollover Agreements for the amount set forth in the Rollover Agreements.

(9) The Purchaser shall cause the Corporation to file an election to cease to be a “public corporation” under subsection 89(1) of the Tax Act.

ARTICLE 3
DISSENT RIGHTS

Section 3.1 Dissent Rights

(1) Shareholders may exercise dissent rights ("Dissent Rights") in connection with the Arrangement pursuant to and in the manner set forth in Section 185 of the OBCA, as modified by the Interim Order, Final Order and this Section 3.1; provided that notwithstanding subsection 185(6) of the OBCA, the written objection to the Arrangement Resolution referred to in subsection 185(6) of the OBCA must be received by the Corporation at its registered office no later than 5:00 p.m. (Toronto time) two (2) Business Days immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time).

(2) Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Shares held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser free and clear of all Liens, as provided in Section 2.3(1) and, if they:

(a) are ultimately entitled to be paid fair value for such Shares, shall be entitled to be paid the fair value of such Shares by the Purchaser which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Shares; or

(b) are ultimately not entitled, for any reason, to be paid fair value for such Shares, shall be deemed to have participated in the Arrangement on the same basis as Shareholders who have not exercised Dissent Rights in respect of such Shares and shall be entitled to receive the applicable Consideration per Share to which holders of Shares who have not exercised Dissent Rights are entitled under Section 2.3(2) hereof (less any amounts withheld pursuant to Section 4.3).

Section 3.2 Recognition of Dissenting Holders

(1) In no case shall the Corporation, the Purchaser or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered Shareholder in respect of which such rights are sought to be exercised.

(2) In no case shall the Corporation, the Purchaser or any other Person be required to recognize any Shareholder who exercises Dissent Rights as a Shareholder after the Effective Time.

(3) Shareholders who withdraw, or are deemed to withdraw, their right to exercise Dissent Rights shall be deemed to have participated in the Arrangement, as of the Effective Time, and shall be entitled to receive the applicable Consideration per Share to which Shareholders who have not exercised Dissent Rights are entitled under Section 2.3(2) hereof (less any amounts withheld pursuant to Section 4.3).

(4) In addition to any other restrictions under Section 185 of the OBCA, none of the following shall be entitled to Dissent Rights: (a) holders of Corporation RSUs, Corporation DSUs or Corporation Options, (b) Shareholders who vote or have instructed a proxyholder to vote their Shares in favour of the Arrangement Resolution and (c) the Continuing Shareholders with respect to the Excluded Shares.

ARTICLE 4
CERTIFICATES AND PAYMENTS

Section 4.1 Payment of Consideration

(1) Prior to the filing of the Articles of Arrangement, the Purchaser shall deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Dissenting Holders and the Purchaser or its affiliates), cash with the Depositary in the aggregate amount equal to the payments in respect thereof required by this Plan of Arrangement, with the amount per Share in respect of which Dissent Rights have been exercised being deemed to be the applicable Consideration per Share for this purpose, net of applicable withholdings for the benefit of the Shareholders. The cash deposited with the Depositary by or on behalf of the Purchaser shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of the Purchaser.

(2) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Shares that were transferred pursuant to Section 2.3(2) or Section 2.3(3), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Shareholders represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, the cash which such holder has the right to receive under the Arrangement for such Shares, less any amounts withheld pursuant to Section 4.3, and any certificate so surrendered shall forthwith be cancelled.

(3) On or as soon as practicable after the Effective Date, the Corporation shall deliver, to each holder of Corporation Options, Corporation DSUs and Corporation RSUs as reflected on the register maintained by or on behalf of the Corporation in respect of Corporation Options, Corporation DSUs and Corporation RSUs, through the payroll or equity plan management system of the Corporation and its Subsidiaries (or such other manner as the Corporation may elect or as otherwise directed by the Purchaser including with respect to the timing and manner of such delivery, but in any event in readily available funds), the payment, if any, which such holder of Corporation Options, Corporation DSUs and Corporation RSUs has the right to receive under this Plan of Arrangement for such Corporation Options, Corporation DSUs and Corporation RSUs less any amount withheld pursuant to Section 4.3.

(4) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented Shares (other than the Excluded Shares) shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1, less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former Shareholder of any kind or nature against or in the Corporation or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to the Purchaser or the Corporation, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

(5) Any payment made by way of cheque by the Depositary (or the Corporation, if applicable) in accordance with this Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Corporation) or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the third anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Shares, Corporation Options, Corporation DSUs or

Corporation RSUs in accordance with this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Corporation, as applicable, for no consideration.

(6) No holder of Shares, Corporation Options, Corporation DSUs or Corporation RSUs shall be entitled to receive any consideration with respect to such Shares, Corporation Options, Corporation DSUs or Corporation RSUs other than any cash payment to which such holder is entitled to receive in accordance with Section 2.3 and this Section 4.1.

Section 4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the share register maintained by or on behalf of the Corporation, the Depositary shall issue in exchange for such lost, stolen or destroyed certificate, a cheque (or other form of immediately available funds) representing the cash amount to which such holder is entitled to receive for such Shares under this Plan of Arrangement in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall, as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Corporation and the Purchaser in a manner satisfactory to the Corporation and the Purchaser (each acting reasonably) against any claim that may be made against the Corporation or the Purchaser with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.3 Withholding Rights

Each of the Corporation, the Purchaser and the Depositary, as applicable, shall be entitled to deduct and withhold from any amount otherwise payable or deliverable to any Person under this Plan of Arrangement, such amounts as are required to be deducted and withheld with respect to such payment under the Tax Act or any provision of any other Law in respect of Taxes and shall remit such deduction and withholding to the appropriate Governmental Entity. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made.

Section 4.4 Calculations

All aggregate amounts of cash consideration to be received under this Plan of Arrangement will be calculated to the nearest cent ($0.01). All calculations and determinations made in good faith by the Corporation, the Purchaser or the Depositary, as applicable, for the purposes of this Plan of Arrangement shall be conclusive, final and binding, absent manifest error.

Section 4.5 No Liens

Any exchange or transfer of securities in accordance with this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

Section 4.6 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Shares, Corporation RSUs, Corporation Options and Corporation DSUs issued or outstanding prior to the Effective Time, (b) the rights and obligations of the Securityholders, the Corporation, the Purchaser, the Depositary

and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Shares, Corporation RSUs, Corporation DSUs or Corporation Options shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5
AMENDMENTS

Section 5.1 Amendments

(1) The Corporation and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by the Corporation and the Purchaser, each acting reasonably, (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to the Securityholders if and as required by the Court.

(2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Corporation or the Purchaser at any time prior to the Meeting (provided that the Corporation or the Purchaser, as applicable, shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(3) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if (i) it is consented to in writing by each of the Corporation and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, approved by the Shareholders in the manner directed by the Court.

(4) Any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order without filing such amendment, modification or supplement with the Court or seeking Court approval, provided that (i) it concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the interest of any Shareholders or (ii) is an amendment contemplated in Section 5.1.

(5) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former Securityholder.

(6) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 6
FURTHER ASSURANCES

Section 6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such

further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

APPENDIX "B"

ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

(a) The arrangement (the "**Arrangement**") under Section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**") of Magnet Forensics Inc. (the "**Corporation**"), as more particularly described and set forth in the management proxy circular of the Corporation (the "**Circular**") dated February 16, 2023 accompanying the notice of this meeting, and as the Arrangement may be amended, modified or supplemented in accordance with the arrangement agreement dated January 20, 2023, between Morpheus Purchaser Inc. and the Corporation (as it may from time to time be amended, modified or supplemented, the "**Arrangement Agreement**"), is hereby authorized, approved and adopted.

(b) The plan of arrangement of the Corporation (as it may be amended, modified or supplemented in accordance with its terms and the terms of the Arrangement Agreement, the "**Plan of Arrangement**"), the full text of which is set out in Appendix "A" to the Circular, is hereby authorized, approved and adopted.

(c) The Arrangement Agreement and related transactions, the actions of the directors of the Corporation in approving the Arrangement Agreement, the actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement and any amendments, modifications or supplements thereto, as well as the Corporation's application for an interim order from the Superior Court of Ontario, are hereby ratified and approved.

(d) The Corporation is hereby authorized to apply for a final order from the Superior Court of Ontario to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement.

(e) Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Corporation or that the Arrangement has been approved by the Superior Court of Ontario, the directors of the Corporation are hereby authorized and empowered to, at their discretion, without notice to or approval of the shareholders of the Corporation, (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted thereby and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

(f) Any officer or director of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver for filing with the Director under the OBCA articles of arrangement and such other documents as may be necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

(g) Any officer or director of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX "C"

INTERIM ORDER

Court File No. CV-23-00694464-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	WEDNESDAY, THE 15TH
	)	
JUSTICE McEWEN	)	DAY OF FEBRUARY, 2023

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO), R.S.O. 1990, CHAP. B.16, AS AMENDED

AND IN THE MATTER OF RULES 14.02(2) AND 14.02(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING MAGNET FORENSICS INC. AND MORPHEUS PURCHASER INC.

INTERIM ORDER

THIS MOTION, made by the Applicant, Magnet Forensics Inc. ("**Magnet**") for an interim order for advice and directions pursuant to section 182 of the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B-16, as amended (the "**OBCA**"), was heard this day by video conference.

ON READING the Notice of Motion, the Notice of Application issued on February 9, 2023, the affidavit of Carol Leaman sworn February 13, 2023 (the "**Affidavit**"), including the Plan of Arrangement, which is attached as Appendix "A" to Magnet's draft management information circular (the "**Circular**"), which is attached as Exhibit "A" to the Affidavit, on hearing the submissions of the lawyers for Magnet, Morpheus Purchaser Inc. (the "**Purchaser**") and the special committee of the Magnet board of directors, and on being advised that the Director under the OBCA (the "**Director**") does not consider it necessary to appear,

Electronically issued / Délivré par voie électronique : 16-Feb-2023
Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-23-00694464-00CL

Definitions

1. THIS COURT ORDERS that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Circular or otherwise as specifically defined herein.

The Meeting

2. THIS COURT ORDERS that Magnet is permitted to call, hold and conduct a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of subordinate voting shares (the "**SV Shares**") and multiple voting shares (the "**MV Shares**", together with the SV Shares, the "**Shares**") in the capital of Magnet to be held in virtual format via live audio webcast online at https://meetnow.global/MZ6YJTX, on March 23, 2023, at 2:00 p.m. (Toronto time) in order for the Shareholders, among other things, to consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "**Arrangement Resolution**"), a copy of which is found at Appendix "B" of the Circular, which is attached as Exhibit "A" to the Affidavit.

3. THIS COURT ORDERS that the Meeting shall be called, held and conducted in accordance with the OBCA, the notice of meeting of Shareholders, which accompanies the Circular (the "**Notice of Meeting**"), and the articles and by-laws of Magnet, subject to what is provided hereafter and subject to further order of this Court.

4. THIS COURT ORDERS that the record date (the "**Record Date**") for determination of the Shareholders entitled to notice of, and to vote at, the Meeting in respect of the Arrangement Resolution shall be the close of business (Toronto time) on February 16, 2023.

5. THIS COURT ORDERS that the only persons entitled to speak at the Meeting shall be:

(a) the Shareholders or their respective proxyholders;

(b) the officers, directors and auditors of Magnet and their respective advisors;

(c) representatives and advisors of the Purchaser;

(d) the Director; and

(e) other persons who may receive the permission of the Chair of the Meeting.

6. THIS COURT ORDERS that Magnet may transact such other business at the Meeting as is contemplated in the Circular, or as may otherwise be properly before the Meeting.

Quorum

7. THIS COURT ORDERS that the Chair of the Meeting shall be determined by Magnet and that the quorum for the transaction of business at the Meeting shall be at least two Shareholders representing not less than 25% of the voting rights attached to the Shares, present in person or represented by proxy at the Meeting.

Amendments to the Arrangement and Plan of Arrangement

8. THIS COURT ORDERS that Magnet is authorized to make, subject to the terms of the Arrangement Agreement between Magnet and the Purchaser dated January 20, 2023 (the "**Arrangement Agreement**"), and paragraph 9 below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Shareholders, or others entitled to receive notice under paragraphs 12 and 13 hereof, provided same: (i) are to correct clerical errors, (ii) would not, if disclosed, reasonably be expected to affect a Shareholder's decision to vote, or (iii) are authorized by subsequent Court order, and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented

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shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing for the final approval of the Arrangement.

9. THIS COURT ORDERS that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement are made after initial notice is provided as contemplated in paragraph 8 above, which would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Court, by e-mail, press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as Magnet may determine.

Amendments to the Circular

10. THIS COURT ORDERS that Magnet is authorized to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraphs 12 and 13.

Adjournments, Postponements and Change of Venue

11. THIS COURT ORDERS that Magnet, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn, postpone or change the venue of the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment, postponement, or change of venue, and notice of any such adjournment, postponement or change of venue shall be given by

such method as Magnet may determine is appropriate in the circumstances (including solely by issuance of a press release if it so determines). This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments, postponements or changes of venue.

Notice of Meeting

12. THIS COURT ORDERS that, in order to effect notice of the Meeting, Magnet shall send the Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the form of proxy and the letter of transmittal, along with such amendments or additional documents as Magnet may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "**Meeting Materials**"), to the following:

(a) the registered Shareholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending but including the date of the Meeting, by one or more of the following methods:

(i) by pre-paid ordinary or first class mail at the addresses of the Shareholders as they appear on the books and records of Magnet, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to Magnet;

(ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

(iii) by facsimile or by e-mail or other electronic transmission to any Shareholder, who is identified to the satisfaction of Magnet, who requests

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such transmission in writing, and if required by Magnet, who is prepared to pay the charges for such transmission;

(b) the non-registered Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*; and

(c) the respective directors and auditors of Magnet and to the Director appointed under the OBCA, by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or by facsimile or by e-mail or other electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending but including the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. THIS COURT ORDERS that, in the event that Magnet elects to distribute the Meeting Materials, Magnet is hereby directed to distribute the Circular (including the Notice of Application, and this Interim Order), and any other communications or documents determined by Magnet to be necessary or desirable (collectively, the "**Court Materials**") to holders of options to purchase Shares ("**Options**"), holders of restricted share units of Magnet ("**RSUs**") and holders of deferred share units of Magnet ("**DSUs**") by any method permitted for notice to Shareholders as set forth in subparagraphs 12(a) or 12(b), above, or by e-mail or other electronic transmission, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of Magnet or its registrar and transfer agent at the close of business on the Record Date.

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14. THIS COURT ORDERS that accidental failure or omission by Magnet to give notice of the Meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Magnet, or the non-receipt of such notice shall, subject to further order of this Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of Magnet, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

15. THIS COURT ORDERS that Magnet is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials as Magnet may determine in accordance with the terms of the Arrangement Agreement ("**Additional Information**"), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by e-mail, press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as Magnet may determine.

16. THIS COURT ORDERS that distribution of the Meeting Materials and the Court Materials pursuant to paragraphs 12 and 13 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 12 and 13 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9, above.

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Solicitation and Revocation of Proxies

17. THIS COURT ORDERS that Magnet is authorized to use the letter of transmittal and form of proxy substantially in the form of the drafts accompanying the Circular, with such amendments and additional information as Magnet may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. Magnet is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. Magnet may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Shareholders, if Magnet deems it advisable to do so.

18. THIS COURT ORDERS that registered Shareholders shall be entitled to revoke their proxies in accordance with section 110(4) of the OBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to section 110(4)(a) of the OBCA must be deposited with Magnet's registrar and transfer agent as set out in the Circular to be received not later than the last Business Day preceding the Meeting or preceding the time any adjourned or postponed Meeting is reconvened or held, unless the Chair of the Meeting determines to waive or extend the deadline, in his or her sole discretion.

Voting

19. THIS COURT ORDERS that the only persons entitled to vote in person (or virtually) or represented by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Shareholders who hold Shares as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed

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to be votes not cast. Forms of proxy that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20. THIS COURT ORDERS that votes shall be taken at the Meeting on the basis of one vote per SV Share and ten votes per MV Share and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Court, the Arrangement Resolution must be approved, with or without variation, at the Meeting by the affirmative vote of:

(a) not less than two-thirds ($66^{2}/_{3}\%$) of the votes cast on the Arrangement Resolution by Shareholders, present in person (or virtually) or represented by proxy at the Meeting voting together as a single class;

(b) a simple majority of the votes cast on the Arrangement Resolution by holders of SV Shares, other than the Rollover Shareholders and any other Shareholder required to be excluded for the purposes of such vote under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), present in person (or virtually) or represented by proxy at the Meeting, voting in accordance with Part 8 of MI 61-101 or any exemption therefrom;

(c) a simple majority of the votes cast on the Arrangement Resolution by holders of SV Shares present in person (or virtually) or represented by proxy at the Meeting; and

(d) a simple majority of the votes cast on the Arrangement Resolution by holders of MV Shares present in person (or virtually) or represented by proxy at the Meeting.

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Such votes shall be sufficient to authorize Magnet to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Shareholders or holders of Options, RSUs or DSUs, subject only to final approval of the Arrangement by this Court.

21. THIS COURT ORDERS that in respect of matters properly brought before the Meeting pertaining to items of business affecting Magnet (other than in respect of the Arrangement Resolution), each Shareholder who is entitled to vote at the Meeting is entitled to one vote for each SV Share held and ten votes for each MV Share held.

Dissent Rights

22. THIS COURT ORDERS that each registered Shareholder shall be entitled to exercise Dissent Rights in connection with the Arrangement Resolution in accordance with section 182 of the OBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 185(6) of the OBCA, any registered Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to Magnet in the form required by section 185 of the OBCA and the Arrangement Agreement, which written objection must be received by Magnet at 2220 University Avenue East, Suite 300, Waterloo, Ontario, N2K 0A8, Attention: Vivian Leung, General Counsel, to be received no later than 5:00 p.m. (Toronto time) on March 21, 2023 or 5:00 p.m. (Toronto time) on the day which is two Business Days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be, and must otherwise strictly comply with the requirements of the OBCA. For purposes of these proceedings, the "court" referred to in section 185 of the OBCA means this Court.

23. THIS COURT ORDERS that any registered Shareholder who duly exercises such Dissent Rights set out in paragraph 22 above and who:

i) is ultimately determined by this Court to be entitled to be paid fair value for his, her or its Shares, shall be deemed to have transferred those Shares as of the applicable time set forth in the Plan of Arrangement, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to the Purchaser in consideration for a payment of cash from the Purchaser equal to such fair value; or

ii) is for any reason ultimately determined by this Court not to be entitled to be paid fair value for his, her or its Shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall Magnet, the Purchaser, or any other person be required to recognize such Shareholders as holders of Shares at or after the date upon which the Arrangement becomes effective, and the names of such Shareholders shall be deleted from Magnet's register of holders of Shares at that time.

Hearing of Application for Approval of the Arrangement

24. THIS COURT ORDERS that upon approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Magnet may apply to this Court for final approval of the Arrangement.

25. THIS COURT ORDERS that distribution of the Notice of Application and the Interim Order in the Circular, when sent in accordance with paragraphs 12 and 13, shall constitute good

and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 27.

26. THIS COURT ORDERS that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for Magnet, with copies to counsel for the special committee of Magnet and counsel for the Purchaser, as soon as reasonably practicable and, in any event, no less than four (4) business days before the hearing of this Application at the following addresses:

BLAKE, CASSELS & GRAYDON LLP
199 Bay Street, Suite 4000
Commerce Court West
Toronto, ON M5L 1A9

Attention: Ryan A. Morris
ryan.morris@blakes.com
Lawyers for Magnet Forensics Inc.

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto Dominion Centre
Toronto, ON M5K 0A1

Attention: Matthew Fleming
matthew.fleming@dentons.com
Lawyers for the Special Committee of Magnet Forensics Inc.

MCMILLAN LLP
Brookfield Place, Suite 4400
181 Bay Street
Toronto, ON M5J 2T3

Attention: Brett G. Harrison
brett.harrison@mcmillan.ca

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Lawyers for Morpheus Purchaser Inc.

27. THIS COURT ORDERS that, subject to further order of this Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

(a) Magnet, including its directors and advisors;

(b) the Purchaser;

(c) the Director; and

(d) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

28. THIS COURT ORDERS that any materials to be filed by Magnet in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Court.

29. THIS COURT ORDERS that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 27 shall be entitled to be given notice of the adjourned date.

Service and Notice

30. THIS COURT ORDERS that Magnet and its 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 true copies thereof by electronic message to Magnet's Shareholders, 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 juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

Precedence

31. THIS COURT ORDERS that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the Shares, Options, RSUs, DSUs or the articles or by-laws of Magnet, this Interim Order shall govern.

Extra-Territorial Assistance

32. THIS COURT seeks and requests the aid and recognition of any court or any judicial, regulatory, or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

Variance

THIS COURT ORDERS that Magnet shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.

Justice McEwen

Court File No: CV-23-00694464-00CL

IN MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO), R.S.O. 1990, CHAP. B.16, AS AMENDED
IN THE MATTER OF RULES 14.02(2) AND 14.02(3) OF THE RULES OF CIVIL PROCEDURE
IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING MAGNET FORENSICS INC. AND MORPHEUS PURCHASER INC.

Feb 23
Order to go as per the Reasons released earlier today.

McEwen

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at Toronto

INTERIM ORDER

BLAKE, CASSELS & GRAYDON LLP
Barristers & Solicitors
199 Bay Street, Ste. 4000
Commerce Court West
Toronto, ON M5L 1A9

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Tel: (416) 863-2176
Email: ryan.morris@blakes.com

Lawyers for the Applicant,
Magnet Forensics Inc.

APPENDIX "D"

NOTICE OF APPLICATION FOR FINAL ORDER

Court File No. CV-23-

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

(Court Seal)

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO), R.S.O. 1990, C. B.16, AS AMENDED

AND IN THE MATTER OF RULES 14.05(2) and 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING MAGNET FORENSICS INC. AND MORPHEUS PURCHASER INC.

NOTICE OF APPLICATION

TO THE RESPONDENT

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

THIS APPLICATION will come on for a hearing

☐ In writing
☐ In person
☐ By telephone conference
☒ By video conference

at the following location:

To be provided by the Court.

Please advise if you intend to join the hearing by emailing Ryan Morris at ryan.morris@blakes.com.

On Monday, March 27, 2023, at 10:00 a.m., before the Honourable Justice Kimmel.

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 Applicant, 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 Applicant does not have a lawyer, serve it on the Applicant, 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 February 9, 2023 Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto ON M5G 1R7

TO: All Holders of Subordinate Voting Shares in the capital of Magnet Forensics Inc.

AND TO: All Holders of Multiple Voting Shares in the capital of Magnet Forensics Inc.

AND TO: All Holders of Options to purchase Subordinate Voting Shares in the capital of Magnet Forensics Inc.

AND TO: All Holders of Deferred Share Units of Magnet Forensics Inc.

AND TO: All Holders of Restricted Share Units of Magnet Forensics Inc.

AND TO: The Directors of Magnet Forensics Inc.

AND TO: The Auditor for Magnet Forensics Inc.

AND TO: The Director Appointed under the OBCA

TO: **MCMILLAN LLP**
Brookfield Place, Suite 4400
181 Bay Street
Toronto, ON M5J 2T3

Brett G. Harrison LSO #44336A
Tel: (416) 865-7932
brett.harrison@mcmillan.ca

Lawyers for Morpheus Purchaser Inc.

AND TO: **DENTONS CANADA LLP**
77 King Street West, Suite 400
Toronto Dominion Centre
Toronto, ON M5K 0A1

Matthew Fleming LSO #48277D
Tel: (416) 863-4634
matthew.fleming@dentons.com

Lawyers for the Special Committee of Magnet Forensics Inc.

APPLICATION

1. The Applicant, Magnet Forensics Inc. ("**Magnet**") makes application for:

   (a) an order pursuant to section 182 of the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, as amended (the "**OBCA**"), approving a Plan of Arrangement (the "**Plan of Arrangement**") proposed by Magnet and described in the Magnet Management Information Circular (the "**Circular**"), which Circular will be attached as an exhibit to the affidavit to be filed in support of this Application, and which Arrangement will result in, among other things, the acquisition by Morpheus Purchaser Inc. ("**Morpheus**") of all of the issued and outstanding subordinate voting shares ("**SV Shares**") and multiple voting shares ("**MV Shares**", together with the SV Shares, the "**Shares**") in the capital of Magnet;

   (b) an interim order for the advice and directions of this Court pursuant to subsection 182(5) of the OBCA with respect to the Plan of Arrangement and this Application (the "**Interim Order**");

   (c) an order abridging the time for the service and filing or dispensing with service of the Notice of Application and Application Record, if necessary; and

   (d) such further and other Relief as to this Honourable Court may seem just.

2. The grounds for the application are:

   (a) Magnet is incorporated pursuant to the laws of Ontario and operates as a developer of digital investigation software for more than 4,000 enterprises and public safety

organizations. The SV Shares are listed and traded on the TSX under the symbol "MAGT";

(b) Morpheus is a corporation under the laws of Ontario created and controlled by Thoma Bravo, L.P., a leading software investment firm, for the purpose of engaging in the transactions under the Arrangement;

(c) pursuant to the Plan of Arrangement, in summary:

(i) Morpheus will acquire all of the issued and outstanding SV Shares, other than such SV Shares held by Messrs. Jad Saliba and Adam Belsher and associates and affiliates thereof (collectively, with Mr. Jim Balsillie and his associates and affiliates, the "**Rolling Shareholders**") at a price of $44.25 in cash per SV Share;

(ii) Morpheus will acquire all of the issued and outstanding Shares held or controlled by the Rolling Shareholders at a price of $39.00 in cash per Share, other than an certain Shares that will be exchanged for shares of Morpheus (collectively, the "**Rollover Shares**");

(iii) all of the Rollover Shares will be contributed to Morpheus and exchanged for shares of Morpheus at an implied value of $39.00 per Rollover Share;

(iv) outstanding options to purchase SV Shares (each an "**Option**"), whether vested or unvested, shall be surrendered to Magnet for a cash payment equal to the amount by which $44.25 per share ($39.00 for Rollover Shareholders)

exceeds the exercise price of such Option; where such amount is zero or negative, such Option shall be cancelled without any consideration;

(v) all outstanding Magnet deferred share units (each a "**DSU**"), whether vested or unvested, shall be cancelled and terminated in exchange for cash consideration of $44.25 ($39.00 for Rollover Shareholders) in respect of each DSU; and

(vi) all outstanding Magnet restricted share units (each an "**RSU**"), whether vested or unvested, shall be cancelled and terminated in exchange for cash consideration of $44.25 ($39.00 for Rollover Shareholders) in respect of each RSU.

(d) the Arrangement is an "arrangement" within the meaning of subsection 182(1) of the OBCA;

(e) all statutory requirements for an arrangement under the OBCA either have been fulfilled or will be fulfilled by the date of the return of the Application;

(f) the directions set out and the approvals required pursuant to any Interim Order this Court may grant have been followed and obtained, or will be followed and obtained by the return date of this Application;

(g) the Arrangement is put forward in good faith for a *bona fide* business purpose, and has a material connection to the Toronto Region;

(h) the Arrangement is fair and reasonable, and it is appropriate for this Court to approve the Arrangement;

(i) section 182 of the OBCA;

(j) National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

(k) Rules 3.02(1), 14.02 and (3), 16.04(1), 16.08, 17.02, 37 and 38 of the *Rules of Civil Procedure*; and

(l) such further and other grounds as the lawyers may advise and this Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

(a) such Interim Order as may be granted by this Court;

(b) the affidavit of a representative of Magnet, to be sworn, and the exhibits thereto;

(c) such further affidavit(s) on behalf of the Applicant reporting as to the compliance with any Interim Order of this Court and as to the result of the Meeting; and

(d) such further and other evidence as the lawyers may advise and this Court may permit.

4. This Notice of Application will be sent to all registered holders of Shares, Options, DSUs and RSUs at the address of each holder as shown on the books and records of Magnet on the day fixed as the record date for the Meeting or as this Court may direct in the Interim Order, pursuant

to rule 17.02(n) of the *Rules of Civil Procedure* in the case of those holders whose addresses, as they appear on the books and records of Magnet, are outside Ontario.

February 9, 2023

BLAKE, CASSELS & GRAYDON LLP
Barristers & Solicitors
199 Bay Street, Suite 4000
Commerce Court West
Toronto ON M5L 1A9

Ryan A. Morris LSO #50831C
Tel: (416) 863-2176
ryan.morris@blakes.com

Lawyers for the Applicant,
Magnet Forensics Inc.

Court File No. CV-23-

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO), R.S.O. 1990, C. B.16, AS AMENDED
AND IN THE MATTER OF RULES 14.05(2) and 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*
AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING MAGNET FORENSICS INC. AND MORPHEUS PURCHASER INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION

BLAKE, CASSELS & GRAYDON LLP
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ryan.morris@blakes.com

Lawyers for the Applicant,
Magnet Forensics Inc.

APPENDIX "E"

SECTION 185 OF THE OBCA

185(1) Rights of dissenting shareholders

Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181;

(d.1) be continued under the *Co-operative Corporations Act* under section 181.1;

(d.2) be continued under the *Not-for-Profit Corporations Act, 2010* under section 181.2; or

(e) sell, lease or exchange all or substantially all its property under subsection 184(3),

a holder of shares of any class or series entitled to vote on the resolution may dissent.

185(2) Idem

If a corporation resolves to amend its articles in a manner referred to in subsection 170(1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170(1)(a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170(5) or (6).

185(2.1) One class of shares

The right to dissent described in subsection (2) applies even if there is only one class of shares.

185(3) Exception

A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

185(4) Shareholder's right to be paid fair value

In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

185(5) No partial dissent

A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting

shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

185(6) Objection

A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

185(7) Idem

The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

185(8) Notice of adoption of resolution

The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

185(9) Idem

A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

185(10) Demand for payment of fair value

A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

185(11) Certificates to be sent in

Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

185(12) Idem

A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

185(13) Endorsement on certificate

A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

185(14) Rights of dissenting shareholder

On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168(3), terminate an amalgamation agreement under subsection 176(5) or an application for continuance under subsection 181(5), or abandon a sale, lease or exchange under subsection 184(8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10).

185(14.1) Same

A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

(a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or

(b) if a resolution is passed by the directors under subsection 54(2) with respect to that class and series of shares,

(i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and

(ii) to be sent the notice referred to in subsection 54(3).

185(14.2) Same

A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

(a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and

(b) to be sent the notice referred to in subsection 54(3).

185(15) Offer to pay

A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

185(16) Idem

Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

185(17) Idem

Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

185(18) Application to court to fix fair value

Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

185(19) Idem

If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same

purpose within a further period of twenty days or within such further period as the court may allow.

185(20) Idem

A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

185(21) Costs

If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

185(22) Notice to shareholders

Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a

corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

185(23) Parties joined

All dissenting shareholders who satisfy the conditions set out in clauses (22)(a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

185(24) Idem

Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

185(25) Appraisers

The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

185(26) Final order

The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22)(a) and (b).

185(27) Interest

The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

185(28) Where corporation unable to pay

Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

185(29) Idem

Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

185(30) Idem

A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

185(31) Court order

Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

185(32) Commission may appear

The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.

APPENDIX "F"

FORMAL VALUATION AND FAIRNESS OPINION OF CIBC WORLD MARKETS INC.

CIBC CAPITAL MARKETS

CIBC World Markets Inc.
161 Bay Street, 6th Floor
Toronto ON, M5J 2S8
Tel: (416) 594-7000

January 20, 2023

The Special Committee of the Board of Directors
Magnet Forensics Inc.
Suite 300, 2220 University Avenue East
Waterloo, Ontario N2K 0A8

To the Special Committee:

CIBC World Markets Inc. ("CIBC") understands that Magnet Forensics Inc. (the "Company" or "Magnet") is contemplating entering into an arrangement agreement (the "Arrangement Agreement") with Morpheus Purchaser Inc., a newly created corporation controlled by Thoma Bravo, L.P. (together with its affiliated and managed entities, the "Purchaser"), whereby a group of Magnet shareholders comprising of individuals and entities related to, or affiliated with, Jad Saliba, Adam Belsher, and Jim Balsillie (the "Rolling Shareholders") would exchange approximately 55% of their equity ownership (the "Rollover Shares") for the consideration payable to the respective Rolling Shareholder in accordance with the terms of their rollover agreement at an implied value of C$39.00 per Rollover Share and the Purchaser would acquire the remaining outstanding Subordinate Voting Shares (the "SV Shares") and the Multiple Voting Shares (the "MV Shares", together with the SV Shares, the "Shares") of Magnet. Any transaction as described in the foregoing shall be referred to herein as the "Proposed Transaction". Holders of SV Shares shall be referred to herein as "SV Shareholders", and holders of MV Shares shall be referred to herein as "MV Shareholders", and together with SV Shareholders, "Shareholders". CIBC also understands that the Rolling Shareholders are officers and/or directors of the Company, and that each Rolling Shareholder is considered an "insider" of the Company under relevant securities legislation.

CIBC understands that the terms of the Proposed Transaction are being set forth in the Arrangement Agreement to be entered into between Magnet and the Purchaser. We understand that:

(i) the Purchaser will acquire all of the SV Shares other than those held by the Rolling Shareholders for a cash payment of C$44.25 per SV Share (the "Consideration") and will acquire all of the Shares held by the Rolling Shareholders other than the Rollover Shares for a cash payment of C$39.00 per Share;

(ii) the Rollover Shares will be exchanged for the consideration payable to the respective Rolling Shareholder in accordance with the terms of their rollover agreement at an implied value of C$39.00 per Share on a tax deferred basis;

(iii) the Proposed Transaction will be effected by way of a plan of arrangement under Section 182 of the *Business Corporations Act (Ontario)*;

(iv) each of the directors and certain officers of the Company have agreed to vote their Shares in favour of the Proposed Transaction pursuant to voting support agreements;

(v) the Proposed Transaction will not be subject to any financing condition;

(vi) the completion of the Proposed Transaction will be conditional upon, among other things, (A) approval by at least two-thirds of the votes cast by Shareholders with SV Shareholders being entitled to one vote per SV Share and MV Shareholders being entitled to ten votes per MV Share, (B) a simple majority of the votes cast by holders of SV Shares (excluding the SV Shares held by the Rolling Shareholders and any other SV Shares required to be excluded pursuant to MI 61-101 (as defined below)), (C) a simple majority of the votes cast by holders of SV Shares, (D) a simple majority of the votes cast by holders of MV Shares, and (E) the approval of the Ontario Superior Court of Justice (Commercial List); and

(vii) the terms and conditions of the Proposed Transaction will be described in a management information circular of the Company (the "Information Circular") and related documents that will be mailed to Shareholders in connection with a special meeting of Shareholders.

Additionally, CIBC has been advised by the Company that the Proposed Transaction is a business combination pursuant to *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Independent Transactions* ("MI 61-101") and that a formal valuation prepared by an independent valuator is required in accordance with MI 61-101. The Board of Directors of the Company (the "Board of Directors") has established a committee of independent directors (the "Special Committee") to, among other things, engage and oversee a financial advisor to prepare a formal valuation of the Shares, and that such Special Committee shall make a recommendation to the Board of Directors (who, in turn, will make a recommendation to the SV Shareholders (excluding the Rolling Shareholders)).

All dollar amounts herein are expressed in United States dollars, unless stated otherwise.

Engagement of CIBC

CIBC was first contacted by the Special Committee on October 24, 2022 concerning the Purchaser's potential interest in the Proposed Transaction. In accordance with the letter agreement dated November 14, 2022 (the "Engagement Agreement"), the Special Committee retained CIBC to provide advice and assistance to the Special Committee in evaluating the Proposed Transaction, including the preparation and delivery of (i) a confidential preliminary value analysis (the "Preliminary Value Analysis") of the Shares (which shall not constitute a "valuation", "formal valuation", "appraisal", "prior valuation", or a "report", "statement or opinion of an expert" for purposes of any securities legislation in Canada or otherwise) and (ii) a formal valuation of the Shares (the "Formal Valuation") in accordance with the requirements of MI 61-101 and under the supervision of the Special Committee. In addition, the Special Committee requested CIBC to provide it with our opinion (the "Opinion") as to the fairness, from a financial point of view, of the Consideration to be received by SV Shareholders (other than the Rolling Shareholders) pursuant to the Proposed Transaction. On December 21, 2022, CIBC provided the Special Committee with the Preliminary Value Analysis.

The Engagement Agreement provides for the payment to CIBC of a fee upon the completion or delivery of the Preliminary Value Analysis and a fee upon the substantial completion or delivery of the Formal Valuation and Opinion. None of the fees payable to us under the Engagement Agreement are contingent upon the conclusions reached by us in the Formal Valuation or Opinion or the completion of the Proposed Transaction. In addition, the Company has agreed to reimburse CIBC for its reasonable expenses and to indemnify CIBC in respect of certain liabilities that might arise out of its engagement. The fees payable to CIBC pursuant to the Engagement Agreement are not financially material to CIBC. No understandings or agreements exist between (i) CIBC and (ii) the Company or the Purchaser with respect to future financial advisory or investment banking business.

Credentials of CIBC

CIBC is one of Canada's largest investment banking firms with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. The opinions expressed herein are the opinions of CIBC and the form and content herein have been approved for release by a committee of our managing directors and internal counsel, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Relationships with Interested Parties

CIBC has confirmed to the Special Committee that:

a) we have the appropriate qualifications to prepare the Formal Valuation;

b) none of CIBC or its affiliates is an "issuer insider", "associated entity" or "affiliated entity" of the Purchaser or the Rolling Shareholders as such terms are used in MI 61-101;

c) none of CIBC or its affiliates is acting as an advisor to the Purchaser or the Rolling Shareholders in connection with the Proposed Transaction;

d) CIBC's compensation under the Engagement Agreement will not depend in whole or in part on the conclusion reached in the Formal Valuation or the Opinion or the outcome of the Proposed Transaction;

e) none of CIBC or its affiliates is a manager or co-manager of a soliciting dealer group formed by the Purchaser or the Rolling Shareholders in connection with the Proposed Transaction nor will they, as a member of such group, perform services beyond the customary soliciting dealers' functions nor will they receive more than the per share or per shareholder fee payable to other members of the group;

f) none of CIBC or its affiliates is the external auditor of the Company, the Purchaser or the Rolling Shareholders in the Proposed Transaction; and

g) none of CIBC or its affiliates has a material financial interest in the completion of the Proposed Transaction.

CIBC participated as a co-manager in each of the Company's (i) C$115 million initial public offering ("IPO"), which closed in May 2021 and (ii) C$74 million bought deal secondary offering, which closed in December 2021. CIBC provides equity research coverage on the Company and, in the normal course of business, has provided investment banking and other coverage since the IPO. The fees paid to CIBC by Magnet and its affiliates were not financially material to CIBC. CIBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had, and may in the future have, positions in the securities of Magnet or their affiliates and, from time to time, may have executed, or may execute, transactions on behalf of such entities. CIBC is an indirect subsidiary of the Canadian Imperial Bank of Commerce ("CIBC Bank") and CIBC Bank or its affiliated entities have made or may in the future make loans or provide other financial services in the normal course to Magnet, the Rolling Shareholders, the Purchaser or their affiliates or, in the case of the Purchaser, its portfolio companies.

Scope of Review

In connection with preparing the Formal Valuation and Opinion, we have reviewed and relied upon, among other things, the following:

a) draft of the Arrangement Agreement dated January 19, 2023;

b) the audited financial statements, management's discussion and analysis, and annual information form for Magnet for the fiscal year ended December 31, 2021;

c) the interim report, including the comparative unaudited financial statements and management's discussion and analysis of Magnet for the nine months ended September 30, 2022;

d) the November 2022 corporate presentation of Magnet;

e) the management information circular of Magnet dated April 26, 2022;

f) the supplemented long form PREP Prospectus related to the Company's initial public offering dated April 28, 2021;

g) certain internal financial, operational, corporate, tax and other information with respect to Magnet, including internal operating and financial projections;

h) selected public market trading statistics and financial information of public entities considered by us to be relevant;

i) various reports published by equity research analysts at various firms and industry sources regarding the industry and other public entities, to the extent deemed relevant by us;

j) certificates addressed to us, dated as of January 20, 2023, from senior officers of Magnet as to the completeness and accuracy of the information provided; and

k) such other information, analyses, investigations, and discussions as we considered necessary or appropriate in the circumstances, including discussions with Dentons Canada LLP ("Dentons"), legal advisor to the Special Committee, with respect to the Proposed Transaction.

In addition, we have participated in discussions with members of the senior management of Magnet ("Magnet Management") regarding Magnet's past and current business operations, financial condition and future prospects. To the best of our knowledge, CIBC has not been denied access by Magnet to any information it has requested.

Prior Valuations

Magnet has represented to CIBC that no prior valuation (as defined in MI 61-101) has been prepared in the past 24 months.

Assumptions and Limitations

Our Formal Valuation and Opinion are subject to the assumptions, qualifications and limitations set forth below.

With the Special Committee's permission, we have relied upon and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its affiliates or advisors or otherwise obtained by us pursuant to our engagement, and our Formal Valuation and Opinion are conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of Magnet in connection with preparing the Formal Valuation and Opinion and, with the Special Committee's permission, we have assumed the accuracy and fair presentation of, and relied upon, the Company's audited financial statements and the reports of the auditors thereon and the Company's interim unaudited financial statements.

With respect to the historical financial data, operating and financial forecasts and budgets provided to us concerning Magnet and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgements of management of the Company, having regard to the Company's business plans, financial condition and prospects.

We have also assumed that the terms of the Proposed Transaction that are contained in the Arrangement Agreement are correct as of the date hereof and that the Proposed Transaction will be completed substantially in accordance with such terms and all applicable laws, and that the Information Circular will disclose all material facts relating to the Proposed Transaction and will satisfy all applicable legal requirements.

The Company has represented to us, in a certificate of two senior officers of the Company dated the date hereof that, among other things, the information, data and other materials (financial or otherwise) provided to us by or on behalf of the Company, including the written information and discussions concerning Magnet referred to above under the heading "Scope of Review" (collectively, the "Information"), are complete and correct at the date the Information was provided to us and that, since the date on which the Information was provided to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company and its subsidiaries, taken as a whole, and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Formal Valuation or Opinion.

Except as expressly noted under the heading "Scope of Review", we have not conducted any investigation concerning the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Magnet or its subsidiaries. We have not attempted to verify independently any of the information concerning the Company or any of its subsidiaries. CIBC was not authorized to solicit, and did not solicit, interest from any other potential party with respect to the acquisition of the Shares, or any business combinations or other extraordinary transactions involving Magnet.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Proposed Transaction or the sufficiency of this letter for your purposes.

Our Formal Valuation and Opinion are rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they were represented to us in our discussions with Magnet Management and its advisors. In our analyses and in connection with the preparation of our Formal Valuation and Opinion, we made numerous assumptions with respect to industry performance, general business,

capital markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

The Formal Valuation and Opinion have been provided to the Special Committee for its exclusive use only in considering the Proposed Transaction and, other than being summarized in and appended in full to the Information Circular, may not be published, disclosed to any other person, relied upon by any other person, or used for any other purpose without the prior written consent of CIBC. Our Formal Valuation and Opinion is not intended to be and does not constitute a recommendation to the Special Committee or the Board of Directors as to whether they should approve the Arrangement Agreement nor as a recommendation to any Shareholder as to how to vote or act in respect of the Proposed Transaction or as an opinion concerning the trading price or value of any securities of the Company following the announcement of the Proposed Transaction. Our Opinion represents an opinion as to the fairness, from a financial point of view, of the Consideration to be received by the SV Shareholders (other than the Rolling Shareholders), and should not be construed as an opinion as to the fairness of the consideration to be received by the Rolling Shareholders in respect of any of their Shares nor should it be construed as an opinion as to the fairness of the allocation, as between the Rolling Shareholders and the SV Shareholders (other than the Rolling Shareholders), of the aggregate consideration payable by the Purchaser.

The Formal Valuation and Opinion are given as of the date hereof (the "Valuation Date") and, although we reserve the right to change or withdraw the Formal Valuation or Opinion if we learn that any of the information that we relied upon in preparing the Formal Valuation or Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Formal Valuation or Opinion, to advise any person of any change that may come to our attention or to update the Formal Valuation or Opinion after today.

CIBC believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Formal Valuation and Opinion. The preparation of the Formal Valuation and Opinion are complex and are not necessarily susceptible to partial analysis or summary description and any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Should this Formal Valuation and Opinion be executed in any other language, the English version of this Formal Valuation and Opinion shall be controlling in all respects and any other version is provided solely as a translation. In the event of any inconsistency between the versions, the English version of this Formal Valuation and Opinion shall prevail.

Overview of Magnet

The following description is derived from the Information.

Magnet is a developer of data analytics software used for digital forensics investigations. The Company's software is used to acquire, analyze, and manage evidence from digital sources. Such evidence is referred to as digital forensic artifacts. Digital forensic investigators gather artifacts from various digital sources, including hard drives, computers, smartphones, digital networks and other electronic media. Examples of digital artifacts include browser history, emails, chats, files, images, videos, location data, texts, tweets, app records, metadata, access histories and hundreds of other types of digital artifacts. Digital forensic investigators use artifacts to determine what happened, where it happened, who it happened to, when it happened, how it happened and who did what. Magnet's software is also used for eDiscovery by legal professionals, which involves collecting and producing electronically stored information in response to a request for production of information in a legal dispute or internal investigation. Magnet's product suite has expanded to include case intelligence and analytics solutions that track digital investigations from start-to-finish, organize and manage case workflows, and generate real-time reports. Frequent use cases for Magnet's digital forensics software include assisting law enforcement, public safety agencies and legal professionals in their investigations and by corporations in response to employee conduct issues, fraud, IP theft, data breaches and other cyber crimes. Magnet's products include Magnet AXIOM, Magnet AXIOM Cyber, Magnet AUTOMATE, Magnet AUTOMATE ENTERPRISE, Magnet ATLAS, Magnet REVIEW, DVR EXAMINER, and Magnet OUTRIDER.

Founded in 2010, Magnet currently has approximately 4,600 public and private sector customers in over 100 countries. The Company is headquartered in Waterloo, Ontario and employs over 390 employees. The Company is listed on the Toronto Stock Exchange ("TSX") and the SV Shares trade under the trading symbol "MAGT".

Trading Range and Volume of Shares

The following table sets forth, for the periods indicated, the reported high and low closing prices and the aggregate volume of trading of the SV Shares on the TSX:

	TSX		
	Closing Prices (C$)		
Period	High	Low	Volume
2022			
January	$30.97	$24.13	1,424,486
February	$28.06	$24.10	1,242,792
March	$30.88	$24.90	1,305,299
April	$29.31	$23.52	662,788
May	$24.43	$16.25	1,376,095
June	$19.02	$15.31	1,479,037
July	$21.04	$17.68	600,999
August	$26.26	$21.44	737,983
September	$24.59	$20.41	459,514
October	$27.50	$22.07	323,638
November	$38.82	$23.96	1,046,101
December	$43.33	$35.08	1,265,338
2023			
January 1 to January 19	$41.53	$38.35	468,169

Source: Bloomberg Financial Markets and TMX Money.

On January 19, 2023, the trading day immediately prior to the Company's announcement of the Proposed Transaction, the closing price of the SV Shares on the TSX was C$38.35.

Historical Results of Operations

Set out in the tables below are summaries of Magnet's operating and financial results for the last three completed fiscal years ended December 31 and the nine months ended September 30, 2021 and September 30, 2022:

	Year Ended December 31,			Unaudited Nine Months Ended September 30,	
US$ millions	2019	2020	2021	2021	2022
Annual Recurring Revenue	$27.8	$41.3	$61.3	$54.0	$80.9
Revenue	$38.7	$51.2	$70.3	$48.9	$67.9
Gross Profit	$36.5	$48.6	$65.7	$45.9	$63.2
Adjusted EBITDA	$3.5	$15.4	$18.6	$13.9	$11.8
Adjusted EBITDA Margin	9.0%	30.0%	26.5%	28.5%	17.3%
Net Earnings (Loss)	$1.0	$10.6	$7.3	$6.5	($0.5)
Capital Expenditures	$1.3	$1.8	$1.1	$0.5	$1.3
Cash Flow from Operations	$10.2	$23.0	$17.7	$9.0	$8.5

Note: Annual Recurring Revenue is as of period end.

Annual Recurring Revenue, Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS metrics and they are shown above as publicly disclosed by Magnet.

The following table summarizes Magnet's consolidated balance sheet as at the end of the fiscal years 2019, 2020, and 2021, and as at September 30, 2021 and September 30, 2022:

	As at December 31,			As At September 30,	
US$ millions	**2019**	**2020**	**2021**	**2021**	**2022**
Cash	$25.3	$21.2	$118.1	$110.1	$122.3
Current Assets	$34.8	$32.3	$142.9	$129.5	$149.2
Property, Plant and Equipment	$1.6	$2.6	$2.7	$2.4	$3.0
Long Term Assets	$8.8	$13.0	$19.1	$19.5	$22.2
Total Assets	$43.5	$45.3	$162.0	$148.9	$171.3
Current Liabilities	$26.3	$41.0	$55.4	$47.1	$63.2
Debt	$1.8	$2.2	$2.5	$2.6	$2.3
Long Term Liabilities	$12.0	$14.0	$17.4	$15.1	$12.9
Shareholders' Equity	$5.3	($9.7)	$89.1	$86.7	$95.2
Total Liabilities and Equity	$43.5	$45.3	$162.0	$148.9	$171.3

General Approach to Value Analysis

CIBC approached the value analysis of Magnet in accordance with MI 61-101, which, in the case of the Proposed Transaction, requires the valuator to make a determination as to the "Fair Market Value" of the Shares. MI 61-101 defines "Fair Market Value" as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act, but without making any downward adjustment to reflect the liquidity of the securities, the effect of the transaction on the securities or the fact that the securities do not form part of a controlling interest.

Consequently, the Formal Valuation provides a conclusion on a per Share basis with respect to Magnet's "en bloc" value, being the price at which all of the Shares could be sold to one or more buyers in a single transaction or series of transactions.

Our Approach and Valuation Methodologies

CIBC approached the valuation of the Shares by applying three principal methodologies:

a) a comparable companies trading metrics ("Comparable Trading Metrics") approach;

b) a comparable precedent transactions ("Precedent Transactions") approach; and

c) a discounted cash flow ("DCF") approach.

It is important to note that the Comparable Trading Metrics approach is based on public trading multiples that generally reflect minority discount values rather than "en bloc" values.

Distinctive Material Benefits to the Purchaser

CIBC considered, based on information provided by Magnet Management, whether any distinctive material benefits will accrue to the Purchaser as a consequence of the completion of the Proposed Transaction. While Magnet Management believes that there are potential operational synergies upon completion of the Proposed Transaction, the only cost savings that might accrue to the Purchaser that have been quantified are the elimination of public company expenses. Magnet Management has estimated these annual cost savings to be approximately US$2.4 million and CIBC has reflected these cost savings into its Formal Valuation.

Application of Valuation Methodologies

Comparable Trading Metrics Approach

CIBC reviewed the current market trading metrics of a number of publicly traded cybersecurity and digital forensics companies based in North America. For benchmarking purposes, CIBC selected companies from the broader group of cybersecurity and digital forensics companies that were believed to be the most comparable to Magnet, considering attributes such as business model and financial profile. For purposes of this analysis, CIBC reviewed the total enterprise value ("TEV") / CY2023E revenue multiple and the TEV / CY2023E EBITDA multiple. CIBC conducted an analysis based on the TEV / CY2023E revenue multiple as investors and the majority of equity research analysts of Magnet use a revenue based valuation methodology in determining a value for Magnet, which is consistent with how other high growth software businesses are typically valued.

Select Peers	Market Capitalization	Total Enterprise Value	Total Enterprise Value / CY2023E Revenue	Total Enterprise Value / CY2023E EBITDA
	US$ millions	*US$ millions*	*x*	*x*
Palo Alto Networks	$45,803	$40,245	5.4x	21.6x
CrowdStrike	$24,684	$22,971	7.9x	38.2x
Zscaler	$16,896	$16,296	9.5x	nmf
Axon	$13,993	$13,302	9.6x	46.7x
Palantir	$14,882	$12,617	5.5x	22.1x
Qualys	$4,095	$3,675	6.5x	14.9x
SentinelOne	$4,422	$3,227	5.1x	nmf
Cellebrite DI	$864	$696	2.2x	18.1x

Source: Company filings, FactSet. Data as of January 19, 2023.
Note: Financial metrics are shown as "nmf" if implied multiple is greater than 50x or if EBITDA estimates are negative.

The following is a summary of the analysis based on the Comparable Trading Metrics approach.

	Magnet	Selected Multiple Range		Implied Enterprise Value Range		Implied Equity Value per Share[2]	
	2023E Revenue[1]	Low	High	Low	High	Low	High
	US$ millions	*x*	*x*	*US$ millions*	*US$ millions*	*C$/sh.*	*C$/sh.*
TEV / CY2023E Revenue	$133	6.0x	9.0x	$797	$1,195	$29.20	$41.65

[1] Based on the Management Forecast.
[2] Implied equity value per Share converted using CAD:USD FX rate of 1.35 as at January 19, 2023. Fully diluted shares outstanding include the impact of dilutive securities.

Summary of Comparable Trading Metrics Analysis

CIBC determined a range of values using the Comparable Trading Metrics approach of C$29.20 to C$41.65. As noted earlier, the Comparable Trading Metrics approach is based on public trading multiples that generally reflect minority discount values rather than "en bloc" values. As a result, CIBC did not rely on this approach in determining the Fair Market Value of the Shares.

Precedent Transactions Approach

The Precedent Transactions methodology considers transaction prices in the context of the purchase or sale of a comparable company or asset to estimate the "en bloc" value of a particular asset or company. The prices paid for companies and assets in the cybersecurity and digital forensics industries which are subject to arm's length transactions provide an indication of value. Factors such as comparability of business mix, operating characteristics, financial profile and transaction size may all be considered. For purposes of this analysis, CIBC reviewed the TEV to the last twelve months ("LTM") revenue multiple ("TEV/LTM Revenue"), the TEV to next twelve months ("NTM") revenue multiple ("TEV/NTM Revenue"), the TEV to LTM EBITDA multiple and the TEV to NTM EBITDA multiple. CIBC conducted an analysis based on both the TEV/LTM Revenue multiple and the TEV/NTM Revenue multiple as investors and the majority of equity research analysts of Magnet use a revenue based valuation methodology in determining a value for Magnet, which is consistent with how other high growth software businesses are typically valued.

CIBC notes that there has been a relatively limited number of directly comparable transactions due to the Company's unique business mix and financial profile.

Ann. Date	Target	Acquiror	Total Enterprise Value	Total Enteprise Value / LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA
			US$ millions	*x*	*x*	*x*	*x*
11-Oct-22 [1]	ForgeRock	Thoma Bravo	$2,300	12.2x	9.1x	-	-
03-Aug-22	Ping Identity	Thoma Bravo	$2,808	9.1x	7.6x	-	-
11-Apr-22	Sailpoint	Thoma Bravo	$6,922	15.8x	12.6x	-	-
07-Dec-21	Mimecast	Permira	$5,628	10.2x	8.6x	36.7x	30.9x
26-Apr-21	Proofpoint	Thoma Bravo	$12,300	11.3x	9.7x	46.2x	-
03-Nov-19	ObserveIT	Proofpoint	$225	15.0x	-	-	-
22-Aug-19	Carbon Black	VMWare	$2,110	9.2x	7.8x	-	-

Source: Company filings and analyst research reports.
[1] ForgeRock transaction is pending.

The following is a summary of the analysis based on the Precedent Transactions approach.

	Magnet	Selected Multiple Range		Implied Enterprise Value Range		Implied Equity Value per Share[2]	
	Revenue[1]	Low	High	Low	High	Low	High
	US$ millions	*x*	*x*	*US$ millions*	*US$ millions*	*C$/sh.*	*C$/sh.*
TEV/LTM Revenue	$98	9.5x	12.5x	$933	$1,227	$33.44	$42.64
TEV/NTM Revenue	$133	7.5x	10.5x	$996	$1,395	$35.43	$47.87

[1] Magnet's LTM revenue and NTM revenue are based on 2022E and 2023E revenue, respectively, based on the Management Forecast (as defined below).
[2] Implied equity value per Share converted using CAD:USD FX rate of 1.35 as at January 19, 2023. Fully diluted shares outstanding include the impact of dilutive securities.

Summary of Precedent Transactions Analysis

For purposes of determining a range of values under the Precedent Transactions approach, we focused on the TEV/NTM Revenue metric given availability of data and the importance of forward looking financial profile for purchasers of companies or assets. As such, CIBC determined a range of values using the Precedent Transactions approach of C$35.43 to C$47.87 per Share.

DCF Approach

CIBC prepared a DCF analysis of Magnet to assist in determining the Fair Market Value of the Shares. CIBC's DCF analysis involved discounting to January 1, 2023, both the projected unlevered after-tax free cash flows and the terminal value determined at the end of the forecast period based on a perpetual growth rate methodology.

The projected unlevered after-tax free cash flows are based on a 10-year forecast provided to us by Magnet Management, derived from Magnet Management's current 3-year plan for 2023-2025 (the "3-Year Plan") and extended by Magnet Management for another seven years for 2026-2032 based on assumptions viewed by Magnet Management as reasonable (the "Management Forecast"). The projections allowed for the determination of sensitivities with respect to input variables.

Management Forecast Overview

Between November 2022 and January 2023, CIBC reviewed and evaluated the Management Forecast prepared by Magnet Management including key drivers and assumptions. The 3-Year Plan was provided to potential buyers, including the Purchaser.

CIBC reviewed and evaluated the underlying assumptions to the Management Forecast, including, but not limited to, the bookings forecast, annual recurring revenue per account expansion, and projections of cost of sales, sales and marketing spend, research and development costs, general and administrative expenses, capital expenditures and working capital.

In order to establish whether reliance on the Management Forecast for purposes of the Formal Valuation and Opinion was warranted, CIBC completed the following:

a) compared historical actual financial results against prior budgets as part of CIBC's evaluation of Magnet Management's forecasting track record;

b) gained an understanding of, and evaluated, Magnet Management's business plan forecasting process and procedures;

c) compared key financial metrics such as revenue growth and profitability margins in the Management Forecast against historical financials;

d) considered the historical levels of capital expenditures, research and development spend, sales and marketing costs, and working capital;

e) compared key assumptions and operating and financial metrics against industry benchmarks and comparable companies;

f) reviewed industry research publications and projections on Magnet prepared by equity research analysts; and

g) held discussions with Magnet Management regarding the basis for the underlying assumptions, the relative attainability of the Management Forecast and efforts that would be made to attain the forecast targets, including the required sales and marketing costs and research and development spend.

Based on such review, CIBC determined that the assumptions underlying the Management Forecast appeared reasonable and utilized the Management Forecast in our analysis.

When calculating the Management Forecast unlevered after-tax free cash flow projections used for the DCF analysis, CIBC added back the stock-based compensation expense associated with existing dilutive securities and did not add back the stock-based compensation expense associated with dilutive securities expected to be issued. In addition, CIBC included Magnet Management's estimate of the annual cost savings upon completion of the Proposed Transaction, which is estimated to be approximately US$2.4 million. A summary of the unlevered after-tax free cash flow projections used for the DCF analysis is presented below.

	Fiscal Year Ending December 31,									
(US$ millions)	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**
Total Revenue	**$133**	**$180**	**$245**	**$319**	**$405**	**$506**	**$608**	**$699**	**$769**	**$807**
Gross Profit	**$121**	**$164**	**$221**	**$284**	**$357**	**$441**	**$523**	**$594**	**$654**	**$687**
Adjusted EBITDA[1]	**$21**	**$35**	**$56**	**$76**	**$101**	**$130**	**$160**	**$187**	**$214**	**$225**
Add: PubCo Cost Savings [2]	$2	$2	$2	$3	$3	$3	$3	$3	$3	$3
Add: Share-based Compensation Add-back [3]	$4	$2	$0	-	-	-	-	-	-	-
Adjusted EBITDA (Incl. PubCo Cost Savings) [4]	**$28**	**$39**	**$59**	**$79**	**$103**	**$133**	**$163**	**$190**	**$217**	**$228**
Less: Depreciation & Amortization	($4)	($4)	($5)	($6)	($7)	($9)	($11)	($13)	($14)	($15)
EBIT	**$24**	**$35**	**$54**	**$73**	**$96**	**$124**	**$152**	**$177**	**$203**	**$213**
Less: Cash Taxes	($8)	($11)	($16)	($19)	($25)	($33)	($40)	($47)	($54)	($56)
Unlevered After-Tax Income	**$16**	**$24**	**$39**	**$54**	**$70**	**$91**	**$111**	**$130**	**$149**	**$157**
Add: Depreciation & Amortization	$4	$4	$5	$6	$7	$9	$11	$13	$14	$15
Less: Capital Expenditures	($3)	($4)	($5)	($6)	($8)	($10)	($12)	($14)	($15)	($16)
Less: Changes in Non-cash Working Capital	$18	$42	$40	$46	$54	$64	$64	$57	$44	$24
Unlevered Free Cash Flow	**$35**	**$67**	**$79**	**$99**	**$124**	**$154**	**$174**	**$186**	**$192**	**$179**

1 Excludes public company cost savings and add-backs for stock-based compensation.
2 Public company cost savings assumes 2% inflation starting in FY2024.
3 Includes add-back of stock-based compensation expense for dilutive securities already issued. Excludes add-back of stock-based compensation expense for dilutive securities to be issued.
4 Includes public company cost savings and an add-back of stock-based compensation expense for dilutive securities already issued.

Discount Rate

CIBC estimated a weighted average cost of capital ("WACC") to discount the projected unlevered after-tax free cash flows. The Company's after-tax cost of debt and cost of equity were weighted based upon an assumed optimal capital structure of 0% debt and 100% equity, based on a review of comparable public companies and Magnet's current and historical capital structure. The capitalization is therefore entirely represented by common equity, the cost of which was estimated using the Capital Asset Pricing Model ("CAPM"). CAPM generates a cost of equity by adding a risk-free rate of return to a premium that represents the financial and non-diversifiable business risk of the security in question. This premium is the product of a security's beta (a statistical measure which reflects the extent to which a security's returns co-vary with those of a broader market index) multiplied by a broader market premium (equal to the amount by which the market as a whole has yielded returns in excess of the risk-free rate). CIBC carried out a series of calculations and consulted certain third-party sources in estimating a beta for Magnet based on a number of comparable companies. The cost of equity derived from CAPM does not account for the comparatively higher risk of investing in smaller capitalization companies, even after adjusting for their systematic (or beta) risk. Consequently, the estimated cost of equity includes a premium that reflects Magnet's comparative size.

The assumptions used by CIBC in estimating the WACC for the Company are as follows:

Cost of Common Equity	
Unlevered Beta[1]	1.12
Re-levered Beta	1.12
Equity Risk Premium[2]	7.5%
Risk Component (Re-levered Beta x Equity Risk Premium)	8.4%
Risk-free Rate[3]	3.4%
Size Premium[2]	1.2%
Cost of Common Equity	13.0%
WACC	
Optimal Capital Structure (% Debt)	-
WACC	13.0%

Source: Bloomberg, FactSet, Kroll Guide to Cost of Capital Report 2021, and company filings.
1 Analysis of betas for selected comparable companies relative to the S&P500 Index.
2 Based on Kroll Guide to Cost of Capital Report 2021.
3 Yield on a 10-year generic Government of U.S. treasury bond as of January 19, 2023.

Based upon the foregoing, CIBC determined the appropriate WACC for the Company to be in the range of 12.0% to 14.0%.

Terminal Value

CIBC calculated a range of terminal enterprise values based on a 3.0% to 4.0% growth rate into perpetuity of the unlevered after-tax free cash flows following the end of the forecast period and a discount rate range of 12.0% to 14.0%. CIBC considered the implied terminal enterprise value to LTM revenue multiple, which ranged from 2.1x to 3.0x, and the implied terminal value to LTM EBITDA multiple, which ranged from 7.5x to 10.6x, to be reasonable based on the long-term trading multiples and precedent transaction multiples of mature software businesses.

Summary of DCF Analysis

The present value of the unlevered after-tax free cash flows derived from the DCF analysis represents the aggregate value of Magnet's operating assets. To arrive at an equity value, and subsequently an equity value per Share, CIBC added the net cash position as of December 31, 2022 as estimated by Magnet Management to the estimated enterprise value.

(US$ millions, except for per share data)	**Value Range**	
	Low	**High**
WACC	14.0%	12.0%
Perpetual Growth Rate	3.0%	4.0%
Net Present Value[1]		
Unlevered Free Cash Flows (Forecast Period)	$609	$669
Terminal Value	$460	$777
Enterprise Value	**$1,069**	**$1,446**
Add: Net Cash[2]	$138	$138
Equity Value	**$1,207**	**$1,584**
Fully Diluted Shares Outstanding (mm)[3]	43.1	43.1
Foreign Exchange Rate (CAD/USD)[4]	1.35	1.35
Implied Value per Share (C$)	**$37.76**	**$49.54**

1 Assumes all cash flows are discounted to December 31, 2022.
2 As at December 31, 2022; net cash is calculated as cash and cash equivalents less the sum of government loans payable, lease liabilities, and other long-term liabilities.
3 Fully diluted shares outstanding include the impact of dilutive securities.
4 FX rate as at January 19, 2023.

Under the DCF methodology, the value per Share was determined to be in the range of approximately C$37.76 to C$49.54.

Sensitivity Analysis

The following table demonstrates the impact on Magnet's estimated implied equity value per Share of changing key economic variables contained within the DCF analysis.

Variable	Sensitivity	Impact on per Share Value (C$)[1]
WACC	+ 1.00%	($4.01)
	- 1.00%	$4.96
Perpetual Growth Rate		
	+ 0.50%	$1.39
	- 0.50%	($1.25)

[1] Sensitivity analysis based on base case assumptions of 13.0% WACC and 3.5% perpetual growth rate.

Formal Valuation Conclusion

In arriving at an opinion of Fair Market Value of the Shares, CIBC has not attributed any particular weight to any specific factor but has made qualitative judgements based on experience in rendering such opinions and on circumstances then prevailing as to the significance and relevance of each factor.

Based upon and subject to the foregoing and such other factors as we considered relevant, CIBC is of the opinion that, as of the date hereof, the Fair Market Value of the Shares is in the range of C$36.50 to C$48.75 per Share.

Fairness Opinion

The conclusion of our Opinion is subject to all of the conditions, limitations, qualifications, disclaimers and assumptions reflected in and underlying the Formal Valuation and Opinion, as described above. The analysis, investigations, research, testing of assumptions and conclusions reflected in and underlying the Formal Valuation are integral to the provision of our Opinion.

In arriving at our Opinion, CIBC considered several factors including, but not limited to, the Consideration falling within our range of Fair Market Value for the Shares.

Fairness Opinion Conclusion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our Opinion, as of the date hereof, that the Consideration to be received by the SV Shareholders (other than the Rolling Shareholders) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such shareholders.

Yours very truly,

CIBC World Markets Inc.

APPENDIX "G"

FAIRNESS OPINION OF MORGAN STANLEY & CO. LLC

Morgan Stanley

January 20, 2023

Special Committee of the Board of Directors
Magnet Forensics Inc.
220 University Avenue East
Suite 300
Waterloo, ON, Canada N2K 0A8

Members of the Special Committee of the Board:

We understand that Magnet Forensics Inc. (the "Company") and Morpheus Purchaser Inc. (the "Buyer") propose to enter into an Arrangement Agreement, substantially in the form of the draft dated January 20, 2023 (the "Arrangement Agreement"), which provides, among other things, that the Buyer will acquire by way of plan of arrangement under the *Business Corporations Act* (Ontario) (the "Plan of Arrangement") (i) each outstanding subordinate voting share of the Company (the "Shares") for CAD$44.25 per share in cash (the "Consideration"), other than (A) shares as to which dissenters' rights have been perfected and (B) shares held by the Continuing Shareholders (as defined in the Arrangement Agreement) (collectively, the "SVS Excluded Shares") and (ii) each outstanding Share held by the Continuing Shareholders and each outstanding multiple voting share of the Company for CAD$39.00 per share in cash, other than Excluded Shares (as defined in the Arrangement Agreement). The terms and conditions of the Plan of Arrangement will be more fully described in a management information circular (the "Circular"), which will be mailed to shareholders of the Company in connection with the Plan of Arrangement.

You have asked for our opinion as to whether the Consideration to be received by the holders of Shares (other than SVS Excluded Shares) pursuant to the Arrangement Agreement is fair from a financial point of view to the holders of such Shares.

For purposes of the opinion set forth herein, we have:

1) Reviewed certain publicly available financial statements and other business and financial information of the Company;

2) Reviewed certain internal financial statements and other financial and operating data concerning the Company;

3) Reviewed certain financial projections prepared by the management of the Company and certain extrapolations prepared with guidance from the management of the Company (which were reviewed and approved by you for our use) (collectively, the "Financial Projections");

4) Discussed the past and current operations and financial condition and the prospects of the Company with senior executives of the Company;

5) Reviewed the reported prices and trading activity for the Shares;

6) Compared the financial performance of the Company and the prices and trading activity of the Shares with that of certain other publicly-traded companies comparable with the Company, and their securities;

7) Reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

8) Participated in certain discussions and negotiations among representatives of the Company and the Buyer and certain parties and their financial and legal advisors;

9) Reviewed the Arrangement Agreement, the draft voting and support agreements to be entered into by the Continuing Shareholders substantially in the form of the drafts dated January 20, 2023 (the "Voting Support Agreements"), and the draft equity and debt commitment letters from certain financing providers substantially in the form of the drafts dated January 20, 2023 (the "Commitment Letters") and certain related documents; and

10) Performed such other analyses, reviewed such other information and considered such other factors as we have deemed appropriate.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to us by the Company, and formed a substantial basis for this opinion. With respect to the Financial Projections, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company of the future financial performance of the Company. We express no view as to such Financial Projections or the assumptions on which they were based. In addition, we have assumed that the Plan of Arrangement will be consummated in accordance with the terms set forth in the Arrangement Agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the Buyer will obtain financing in accordance with the terms set forth in the Commitment Letters and that the definitive Arrangement Agreement and Voting Support Agreements will not differ in any material respect from the respective drafts thereof furnished to us. Morgan Stanley has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Plan of Arrangement, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Plan of Arrangement. We are not legal, tax, or regulatory advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Company and its legal, tax, or regulatory advisors with respect to legal, tax, or regulatory matters. We express no opinion with respect to the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or any class of such persons or other Continuing Shareholders, relative to the Consideration to be received by the holders of Shares in the transaction. We do not express any view on, and this opinion does not address, any other term or aspect of the Arrangement Agreement or the transactions contemplated thereby (including any consideration that may be received by any Continuing Shareholders) or any term or aspect of any other agreement or instrument contemplated by the Arrangement Agreement or entered into or amended in connection therewith. We have not made any independent valuation or appraisal of the assets or liabilities of the Company, nor have we been furnished with any such valuations or appraisals. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion.

Morgan Stanley was formally engaged by the Special Committee pursuant to a letter agreement dated November 3, 2022 (the "Engagement Agreement"). Morgan Stanley was first contacted by the Special Committee in connection with the engagement on October 24, 2022. Under the terms of the Engagement Agreement, Morgan Stanley has agreed to provide the Special Committee with financial advisory services in connection with the Plan of Arrangement including, among other things, the provision of this financial opinion.

In accordance with the Engagement Letter, we have acted as financial advisor to the Special Committee of the Board of Directors of the Company in connection with this transaction and will receive a fee for our services, a significant portion of which is contingent upon the closing of the Plan of Arrangement. In the two years prior to the date hereof, we have provided financing services to Thoma Bravo L.P. ("Thoma Bravo") (which we understand is the ultimate controlling equity owner of the Buyer) and certain of its majority-controlled affiliates and portfolio companies (collectively, the "Thoma Bravo Related Entities"), and, in each case, have received fees in connection with such services. In addition, as of the date hereof, Morgan Stanley or an affiliate thereof is providing financial advisory services to and is a lender to certain Thoma Bravo Related Entities, and acts as administrative agent with respect to the credit facilities of certain of such Thoma Bravo Related Entities. Morgan Stanley may also seek to provide financial advisory and financing services to the Company, the Buyer, Thoma Bravo, the Thoma Bravo Related Entities and their respective affiliates in the future and would expect to receive fees for the rendering of these services. In addition, Morgan Stanley, its affiliates, directors or officers, including individuals working with the Company in connection with this transaction, may have committed and may commit in the future to invest in private equity funds managed by Thoma Bravo or its affiliates, or in affiliates of Morgan Stanley that may hold direct equity and/or partnership interests in private equity funds managed by Thoma Bravo or its affiliates.

Please note that Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Our securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure

and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of the Buyer, the Company, Thoma Bravo, the Thoma Bravo Related Entities or any other company, or any currency or commodity, that may be involved in this transaction, or any related derivative instrument.

This opinion has been approved by a committee of Morgan Stanley investment banking and other professionals in accordance with our customary practice. This opinion is for the information of the Special Committee of the Board of Directors of the Company only and may not be used for any other purpose or disclosed without our prior written consent, except that a copy of this opinion may be included in its entirety in any filing the Company is required to make with the Ontario Securities Commission in connection with this transaction if such inclusion is required by applicable law. In addition, Morgan Stanley expresses no opinion or recommendation as to how the shareholders of the Company should vote at the shareholders' meeting to be held in connection with the Plan of Arrangement.

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Consideration to be received by the holders of Shares (other than SVS Excluded Shares) pursuant to the Arrangement Agreement is fair from a financial point of view to the holders of such Shares.

Very truly yours,

MORGAN STANLEY & CO. LLC

By: (signed) "*Pedro Costa*"

Pedro Costa

Managing Director

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITATION AGENT

North America Toll Free:
1-877-452-7184

Collect Calls Outside North America:
416-304-0211

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