

Independent Proxy Advisor Egan-Jones Recommends Magnet Forensics Shareholders Vote FOR the Arrangement With Thoma Bravo

Egan-Jones highlights significant premium, best strategic alternative to unlock and maximize potential shareholder value

Vote the “WHITE” Management proxy no later than 2:00 pm (Toronto time) on March 21, 2023.

WATERLOO, Ontario--(BUSINESS WIRE)--March 8, 2023--Magnet Forensics Inc. (the “**Company**” or “**Magnet**”) (TSX: MAGT), a developer of digital investigation solutions for enterprises and public safety organizations, is pleased to announce that independent proxy advisor Egan-Jones Proxy Services (“**Egan-Jones**”) has recommended Magnet shareholders vote **FOR** the plan of arrangement with Thoma Bravo (the “**Arrangement**”).

Public shareholders, being all shareholders other than the Rolling Shareholders¹, will receive all-cash consideration of \$44.25 per share. Shareholders are encouraged to vote FOR the Arrangement by no later than 2:00 pm (Toronto time) on March 21, 2023, being the proxy cut-off for the Company’s special meeting of shareholders to be held on March 23, 2023 (the “**Meeting**”).

In its report, Egan-Jones* concluded:

In respect of the valuation and consideration offered to Magnet Shareholders:

“We believe that there is a compelling reason to vote on the proposed acquisition of the Company by Thoma Bravo, given the significant premium and equity value transaction that will be distributed to the shareholders. Also, we believe that it is the best available strategic alternative for the Company to unlock and maximize potential shareholder value. Also, it is noteworthy that the all cash consideration will give the shareholders a certainty when it comes to their interests.”

On the strategic rationale for the transaction and shareholder reaction:

“We believe that the transaction will address the challenges relating to Magnet’s limited mobile extraction capabilities. Also, the fact that upon the announcement of the transaction, the Company’s share price and implied multiples increased, signal that the acquisition is well-perceived by the shareholders, investors and market as a whole.”

Its assessment of the dissident’s arguments:

“We believe that the dissident shareholder has not offered a superior alternative that will maximize value creation.”

That a Vote FOR the Arrangement with Thoma Bravo is in the best interests of shareholders:

“Based on the review of publicly available information on strategic, corporate governance and financial aspects of the proposed transaction, Egan-Jones views the proposed transaction to be a desirable approach in maximizing shareholder value. After careful consideration, we believe that approval of the transaction is in the best interests of its shareholders and its advantages and opportunities outweigh the risks associated to the transaction. We recommend a vote FOR this Proposal.”

*Permission to use quotations from the Egan-Jones report was neither sought nor obtained.

Egan-Jones Proxy Services, established in 2002 by Egan-Jones Ratings Co., is a leading independent provider of proxy research, voting recommendations and voting services to a variety of institutional investors.

Shareholders who have questions or need assistance voting their shares should contact Magnet’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.

Vote using only Magnet’s WHITE proxy FOR the proposed Arrangement.

All dollar amounts set forth in this press release are in Canadian dollars unless stated otherwise.

Please refer to the Circular filed on SEDAR on February 16, 2023 at www.sedar.com (the “Circular”). All information contained herein is qualified by reference thereto. The Circular is also available on the Company’s website at www.magnetforensics.com.

The Circular provides important information on the Arrangement as well as related matters, including voting procedures, how to attend the Meeting and instructions for shareholders unable to attend the Meeting. Shareholders are urged to read the Circular and its appendices carefully and in their entirety.

About Magnet Forensics

Founded in 2010, Magnet Forensics is a developer of digital investigation software that acquires, analyzes, reports on, and manages evidence from digital sources, including computers, mobile devices, IoT devices and cloud services. Magnet Forensics’ software is used by more than 4,000 public and private sector customers in over 100 countries and helps investigators fight crime, protect assets and guard national security.

Cautionary Note Regarding Forward-Looking Information

This press release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) within the meaning of applicable securities laws. Such forward-looking information or statements (“**FLS**”) are provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other

purposes. Any such FLS may be identified by words such as “proposed”, “expects”, “intends”, “may”, “will”, and similar expressions. FLS contained or referred to in this press release includes, but is not limited to, statements regarding the Arrangement and special meeting of shareholders of the Company to approve the Arrangement.

FLS is based on a number of factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Although the Company believes that the expectations reflected in such FLS are reasonable, undue reliance should not be placed on FLS because the Company can give no assurance that such expectations will prove to be correct. Factors that could cause actual results to differ materially from those described in such FLS include, without limitation, the following factors, many of which are beyond the Company’s control and the effects of which can be difficult to predict: (a) the possibility that the Arrangement will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required shareholder, Court and regulatory approvals and other conditions of closing necessary to complete the Arrangement or for other reasons; (b) risks related to tax matters; (c) the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Arrangement; (d) risks relating to the Company’s ability to retain and attract key personnel during and following the period ending with the consummation of the Arrangement; (e) the possibility of litigation relating to the Arrangement; (f) credit, market, currency, operational, liquidity and funding risks generally and relating specifically to the Arrangement, including changes in economic conditions, interest rates or tax rates; (g) business, operational and financial risks and uncertainties relating to the COVID-19 pandemic; (h) risks related to the Company resulting from the combination of the Company and Grayshift, LLC in retaining existing customers and attracting new customers, retaining key personnel, executing on growth strategies, advancing its product line and protecting its intellectual property rights and proprietary information; (i) risks related to the Company’s ability to prevent unauthorized access to or disclosure, loss, destruction or modification of data, through cybersecurity breaches or computer viruses disrupting the functionality of the Company’s products; (j) the impact of competition; (k) changes and trends in the Company’s industry and the global economy; and (l) the identified risk factors included in the Company’s public disclosure, including the annual information form dated March 9, 2022, which is available on SEDAR at www.sedar.com and on the Company’s website at www.magnetforensics.com. If any of these risks or uncertainties materialize, or if the assumptions underlying the FLS prove incorrect, actual results or future events might vary materially from those anticipated in the FLS. Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in FLS, there may be other risk factors not presently known to the Company or that the Company presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such FLS. The FLS in this press release reflect the current expectations, assumptions, judgements and/or beliefs of the Company based on information currently available to the Company, and are subject to change without notice.

Any FLS speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any FLS, whether as a result of new information, future events or results or otherwise, except as required

under applicable securities laws. The FLS contained in this press release are expressly qualified by this cautionary statement. For more information on the Company, please review the Company's continuous disclosure filings that are available at www.sedar.com.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The TSX accepts no responsibility for the adequacy or accuracy of this release.

¹ “Rolling Shareholders” means Jad Saliba, Director, President and Chief Technology Officer of the Company, Adam Belsher, Director and Chief Executive Officer of the Company, and Jim Balsillie, Chair of the Board, and their respective associates and affiliates.

Contacts

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