

Optiva Provides Notice of Redemption of Preferred Shares and Announces US\$90 Million Offering of Secured Debentures and Related Governance Changes

- **EdgePoint Investment Group agrees to subscribe for US\$55 million of the Secured Debenture Offering and, together with Maple Rock Capital Partners, for a total commitment of the US\$90 million Offering**
- **Optiva announces that notice has been provided to fully redeem all of its issued and outstanding Series A Preferred Shares held indirectly by ESW Capital**

TORONTO, June 26, 2020 /CNW/ - Optiva Inc. ("Optiva" or the "Company") (TSX: OPT), a leader in providing communications service providers ("CSPs") worldwide with cloud-native revenue management software on the public cloud, announces today a series of transactions that the Company expects to collectively refinance its balance sheet, strengthen its corporate governance and position it for future growth.

Summary of the Transaction

The Company has provided the required notice to ESW Capital, LLC ("ESW") to fully redeem the 800,000 Series A Preferred Shares of the Company (the "Preferred Shares") beneficially owned or controlled by ESW and its affiliates, including all accrued and unpaid dividends thereon, in accordance with the terms of the Preferred Shares, in consideration for the required redemption payment of approximately US\$91,378,719.

Concurrently, the Company announces that it has entered into binding agreements for a US\$90 million high yield offering (the "Offering") of 9.75% secured PIK toggle debentures due 2025 (the "Debentures"). The Debentures will be issued by the Company and guaranteed by certain of the Company's subsidiaries (collectively, the "Guarantors"), and will be senior secured obligations of the Company. The Offering will consist of a non-brokered private placement and a marketed brokered private placement led by CIBC Capital Markets ("CIBC") as agent for the Offering. CIBC has an agent's option to increase the size of the Offering by up to 15.0%. If the entire amount of the agent's option is exercised, the total size of the Offering will be US\$103.5 million principal amount of Debentures.

Optiva intends to use the net proceeds from the Offering to redeem the Preferred Shares and, if the agent's option is exercised, for general working capital purposes.

As part of the Offering, funds managed by EdgePoint Investment Group Inc. (collectively, "EdgePoint") and Maple Rock Capital Partners ("Maple Rock"), two of the Company's largest shareholders, have severally agreed to purchase their respective commitments up to the US\$90 million principal amount of Debentures. EdgePoint and Maple Rock are not receiving any standby or backstop fee in connection with the Offering.

The Offering is expected to close, subject to customary closing conditions, on or about July 20, 2020, being the first business day after the minimum 20-day notice period for a redemption of Preferred Shares of the Company set out in the terms of the Preferred Shares.

The Debentures are being conditionally offered for sale in each of the provinces of Canada on a private placement basis pursuant to certain prospectus exemptions. The Debentures have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities

Act"), or any state securities laws, and are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act. The Debentures will be subject to a statutory four month hold following the date of issuance period under National Instrument 45-102 – *Resale Restrictions*.

Governance Matters

In May 2020, EdgePoint initially raised a proposal with the Company for a financing transaction to redeem the Preferred Shares. Under the articles of the Company, the proposed refinancing transaction may only be considered by the directors of the Company that were not nominated and elected by ESW as holder of the Preferred Shares, namely Robert Stabile, Christy Jones and Farhan Thawar (the "Independent Committee"). During the intervening period, the Independent Committee has met regularly to conduct discussions with EdgePoint, Maple Rock, ESW and the Company. The Independent Committee retained an independent financial advisor, INFOR Financial Inc. ("INFOR Financial"), to provide a fairness opinion to the Independent Committee in respect of the redemption of the Preferred Shares and the Offering (the "Transactions"). INFOR Financial has advised that, based upon and subject to the assumptions, qualifications and limitations contained therein, it is of the opinion that, as of the date hereof, the Transactions are fair, from a financial point of view, to the shareholders of Optiva other than EdgePoint, Maple Rock and ESW. The Independent Committee has unanimously approved the Transactions.

Pursuant to the terms of the agreements related to the Transactions entered into among the Company, EdgePoint and Maple Rock (the "Transaction Agreements"), Farhan Thawar, Christy Jones and Chris Helling will resign from the Company's board of directors, and Andrew Day, Lee Matheson and Paul Yancich will be appointed as directors of the Company, concurrent with the closing of the Offering.

EdgePoint and Maple Rock are insiders of the Company, each of whom beneficially own or control more than 10% of the Company's issued and outstanding subordinate voting shares. The participation by each insider in the Offering is considered to be a "related party transaction" for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is relying on the exemption from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(c) as neither the Company nor the related parties have knowledge of any material information concerning the Company or its securities that has not been disclosed, and the Debentures are non-voting securities, issued to each related party for cash consideration, that will not affect the voting interest of the related parties. Additionally, the Company is relying on the exemption from the minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(1)(f) as the Debentures constitute a loan being provided on reasonable commercial terms that are not less advantageous to the Company than would be obtained from a person dealing at arm's length with the Company, and the Debentures are neither convertible into equity or voting securities of the Company nor repayable, directly or indirectly, in equity or voting securities of the Company.

Annual Shareholder Meeting

Separately, the Company announces that its annual meeting of shareholders (the "Meeting") will be held on August 18, 2020. Formal notice of the record date and meeting date will be provided under applicable securities laws in due course. A management information circular pertaining to the matters to be acted upon at the Meeting will be provided to shareholders of record prior to the Meeting. Pursuant to the Transaction Agreements, the Company has agreed that eight nominees will be proposed for election as directors at the Meeting, with two of such director nominees being designated by EdgePoint, two being designated by Maple Rock and the remaining four having been mutually agreed among the Independent Committee, EdgePoint and Maple Rock. The nominees will be selected with a view to appropriate diversity. EdgePoint and Maple Rock, which currently beneficially own or exercise control and direction over approximately 18.1% and 22.4%,

respectively, of the Company's issued and outstanding subordinate voting shares, have agreed to vote all such shares at the Meeting in favour of the election of the eight director candidates to be nominated by the Company for election at the Meeting. Further details regarding these director nominees will be set forth in the Company's management information circular for the Meeting.

In connection with the Offering, Maple Rock has agreed to withdraw the previously announced requisition for a special meeting of holders of the Company's subordinate voting shares.

Early Warning Requirements – EdgePoint

EdgePoint currently exercises control over 963,654 subordinate voting shares of the Company, representing approximately 18.1% of the Company's issued and outstanding subordinate voting shares. The acquisition of the Debentures is being made in the ordinary course of business and for investment purposes. EdgePoint may acquire or dispose of additional securities of the Company or may enter into derivative or other transactions with respect to such securities on behalf of accounts it manages.

EdgePoint will prepare and file a report containing the information required by Form 62-103F1 Required Disclosure under the Early Warning Requirements in connection with the matters referred to in this press release. Once filed, a copy of this report can be obtained by contacting Sayuri Childs, EdgePoint's Chief Compliance Officer, at (416) 963-9353. EdgePoint's head office is located at 150 Bloor Street West, Suite 500, Toronto, Ontario M5S 2X9.

Early Warning Requirements – Maple Rock

Maple Rock currently exercises control over 1,188,091 subordinate voting shares of the Company, representing approximately 22.4% of the Company's issued and outstanding subordinate voting shares. The acquisition of the Debentures is being made in the ordinary course of business and for investment purposes. Maple Rock may acquire or dispose of additional securities of the Company or may enter into derivative or other transactions with respect to such securities on behalf of accounts it manages.

Maple Rock will prepare and file a report containing the information required by Form 62-103F1 Required Disclosure under the Early Warning Requirements in connection with the matters referred to in this press release. Once filed, a copy of this report can be obtained by contacting Stephen Lane, Maple Rock's Chief Financial Officer, at (416) 572-3899. Maple Rock's head office is located at 21 St. Clair Ave. E, Suite 1100, Toronto, Ontario M4T 1L9.

About Optiva Inc.

Optiva Inc. is a global leader in providing CSPs with cloud-native revenue management software on the public cloud. CSP operators and mobile virtual network operators can integrate our best-of-breed charging engine into a BSS stack or deploy our fully managed, end-to-end, SaaS-based suite. Optiva solutions offer unmatched speed, scale, security and savings. Our market knowledge, analytical insights and unique Customer Success Program ensure telecoms are equipped to achieve their strategic business goals. Established in 1999, Optiva Inc. is on the Toronto Stock Exchange (TSX: OPT). For more information, visit www.optiva.com.

Caution Concerning Forward-Looking Statements

This press release contains forward-looking statements and forward looking information within the meaning of applicable securities laws. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. The forward looking statements in this press release include, but are not limited to, statements

regarding the anticipated redemption of the Preferred Shares, the completion of the Offering, the issuance of the Debentures, corporate governance changes, including Board resignations and appointments, timing of the annual meeting of shareholders, other governance matters, objectives, strategies, financial conditions, results of operations and businesses of the Company and the effect of the Offering on the credit profile of the Company. These statements are forward-looking as they are based on the Company's expectations, as at June 26, 2020, about the Company's business and the markets we operate in, and on various estimates and assumptions. Our actual results could materially differ from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. As a result, there is no assurance that any forward-looking statements will materialize. Risks that could cause our results to differ materially from our current expectations include failure to complete the Offering, other known and unknown risks and such other risks as are discussed in our annual information form dated March 9, 2020 and management's discussion and analysis in respect of the three months ended March 31, 2020. In addition, the Offering is subject to general market and other conditions and there are no assurances that the Offering will be completed or that the terms of the Offering will not be modified. We disclaim any intention or obligation to update any forward-looking statements, except as required by law, even if new information becomes available, as a result of future events or for any other reason.

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