

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Corporation

Optiva Inc. (the "**Corporation**" or "**Optiva**")
2233 Argentia Rd
East Tower, Suite 302
Mississauga, ON L5N 2X7

2. Date of Material Change

July 20, 2020

3. News Release

A press release with respect to the material change referred to in this report was issued by the Corporation on July 20, 2020 through Cision and a copy was subsequently filed on the Corporation's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

4. Summary of Material Change

On July 20, 2020, the Corporation fully redeemed all of the Series A Preferred Shares of the Corporation (the "**Preferred Shares**"), including all accrued and unpaid dividends thereon, beneficially owned or controlled by ESW Capital, LLC and its affiliates, in accordance with the terms of the Preferred Shares. The aggregate redemption price in respect of the Preferred Shares was US\$91,378,719 (the "**Redemption Amount**").

On July 20, 2020, the Corporation also completed a US\$90 million financing (the "**Debenture Financing**") of 9.75% secured PIK toggle debentures due 2025 (the "**Debentures**"). The Debentures are guaranteed by certain of the Corporation's subsidiaries, and constitute senior secured obligations of the Corporation. The net proceeds from the Debenture Financing were used to finance the Redemption Amount. The Debenture Financing was completed on a private placement basis pursuant to certain prospectus exemptions, and consisted of a non-brokered private placement and a marketed brokered private placement led by CIBC Capital Markets as agent.

5.1 Full Description of Material Change

See the news release attached hereto as Schedule "A".

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Ashish Joshi
Chief Financial Officer
(512) 230-9417

9. Date of Report

July 23, 2020

SCHEDULE "A"

See attached.

Optiva Completes Redemption of Preferred Shares, Closes US\$90 Million Debenture Financing and Refreshes Board with New Independent Directors

TORONTO, July 20, 2020 /CNW/ - Optiva Inc. ("**Optiva**" or the "**Company**") (TSX: OPT) announces today that it has fully redeemed all of the Series A Preferred Shares of the Company (the "**Preferred Shares**"), including all accrued and unpaid dividends thereon, beneficially owned or controlled by ESW Capital, LLC and its affiliates, in accordance with the terms of the Preferred Shares. The aggregate redemption price in respect of the Preferred Shares was US\$91,378,719 (the "**Redemption Amount**").

The Company also announces that it has closed its previously announced US\$90 million financing (the "**Debenture Financing**") of 9.75% secured PIK toggle debentures due 2025 (the "**Debentures**"). The Debentures are guaranteed by certain of the Company's subsidiaries, and constitute senior secured obligations of the Company. The net proceeds from the Debenture Financing were used to finance the Redemption Amount. The Debenture Financing was completed on a private placement basis pursuant to certain prospectus exemptions, and consisted of a non-brokered private placement and a marketed brokered private placement led by CIBC Capital Markets ("**CIBC**") as agent for the Debenture Financing. In addition, based on the reconstitution of the board described below, which significantly enhances the independence and governance of Optiva, Maple Rock Capital Partners ("**Maple Rock**") has withdrawn its meeting requisition.

EdgePoint Investment Group Inc. (collectively, "**EdgePoint**") is investing in Optiva's debentures to support the company's growth plans. "As holders of both Optiva's equity and debt, we are very excited about the next chapter of Optiva's growth", said Lee Matheson, Partner at EdgePoint Investment Group. "We believe that Optiva is uniquely positioned in the market as one of the few players with a commercially viable cloud native product. The cloud transition has happened in virtually every software category, and we believe the OSS/BSS markets are the next to be disrupted."

"We have strong conviction that Optiva will extend its position as a leading independent vendor in the OSS/BSS industry, driven by its early investment into the cloud-native product suite. Not only are the cost savings for Optiva's clients significant, but the added level of speed and security further exemplify its superiority compared to traditional on-premises solutions," said Matt Kirk, Investment Partner at Maple Rock, another investor in Optiva's debentures.

Addition of New Independent Directors

The Company will undertake a reconstitution of its Board that will result in eight nominees proposed for election as directors at the Company's next annual meeting of shareholders (the "**Meeting**") to be held on August 18, 2020.

Concurrent with the closing of the Debenture Financing and in connection with the withdrawal by Maple Rock of its previously announced requisition for a special meeting of shareholders of the Company, Farhan Thawar, Christy Jones and Chris Helling have resigned from the Company's board of directors, and Andrew Day, Lee Matheson and Paul Yancich have been appointed as directors of the Company.

Furthermore, the Company also announced that it will nominate for election at the Meeting three additional independent directors, Anuroop Duggal, Dan Goldsmith, and Ryan Morris. Mr. Duggal, Mr.

Goldsmith, and Mr. Morris each have strong backgrounds in technology, software and finance, as well as a broad range of public company executive and capital markets experience. Rob Stabile and Demetrios Anaipakos will also be nominated for re-election at the Meeting.

"The redemption of the Preferred Shares and concurrent close of the Debenture Financing are a testament of our commitment to engage with our shareholders to the betterment of the Company and all stakeholders," says Rob Stabile, Lead Director. "The new independent directors and director nominees are all highly qualified with impressive experiences and track records that will enhance our Board and contribute to Optiva's growth strategy. We would also like to thank Farhan, Christy, and Chris for their contributions over the past three years."

Update on CEO Search Process

As previously announced, the Company's Board of Directors has engaged an executive search firm to conduct a search for a new Chief Executive Officer. The Company will leverage the collective experience of Mr. Day, Mr. Matheson, and Mr. Yancich in leading and building successful companies to assist in the recruitment of Optiva's new Chief Executive Officer. As such, all three individuals will join Demetrios Anaipakos to recruit a talented external candidate with a track record of value creation to become the next Chief Executive Officer of the Company.

New Director Biographies – Effective Immediately

Andrew Day

Andrew Day has held several senior leadership positions in sales and general management for technology companies and most recently was the Chief Operating Officer & EVP of Internap Corporation. He has over 25 years of management experience in telecommunications, technology innovation, sales, and marketing leadership. He has served as Senior Vice President, Consumer Channels at Rogers Communications, where he led all consumer product sales across all sales channels. He has also served as CEO of Primus Telecommunications Group Inc. and Primus Canada, where he was responsible for the company's direction and results. Before joining Primus, he held various roles of increasing responsibility in general management, sales, product management, and finance at AT&T, Gillette, and Xerox. Andrew holds an Honours B. Comm. from McMaster University, is a Chartered Public Accountant (CPA) and is also a Chartered Director (C. Dir.).

Lee Matheson

Lee Matheson is a partner at Edgepoint Investment Group. Previously Lee was a co-founder of Broadview Capital Management and portfolio manager of the Broadview Dark Horse LP, a long/short fund focused on Canadian small cap securities. Lee has extensive public company experience having served on the boards of RDM Corporation, AlarmForce Industries Inc., WesternOne Inc., Medworxx Solutions Inc., and Strad Inc. Lee is currently a director of Echelon Financial Holdings Inc., exactEarth Ltd., and Old PSG Wind-Down Ltd. Additionally, Lee serves as co-chair of Canadian Art Foundation.

Paul Yancich

Paul Yancich brings to the Optiva board deep investing and operating expertise in the software industry. Prior to his current role on the investment team at TorQuest Partners, a leading middle-market private equity firm based in Toronto, he worked at Constellation Software ("CSI"), a publicly traded investment & operating company. At CSI, Paul worked for the Founder/CEO, oversaw capital deployment globally for one of CSI's six operating groups, and led a sizeable portfolio of businesses. Previously, Paul worked for Arsenal Growth, a growth-stage private equity firm focused on enterprise software, amongst other sectors. Paul graduated with a BA from Princeton University.

New Director Biographies – To be Nominated at the Meeting

Anuroop Duggal

Anuroop Duggal was a partner at 3G Capital, a global multi-billion dollar asset manager, where he helped launch, manage, and grow a public markets focused equity and credit fund. Prior to that, he was an investor with Goldman Sachs Investment Partners, which was the Asset Management division's flagship hedge fund. Anuroop is also an Adjunct Professor for the MBA program at Columbia Business School, where he teaches value investing courses with key topics including capital allocation, business model analysis, valuation, and management analysis. He graduated from the University of Western Ontario with an Honors Business Administration degree (Richard Ivey School of Business, gold medalist) and an Electrical Engineering degree.

Dan Goldsmith

Dan Goldsmith is an accomplished executive with a strong track record of building businesses from startup to scale. With more than 20 years of experience in software and management consulting, Dan has developed deep expertise in SaaS, market growth strategies, global expansion, and verticalization with a focus on Life Sciences and Education industries. Dan most recently served as the CEO of Instructure, leading the company to a successful \$2B exit from public to private and increasing shareholder value by 50% over a two year period. During his tenure, Instructure delivered strong sales growth and over \$200M in ARR, released new products, executed two acquisitions, and reached cash flow positive for the first time in the company's history. Prior to Instructure, Dan was a c-level executive at Veeva Systems. During his 8+ years at Veeva, he most recently served as the Chief Strategy Officer developing Veeva's multi-year growth plan and launching products. While at Veeva, the company grew to over 700M in ARR, went through a successful IPO, and achieved a \$25B market cap with sustained 20%+ annual growth and profitability. Before Veeva, Dan had a full career in management consulting working for Accenture, PriceWaterhouseCoopers, and IBM.

Ryan Morris

Ryan Morris is an entrepreneur and investor and has served as Executive Chairman of Software Motor Company (SMC) since October 2017. Ryan founded Meson Capital Partners LLC, an investment firm in Feb 2009. Ryan has served as Chairman of 3 publicly traded companies including most recently Sevcon, Inc. which was a world leader in power electronics for high performance electric vehicles. Sevcon was sold to BorgWarner in September 2017. In July 2008, after finishing his B.S. and M.Eng. from Cornell University in Operations Research & Information Engineering, Ryan was Co-Founder and CEO of VideoNote LLC, a software company dedicated to capturing and indexing the videos of college lectures.

Securities Law Matters

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. EdgePoint and Maple Rock participated in the Debenture Financing. The Debentures are subject to a statutory four-month hold following the date of issuance under National Instrument 45-102 – *Resale Restrictions*. 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 Debenture Financing is subject to Part 5 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(c) of MI 61-101 and is exempt from the minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(1)(f) of MI 61-101. The Debenture Financing was also subject to Part V of the Toronto Stock Exchange (the "**TSX**") Company Manual. Pursuant to the terms of the indenture governing the Debentures, for so long as the Company is subject to the requirements of the TSX Company Manual, the total amount of cash interest paid to EdgePoint and Maple Rock and their respective affiliates and associates in

respect of Debentures held by them cannot exceed \$14,880,000 in aggregate, unless the Company first obtains the approval of the TSX or the approval of the holders of the Company's subordinate voting shares in accordance with the TSX Company Manual.

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. There is no assurance that any forward-looking statements will materialize. Risks that could cause our results to differ materially from our current expectations are discussed in the Company's annual information form dated March 9, 2020 and management's discussion and analysis in respect of the three months ended March 31, 2020. The Company disclaims 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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View original content: <http://www.newswire.ca/en/releases/archive/July2020/20/c9378.html>

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