



OPTIVA INC.

**ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

March 6, 2024

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3. PRESENTATION OF INFORMATION AND FORWARD-LOOKING STATEMENTS

Except where the context otherwise requires, all references in this annual information form ("AIF") to the "Company", "Optiva", "we", "us", "our" or similar are to Optiva Inc. and its subsidiaries, taken together.

The information in this AIF is as of March 6, 2024 unless stated otherwise, and except for information in documents incorporated by reference that have a different date. The information that appears in the Company's annual management discussion and analysis for the fiscal period ended December 31, 2023 (the "Fiscal 2023 MD&A") is hereby incorporated by reference in, and forms part of, this AIF. The Fiscal 2023 MD&A is available at www.sedarplus.ca and on the Company's website at www.optiva.com.

Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

Certain statements included in or incorporated into this AIF including but not limited to statements relating to business trends, our customers' preferences and our ability to address their requirements, the basis for our future growth, competition, our dividend policy and potential legal proceedings and our liability under current legal proceedings constitute "forward-looking" statements within the meaning of applicable securities laws. When used in this AIF, statements made using such expressions as "will", "continue", "predict", "may", "would", "could", "anticipate", "believe", "plan", "estimate", "expect", "intend", "aim" and similar terminology are intended to identify forward-looking statements. The forward-looking statements are not historical facts but reflect management's current expectations regarding future results or events. These forward-looking statements include statements regarding financial or other projections, Optiva's plans, objectives or performance for the current period and subsequent periods and regarding the markets for its products.

These forward-looking statements are subject to a number of assumptions, risks, uncertainties and other factors that could cause actual results, performance, achievements, industry results or events to differ materially from current expectations. These statements reflect current assumptions and expectations regarding future events and operating performance and speak only as of the date of this document. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. The material assumptions made in making these forward-looking statements include the following: the stability of general economic and market conditions, equity and debt markets continuing to provide us with access to capital, our ability to adapt to technological changes, our ability to identify and secure attractive and executable business opportunities, compliance with intellectual property rights, and currency exchange and interest rates remaining stable. While management believes these assumptions to be reasonable under the current circumstances, they may be inaccurate. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements, including, but not limited to, the inability of Optiva's products to perform as expected, a material adverse change in the affairs of Optiva, and the factors discussed under "Risk Factors" below. Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements.

These forward-looking statements are made as of March 6, 2024 and Optiva does not intend, and does not assume any obligation, unless otherwise required by law, to update or revise them to reflect new events or circumstances. Readers are cautioned not to place undue reliance on forward-looking statements.

4. CORPORATE STRUCTURE

Redknee.com Inc. was incorporated under the *Business Corporations Act* (Ontario) on March 29, 1999. Through a series of corporate reorganizations, Redknee.com Inc. was renamed Redknee Inc. On March 28, 2018, Redknee Inc. was renamed Optiva Canada Inc. Since 1999, Optiva Canada Inc. has been the operating entity of Redknee Solutions Inc. (now Optiva Inc.) which was incorporated on November 1, 2006, under the *Canada Business Corporations Act*. On February 14, 2007, the articles of incorporation of the Company (the "Articles") were amended to authorize Redknee Solutions Inc. as a Mutual Fund Corporation in Canada. At the June 11, 2008 annual meeting of shareholders, the shareholders approved a further amendment of the Articles to eliminate the Mutual Fund Corporation status effective October 22, 2008, being the date that the Company's common shares were listed on the Toronto Stock Exchange ("TSX"). At the January 25, 2017 special meeting of holders of common shares, shareholders approved the creation of preferred shares issuable in series and the first series of Preferred Shares designated as Series A Preferred Shares ("Preferred Shares"), and the Articles and By-law No. 1 of the Company were subsequently amended to reflect the creation of Preferred Shares. At the March 29, 2017 annual and special meeting, shareholders approved the re-designation of common shares to "Subordinate Voting Shares". As a result, the Articles were restated to reflect the change from common shares to Subordinate Voting Shares. On March 28, 2018, the Articles were amended to consolidate all of the issued and outstanding Subordinate Voting Shares in the capital of the Company on the basis of one post-consolidated Subordinate Voting Share for every 50 pre-consolidation Subordinate Voting Shares and to change the name of the Company to Optiva Inc. On July 20, 2020, the Company redeemed all of the Preferred Shares in accordance with the terms of the Preferred Shares and closed a \$90 million financing of 9.75% PIK toggle debentures due in 2025 (the "Debentures"). The Debentures were listed for trading on the Neo Exchange Inc. (now part of Cboe Global Markets Inc (the "NEO")) on December 16, 2020. On June 24, 2021, the Company amended its Articles to re-designate its Subordinate Voting Shares as "Common Shares". On September 29, 2023, the Company issued an additional \$13.5 million aggregate principal amount of 9.75% secured PIK toggle debentures due July 2025 on a private placement basis.

Optiva's registered office is 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, Canada. The head office for the Company is 2233 Argentia Rd., East Tower, Suite 302, Mississauga, Ontario, L5N 2X7, Canada. The Company's telephone number is +1 (905) 625 2622. The Company's website address is www.optiva.com. The information on the Company's website is not incorporated by reference in this AIF.

4.1 Intercorporate Relationships

The following table illustrates the inter-corporate relationships between the Company and its material and other subsidiaries (as determined by Item 3.2 of Form 51-102F2) and sets out the respective jurisdictions of incorporation of such subsidiaries and the percentage of their voting securities beneficially owned, or controlled or directed, directly or indirectly, by the Company as at December 31, 2023.

Name of Subsidiary	Percentage of Votes Attaching to Voting Securities Beneficially Owned, or Controlled or Directed, Directly or Indirectly, by the Company	Jurisdiction of Incorporation
Optiva Canada Inc.	100%	Ontario
Optiva Solutions (UK) Limited	100%	United Kingdom
Redknee (US) Limited	100%	Delaware
Redknee (Australia) PTY	100%	Australia
Argent Networks Pty Limited	100%	Australia

Name of Subsidiary	Percentage of Votes Attaching to Voting Securities Beneficially Owned, or Controlled or Directed, Directly or Indirectly, by the Company	Jurisdiction of Incorporation
Optiva India Technologies Pvt. Limited	100%	India
Redknee India OS Private Ltd.	100%	India
Redknee (Germany) GmbH	100%	Germany
Redknee Germany OS GmbH	100%	Germany
Redknee Techcenter GmbH	100%	Germany
Redknee Global Operations Leadership Centre GmbH	100%	Germany
Redknee Maroc SARL	100%	Morocco
Redknee South Africa Proprietary Limited	100%	South Africa
Redknee Holdings (Pty) Limited	100%	South Africa
Redknee MEA SAL (Offshore)	100%	Lebanon
Redknee Tanzania Limited	100%	Tanzania
Redknee Mozambique Limitada	100%	Mozambique
Redknee OS Brasil Informática Ltda.	100%	Brazil
Optiva Malta Holdings Limited	100%	Malta
Optiva Software Limited	100%	Malta

5. GENERAL DEVELOPMENT OF THE BUSINESS

5.1 Three Year History

Optiva, which commenced operations in July 1999, is a leading and innovative provider of cloud-native monetization products to communication service providers ("CSPs") worldwide on the private and public cloud. Leading Mobile Network Operators ("MNO") as well as disruptive green-field and start-up CSPs like Mobile Virtual Network Operators ("MVNO") are empowered to monetize innovation and grow their business. Using Optiva's best-of-breed charging engine, modular digital business support systems ("BSS") platform, partner monetization or additional complementary revenue management products, Optiva's customers can offer their end customers new monetization schemes and business models to consume and pay for telecommunication services. Optiva's products encapsulate years of telecom-specific experience, and are proven in the field. Optiva allows CSPs of different sizes, regions and lines of business to monetize new revenue streams and continuously improve the services they provide to address customer needs today and tomorrow.

The telecom industry and as a result, the BSS business, has been traditionally driven by the adoption of mobile voice and data services globally and application of these services across vertical markets. We believe the requirement of service providers to monetize those services with sophisticated real-time converged charging and billing is becoming more urgent

in today's digital era and in light of the new opportunities that lie ahead of us. The 5G network, together with technology trends such as the internet of things ("IoT") and embedded connectivity devices brings additional monetization opportunities and calls for CSPs to rethink their BSS stack. We are seeing a number of CSPs undertake transformation projects and completely evolve their BSS stacks as they adapt their offerings to include new services, such as digital, media, partner-related services and over-the-top ("OTT") services. Other CSPs are taking a gradual approach and replacing specific applications to introduce some of these new capabilities. As a whole, the industry is searching for new solutions that will enable the monetization of tomorrow.

During 2023, the Company continued its cloud-native product evolution, and secured new logos and upgraded existing customers by committing to deliver and achieve customer enablement milestones, involving platform upgrades and go-live. New customer acquisition will continue to be an area of strategic focus during 2024.

In 2022, the Company entered into various strategic partnerships with hyperscalers, offering support to telecom operators and service providers in their digital transformation to the cloud and deployment on the edge. The collaboration with Google Cloud enabled Optiva customers to purchase the Company's products via the Google Cloud Marketplace as a software as a service ("SaaS") solution. Optiva launched its first 5G telecom charging solution in 2022 to be transacted through Google Cloud Marketplace. The Company's converged charging solution is pre-integrated with Google Cloud, enabling communication service providers to potentially simplify their procurement process, and centrally manage or outsource their operations. The Company will continue to work closely with Google Cloud, with a focus on integrating valuable BSS data into Google Analytics and AI tools.

The Company continues to focus on roadmap plans to allow unique and innovative use cases to act on new 5G technology and new monetization schemes evolving around B2B2X, IoT with embedded connectivity, and partner management. These plans have been developed and introduced into the research and development ("R&D") plan. Various components of these plans are now available on the latest versions of Optiva's products and will enable Optiva to maintain and continue to build on its leading market position. As a result of the Company's strategic work, we have experienced a high demand for Optiva products in the market and our growing sales pipeline proves that this direction is valuable to our customers and industry.

The Company believes the telecom industry will continue to shift its business model to the cloud — private, hybrid and public — and demand cloud-native solutions and products from its vendors. Accordingly, Optiva's three-year product roadmap includes continuing to invest in cloud-native software architecture as new functionality and services are developed. Management believes this transition will take a number of years due to technology, regulatory and security issues that each of the Company's customers has to resolve to their satisfaction. Optiva is extremely well positioned to deliver on the new SaaS or subscription business model.

Further important product and business developments over the last three fiscal years are listed below. Readers are also encouraged to review the annual managements' discussion & analysis for the past three fiscal years, which are available at <http://www.sedarplus.ca/>.

Fiscal 2023

- February 23, 2023, Optiva announced a new partnership to unify and integrate BSS and data-rich applications, empowering telecom operators using MuleSoft to simplify and unify their BSS and customer data and accelerate 5G ecosystem monetization.
- February 23, 2023, Optiva announced the launch of the new Optiva Partner Monetization platform. The platform enables telecom operators to monetize the B2B2X market and build partner ecosystems, play any role in the B2B2X value chain and partner across industries, use cases and business types.
- March 7, 2023, Optiva announced BT, the UK's leading fixed and mobile telecommunications provider, extended its partnership with Optiva to renew its next-generation intelligent network (NGIN) service delivery platform (SDP) solution and support services.

- May 3, 2023, Optiva announced that Cellular One, a leading provider of mobile technology and wireless communications to tribal lands and communities in the American Southwest, selected Optiva to support the modernization of its network and launch of VoLT, transforming network capability and services offered to tribal lands and communities in southwestern United States.
- May 15, 2023, Optiva announced Nova Energy, a leading energy company in New Zealand offering nationwide electricity, natural gas and broadband services, selected Optiva BSS Platform to launch its MVNO services.
- June 21, 2023, Optiva announced the appointment of Robert Stabile as Interim Chief Executive Officer, Mary-Lynn Oke as Chief Financial Officer, and Michele Campriani as Chief Revenue Officer.
- June 6, 2023, Optiva announced Móvil Éxito, the first MVNO in Colombia to be launched by a retailer and part of Grupo Éxito, selected Optiva for cloud modernization of its Optiva BSS Platform to a SaaS-based model.
- September 13, 2023, Optiva announced the launch of its next-generation converged Optiva Charging Engine, the latest advancement in the Company's billing and charging portfolio, featuring AI-based personalization to enable real-time digital customer experiences.
- September 21, 2023, Optiva announced that it entered into a commitment letter with EdgePoint Investment Group Inc. ("EdgePoint") pursuant to which Optiva has agreed to issue to EdgePoint additional 9.75% secured PIK toggle notes due June 2025, in an aggregate principal amount of up to \$13.5 million.
- September 25, 2023, Optiva announced the launch of Optiva MVNO Hubs on Google Cloud. The multi-tenant solution is offered as a SaaS product on Google Cloud in multiple regions worldwide, beginning with the Americas.
- December 12, 2023, Optiva announced Humane, an innovative experience company that recently launched Ai Pin, selected Optiva to power the billing, network integration and value-added services for its users.

Fiscal 2022

- January 17, 2022, Optiva announced the establishment of an R&D Centre of Excellence in Bengaluru, India, to accelerate innovation investments.
- January 26, 2022, Optiva announced a multi-year strategic partnership with Google Cloud to help telecom operators and service providers accelerate their digital transformations and journey to the cloud, private and public, and deployment on the edge. Through the collaboration, Optiva customers can purchase Optiva BSS Platform and Optiva Charging Engine via Google Cloud Marketplace as a SaaS solution.
- February 24, 2022, Optiva announced that Salam, a leading telecom provider in Saudi Arabia, selected Optiva BSS Platform for the launch of its new MVNO business.
- February 28, 2022, Optiva announced that it launched the new release of Optiva Charging Engine public and private cloud edition.
- May 5, 2022, Optiva announced the establishment of an R&D Centre of Excellence in Osijek, Croatia, to accelerate innovation investments.
- July 5, 2022, Optiva announced it obtained the requisite shareholder approval to amend the terms of its outstanding 9.75% secured PIK toggle debentures due 2025 to remove the current restrictions on the aggregate amount of cash interest payable to certain insiders of the Company in respect of the Debentures held by such insiders.
- July 7, 2022, Optiva announced the appointment of Craig Clapper as VP of Global Managed Services and Support. Mr. Clapper has a proven track record of leading successful support and services teams in the telecom and IoT sectors with Ericsson, Tait Communications and Aeris Communications and over 20 years of experience in growing and scaling businesses, operations and global management.

- August 1, 2022, Optiva and Jio Platforms Limited ("JPL"), a leading Indian technology company (subsidiary of RIL [NSE: RELIANCE]), announced a strategic go-to-market partnership. JPL will offer Optiva's cloud-native 5G core to telcos globally along with Optiva's proven and future-ready converged charging engine to accelerate the monetization of a wide range of 5G services and use cases.
- August 8, 2022, Optiva announced the achievement of its fifth TM Forum Open API certification. The certification places Optiva in TM Forum's Open API Conformance Silver Tier. Achieving the best industry standards and signing the Open Digital Architecture Manifesto ("ODA") demonstrates Optiva's investment in innovation and next-generation product modernization.
- September 6, 2022, Optiva announced that Telecommunications Services of Trinidad and Tobago ("TSTT"), the largest communications solutions provider in its country, selected Optiva for cloud modernization to Optiva BSS Platform next-generation full BSS stack. The partnership includes a five-year subscription services agreement with Optiva.
- September 14, 2022, Optiva announced the launch of the first 5G telecom charging solution to be transacted through Google Cloud Marketplace. Optiva Charging Engine is pre-integrated with Google Cloud, enabling CSPs to rapidly procure the software and subsequently connect to other parts of their architecture within ninety days.
- November 7, 2022, Optiva announced it successfully migrated 7.2 million subscribers of Digitel, a leading mobile network operator in Venezuela, in the upgrade and go-live of its new BSS platform. Optiva's next-generation convergent solution enhances Digitel's capabilities for new service offerings and long-term growth in VoLTE, 5G and IoT.

Fiscal 2021

- February 9, 2021, Optiva announced that Paul Yancich had resigned from the Board and appointed Graham Gow to the Board.
- March 1, 2021, Optiva announced that ESW Capital, LLC ("ESW Capital") agreed to (i) sell all of its Subordinate Voting Shares in a private sale (the "ESW Share Sale"), (ii) terminate all of its related party agreements with Optiva, including the services agreements between Optiva and ESW Capital's affiliates, DevFactory FZ-LLC and Crossover Markets, Inc. and (iii) waive certain provisions of the warrants to acquire Subordinate Voting Shares held directly or indirectly by ESW Capital. Optiva also announced its intention to complete a subsequent offering of Subordinate Voting Shares and that it had received non-binding indications of interest to participate of up to \$17 million.
- March 4, 2021, Optiva announced that Tele2, a European telecommunications group, has extended its partnership in Sweden and the Baltics with Optiva.
- March 10, 2021, Optiva announced that the ESW Share Sale had closed and that the previously announced separation agreement, intellectual property agreement and mutual multi-party release were effective. Optiva also announced that Andrew Price and Neeraj Gupta, ESW Capital's Board nominees, had resigned from the Board.
- March 23, 2021, Optiva announced that lifecell selected Optiva for a multi-year renewal to accelerate its services.
- March 31, 2021, Optiva announced a private placement of Subordinate Voting Shares of the Company. A total of 834,500 Subordinate Voting Shares were issued by the Company at a price of CDN\$30.00 per Subordinate Voting Share for aggregate gross proceeds of approximately CDN\$25,035,000.
- May 20, 2021, Optiva announced the nomination of four new independent directors for election to the Board at its annual and special meeting of shareholders held on June 22, 2021 (the "Meeting"): Pat DiPietro, John Meyer, Simon Parmar and Barry Symons.

- August 9, 2021, Optiva announced that Digitel Corporation signed an agreement with Optiva for a multi-year support renewal and upgrade of its online charging system.
- August 10, 2021, Optiva announced that Mtel Banja Luka signed an agreement for a private-cloud upgrade and multi-year support renewal to deploy Optiva Charging Engine to harness the advanced operational capabilities and agile service creation element of Optiva's new cloud-native platform.
- September 15, 2021, Optiva announced the appointment of Sunil Arora as Senior Sales Director of the APAC (as defined herein) region.
- November 4, 2021, Optiva announced the establishment of an R&D Centre of Excellence in Belfast, Northern Ireland, to accelerate innovation investments.
- November 8, 2021, Optiva announced the launch of its new MVNx Fast Track program to accelerate rollouts and time to benefits for MVNO/Es.
- December 3, 2021, Optiva announced that Ashish Joshi has provided notice of his resignation as Chief Financial Officer of the Company effective December 31, 2021 to pursue a new opportunity.
- December 6, 2021, Optiva announce that five directors of the Company, and the Company's President and Chief Executive Officer, John Giere, and then Chief Financial Officer, Ashish Joshi, purchased an aggregate of approximately 64,129 Common Shares of Optiva, representing an aggregate investment of approximately \$1,286,232.
- December 16, 2021, Optiva announced that Omantel has signed a multi-year agreement with Optiva to upgrade Optiva Charging Engine to a cloud-native architecture on Omantel's private cloud to use technology and automation to drive superior customer experience and significantly improve time to market for new services.

6. DESCRIPTION OF BUSINESS

6.1 OVERVIEW

Optiva, which commenced operations in July 1999, is a leading and innovative provider of cloud-native monetization and business support systems ("BSS") products on the private and public cloud to communication service providers ("CSPs") worldwide.

The Company's products and services empower CSPs to monetize on their various customer segments, including consumer, enterprise, wholesale and IoT. The Company's solutions allow the introduction of new innovative tariffs and marketing offerings, through its rating, charging and billing solutions. Coupled with complementing products such as payment solutions, policy control, wholesales billing, customer care and subscriber self-service applications, Optiva allows its customers to achieve their objectives and address their challenges, including monetization of their communication services, convergence of their service portfolio and diversification of their offering, all through improving customer experience and reduced costs.

The Common Shares of Optiva Inc. (TSX: OPT) are listed on the TSX.

The Debentures (NEO: OPT.DB.U) are listed on the NEO.

The Company derives its revenue from three main geographic areas:

1. Asia and Pacific Rim ("APAC")
2. North America, Latin America and Caribbean (the "Americas")
3. Europe, Middle East and Africa ("EMEA")

Optiva's award-winning cloud-native real-time converged charging and billing platform delivers the benefits of a flexible, end-to-end software platform, including real-time charging, rating, billing, product catalog, policy management and customer care for any digital services of a CSP. Optiva's product family supports any type of CSP from tier 1 to tier 5, in

the private or public cloud. It enables a digital customer journey delivering innovative end-user services from real-time offering towards digital guide self-management of customer interaction.

Optiva supports the telecommunication industry with the following market solutions:

Optiva BSS Platform™

Optiva BSS Platform provides a fully managed, end-to-end digital, cloud-native BSS solution available on private and public cloud for CSPs, including MNOs, MVNEs, and MVNOs. Optiva BSS Platform is Optiva's leading proposition in the SaaS market. The modular, multi-tenant and unified platform allows customers to focus on their business, not on deploying and managing enterprise software. Customers can design marketing plans, onboard subscribers, and deploy their services with stability and scale. With Optiva BSS Platform, customers can run an end-to-end digital BSS stack with all of the mandatory components such as unified rating and charging, billing, customer care and self-care, product catalog, payments and voucher management, collections and settlements, and dealer care. The solution is platform agnostic and runs natively on the Google Cloud and Microsoft Azure, and is also available on an OpenShift infrastructure on a private cloud as a preferred choice.

Optiva Charging Engine™

Optiva's highly scalable, battle-tested, convergent charging solution is a cloud native platform for private and public cloud. Its true convergence backed by a universal data model and extensive north and south bound integrations make monetization possible for any network attribute, service and business model. This extensive monetization capability empowers a traditional telco business to drive new revenue streams. The solution is agnostic and runs natively on the Google Cloud and Microsoft Azure, and is also available on an OpenShift infrastructure on a private cloud as a preferred choice. With cloud investments, Kubernetes Engine hosted containers, and flexible customization framework, Optiva Charging Engine™ enables fast adaptation to the market with cloud-native automatic release management and new use cases with short time to market and low total cost of ownership (TCO). It enables operators to launch and monetize their 4G and 5G networks and any other line of business to deliver advanced monetization services, including Voice over LTE/VoNR, fixed line broadband, TV, machine to machine, IoT, cloud services, and OTT offerings.

Optiva MVNO Hubs

Optiva MVNO Hubs is a unified and multitenant BSS as a Service for MVNO/Es, leveraging Optiva BSS Platform hosted on Google Cloud infrastructure. The service will be pre integrated with the major MNOs in various geographic regions and enables the accelerated launch of MVNO operations by simplifying integration complexities. Optiva MVNO Hubs supports integration with payment vendors, taxation services and a range of value added services and partner ecosystem including OTT, gaming and more. Optiva MVNO Hubs can be migrated to a customer's own Google infrastructure, providing a seamless growth path for successful MVNOs.

Optiva Partner Monetization

Optiva Partner Monetization platform is an end-to-end partner lifecycle management platform designed to rapidly onboard and manage telco B2B2X partner ecosystems. It is a scalable cloud-native solution that includes a self-service partner portal to ensure better management for thousands of partners while controlling costs and eliminating complexity. Multi-tiered partner relationships, long account hierarchies, tree structured settlements, real-time charging, all-in-one bundles, and more are all enabled with B2B2X billing and charging lifecycles.

Revenue

The Company recognizes revenue from the sale of software licenses, including initial perpetual licenses, term licenses, subscription licenses, capacity increases and/or upgrades, professional services and managed services; third-party hardware and software components and customer support contracts.

The Company's revenues of \$47.5 million in the fiscal year ended December 31, 2023 declined by \$14.3 million relative to the fiscal year ended December 31, 2022. Revenue by category for the fiscal periods ended December 31, 2023, and December 31, 2022, is shown in the table below.

SUS Millions (unaudited)	Twelve Months Ended December 31,	
	2023	2022
Support and Subscription	31.3	39.1
Software and Services	15.8	22.4
Third Party Software and Hardware	0.4	0.3
Total	47.5	61.8

Percentage of Total Revenue (unaudited)	Twelve Months Ended December 31,	
	2023	2022
Support and Subscription	66%	63%
Software and Services	33%	37%
Third Party Software and Hardware	1%	0%
Total	100%	100%

The decrease in support and subscription revenue compared to last period is mainly due to the discontinuation of support to customers who had previously notified the Company of their exit, partially offset by support revenue from new customers. The decrease in software and services revenue compared to last year is mainly due to fewer software implementations mainly in the EMEA region, compared to the prior period.

The Company attempts to minimize the collection risk associated with extending credit to customers by reviewing the customers' credit history, financial information and other relevant data prior to senior management approval.

The Market

Optiva is a leading provider of mission-critical, cloud-native monetization and revenue management software. Optiva's innovative products enable CSPs and alternative Service Providers around the world to manage their customers, charge and bill for data, voice, text, content, OTT, IoT and other services across wireless, cable and fixed networks. As such, Optiva markets its products and solutions globally to providers that range in size from regional to multinational service providers (MNOs and MVNOs) with operations across five continents. Our customers offer a range of services, including new market-leading technologies such as 5G, IoT and cloud. Optiva's products and solutions help CSPs accelerate subscriber and revenue growth through innovative monetization solutions that enable offerings such as private mobile networks, network slicing, premium messaging, embedded connectivity, advanced location based services, fixed wireless broadband access, Voice over Internet Protocol (VoIP) services, and data-rich services such as video streaming, gaming and A/R, V/R services.

Sales and Marketing

Optiva's primary sales approach is through its direct sales force, complemented by either solution partners and/or local sales agents as required by customers, market dynamics and/or ease of reach and language. The direct sales force serves customers across the Americas, APAC, and EMEA; it increases visibility and market penetration, ensures long-term customer relationships, and facilitates sales of additional products. Optiva supports its sales agents and solution partners primarily through marketing programs, including public relations, analyst relations, content marketing and thought leadership, product marketing and sales support, sales collateral and enablements, digital and social programs, and participation in key industry events (a mix of virtual and physical events for 2023 and also anticipated 2024). The increased acceptance of virtual meetings as a replacement for physical meetings as a consequence of the pandemic has

resulted in an increased sales productivity in terms of number of direct customer contacts. We envision a future where a blend of physical and virtual interactions will enable more direct communication with all customers.

Optiva has strong long-term strategic partnerships with hyperscalers, and in particular with Google Cloud and Microsoft Azure, resulting in joint Go-To-Market activities and the successful delivery of digital transformations projects through public cloud deployments.

Competitive Environment

The market for the Company's products is intensely competitive, rapidly evolving, and subject to technological change. There are a number of companies worldwide that have emerged as competitors in the monetization domain which is part of the BSS software market, which include:

- **BSS oriented software and services provided** – these are entities that provide products that enable CSPs to offer a variety of wholesale and retail billing, real-time rating/charging, and other revenue-generating solutions. The larger vendors have a wide offering that spans across the BSS domain, and often also touches other adjacent domains like OSS and some network functions. The Company's direct and indirect competitors in this category include, but are not limited to, NetCracker, Amdocs, CSG International, and Oracle.
- **Network infrastructure providers** – these are large, vertically integrated telecommunications equipment suppliers, including Ericsson, Nokia and Huawei. They offer a broad portfolio of network infrastructure products as well as BSS solutions. In some instances these companies bundle their BSS software products with a much larger network deployment deal to differentiate their offering and create a price advantage.
- **Independent software vendors** – these include specialized software vendors that typically carry a more limited offering, usually charging or billing, and target opportunities in CSP to replace part of the BSS stack, promoting a best-of-breed approach for their target clients. Included in this category are Matrixx, MDS, BeyondNow, LotusFlare, Kloudville, Qvantel and others. Other full stack BSS vendors of similar size to Optiva are Tecnotree and Cerillion.

Optiva is well positioned to compete against those competitors in its target market leveraging its product portfolio, native cloud offering and ability to deliver its service on a global base. The deployment of 5G technology is accelerating the need for change in the telecom industry landscape by forcing diversification and velocity, which in turn require systems that are simpler, faster to deploy and can be run cost effectively.

Growth Strategy

The opportunity for Optiva to build sustainable growth will come from its ability to maximize its business potential along two dimensions. The first one is directly connected to its ability of retaining and growing existing MNO (Mobile carriers) customers, as well as winning new MNOs by addressing the new needs coming from the deployment of 5G network technologies. The second growth dimension is new, but with very large potential, and connected to the digital transformation fueled by the combination of cloud, 5G and the new use cases that both existing and new customers are seeing as business opportunities. We are seeing existing players creating new digital brands, a large number of MVNOs launches, hyperscalers expanding their existing investments and companies from other industries like e-commerce and energy experimenting new approaches. To drive sustainable growth, Optiva's strategy includes investing in product development, expanding its products and services portfolio, focusing on growing recurring revenue streams, and investing in sales and marketing. In 2018, Optiva determined that the best opportunity for the future success of the Company and its customers was to lead the industry in leveraging the capabilities of cloud-native technologies. The Company has been investing in re-platforming and re-architecting its products to support cloud-native capabilities on public, private, edge and hybrid cloud architectures. Optiva plans to continue to invest to align the entire portfolio of products to this strategy. The Company believes that this technology, along with the evolution of its commercial structure to support subscription-based models (including SaaS), will maximize recurring revenue and return higher value to its shareholders.

Customers will also reap the benefits of cloud architecture deployments in terms of business agility, continuous technology improvement and time-to-market. This shift in the operating model will spread growth over a longer horizon but generate more stability and predictability in Optiva's revenue stream.

Research and Development

R&D has historically been, and is expected to be, a significant portion of Optiva's overall operating cost model, as it continues to invest in building a suite of market-leading software products for telecom vendors. Optiva believes in investing in the long-term success of its product lines for the benefit of its customers, shareholders, and the Company as a whole. The product planning efforts are led by Optiva's product management team, who work closely with R&D, sales, and delivery operations in order to define the product roadmap requirements based on feedback from customers, the direction and requirements of industry standards, competitive offerings, as well as the overall trends of the communications and information technology industries.

Optiva uses an agile software delivery lifecycle process that leverages commercially available, as well as proprietary, tools and systems.

Optiva built an in-house R&D team in 2020 to control all aspects of the software engineering lifecycle. Optiva established a world-class team of engineers and management and implemented an agile methodology to develop quality software on time and deliver customer value. The R&D team actively participates in the Company's goal setting and receives structured feedback and insights from all departments and customers to enhance the current software base and develop future unique products. R&D actively manages the cost of the center to adhere to the financial goals of the Company.

R&D is established to deliver immediate benefits and long-term profitability of the Company. R&D is an expense center as Optiva invests to research and develop new products and services. The department is composed primarily of software architects, software development engineers, quality assurance engineers, technical writers, technical program managers, DevOps engineers, and management.

R&D's focus is on private and public cloud product enablement with the latest features and functionalities that support current and future customer needs. R&D plans and executes research, design, architecture, development and testing of the portfolio of the Company with a five-year view based on the product management vision.

Optiva understands the importance of having a strong R&D team as product design and delivery is crucial for the Company. With an R&D team, Optiva has a leading position and differentiation to compete in the fast-paced environment. In a business context, R&D generates knowledge that enhances the Company's unique selling points with continual evaluation of the best products that add the most value to stay competitive and maintain its leading market position.

Intellectual Property

In accordance with industry practice, Optiva protects its proprietary product rights through a combination of patent, copyright, trademark and trade secret laws and contractual provisions.

Patent law offers some protection for Optiva's current and future products. The Company maintains an active program regarding patent protection for novel elements of its products to improve the Company's competitive position. Optiva primarily files patent applications globally with a focus on the United States and Europe. As of the end of the applicable fiscal year of this AIF, Optiva had a portfolio of several pending patent applications and over 35 granted patents. Notwithstanding any deliberate abandonment of intellectual property assets or court decisions invalidating such assets, part of Optiva's current patent portfolio will expire over time and this constitutes a part of the natural evolution of Optiva's patent portfolio. Optiva has continuously made new inventions, applied for new patent applications and prosecuted the applications in the jurisdiction of choice around the world. As a result, Optiva has been continuously granted new patents in recent years so that Optiva has been able to maintain a quality patent portfolio to protect new technical and business areas of interest.

The source code for Optiva's software products is protected under trade secret law and as unpublished copyrighted works. Optiva recognizes, however, that effective copyright protection may not be available in some countries in which it distributes its products.

It is Optiva's general practice to enter into confidentiality and non-disclosure agreements with its employees, contractors, consultants, manufacturers, end-users, channel partners and others to attempt to limit access to and distribution of its proprietary information. In addition, it is the Company's practice to enter into agreements with employees, contractors and consultants that include an assignment to the Company of all intellectual property developed in the course of employment.

Optiva relies on its patent portfolio as a defensive measure to help ensure that the processes used for monetizing subscriber transactions are protected from potential infringement.

Human Resources

The Company's highly skilled workforce and customer-focused, team-oriented culture is a key element of the Company's competitive strength. In 2023, Optiva hired 86 employees and/or contractors. The Company actively recruits highly qualified individuals in the areas of operations, product management, R&D, sales, marketing and services that it believes will support the Company's long-term growth strategy. Optiva believes in the importance of actively engaging with staff and regularly holds town halls and all-hands sessions.

As of December 31, 2023, Optiva had 418 employees and contractors, of which 64 are involved in the delivery of professional services including implementation of software solutions, 76 are involved in support and maintenance related services, 38 are involved in sales and marketing, 44 are involved in general administration, and 196 are involved in R&D.

Foreign Operations

The Company's business is substantially dependent on foreign operations as described under "Inter-corporate Relationships". As of December 31, 2023, the number of subsidiaries within the group amounted to 21. We continue our efforts to rationalize the number of subsidiaries in order to be as cost efficient as possible. To achieve this, it remains our goal to close off and liquidate any subsidiaries that we consider not core to our business.

The Company's registered office is located in Toronto, Ontario, Canada. The Company had 4 offices globally as of December 31, 2023.

Changes to Contracts

As of the date of this AIF, other than as described elsewhere in this AIF, including under the heading "*General Development of the Business - Year to Date 2023*", Optiva does not anticipate that any aspect of its business will be materially affected in the 2023 financial year by the renegotiation or termination of contracts. However, contracts may be renegotiated or terminated based on circumstances of which the Company is not currently aware, including those discussed in the Fiscal 2023 MD&A (filed on SEDAR+).

Corporate Social Responsibility

Optiva's vision extends to enhancing the lives of individuals across the globe. As an organization, the Company recognizes its responsibility to not only enhance society but also to champion a sustainable future, particularly in a time characterized by heightened global awareness of environmental and societal issues. Optiva's annual Corporate Social Responsibility (CSR) initiative serves as a testament to its dedication to drive a positive impact on the environment and society. Optiva has particularly taken initiatives focusing on STEM education, sports, environmental conservation, and support for the homeless. In the past year, the Company's collaborative efforts with NGOs have yielded significant contributions, including tree plantation drives promoting environmental sustainability, the distribution of STEM kits and sports equipment to underprivileged children, and financial donations for the homeless.

6.2 RISK FACTORS

The risks and uncertainties below are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations and cause the price of its Common Shares to decline. If any of the following risks actually occur, the Company's business may be harmed and its financial condition and results of operations may suffer significantly. In that event, the trading price of its Common Shares could decline, and investors may lose all or part of their investment.

An investment in the Company may not be suitable for all investors. Potential investors are therefore strongly recommended to consult an independent financial adviser who specializes in advising upon the acquisition of shares and other securities before making a decision to invest.

Sales and Product Implementation Cycles

The Company's customers typically invest substantial time, money and other resources researching their needs and available competitive alternatives before deciding to license the Company's software. Typically, the larger the potential sale, the more time, money and other resources will be invested. As a result, it may take many months after the first contact with a customer before a sale can actually be completed. The Company may invest significant sales and other resources in a potential customer that may not generate revenue for a substantial period of time, if at all. The time required for implementation of the Company's software varies among customers and may last several months, depending on customer needs and the products deployed.

During these long sales and implementation cycles, events may occur that affect the size or timing of the order or even cause it to be canceled. For example:

- purchasing decisions may be postponed, or large purchases reduced, during periods of economic uncertainty;
- the Company, or its competitors, may announce or introduce new products;
- the Company's initial network license or network agreements may be delayed;
- the customer may require extensive proof of concept, completed at the Company's cost, that does not result in a purchase; or
- the customer's budget and purchasing priorities may change.

If these events were to occur, sales of the Company's software or services may be canceled or delayed, which could reduce revenue, and negatively impact its profitability and cash flows.

A positive exception to these dynamics is the MVNO/MVNE market where, due to the need to launch the services in little time and the limited Telecom background of customers, the sales cycles are shorter, and a deal could be concluded in a couple of months and the Company's solution deployed in 3-4 months.

Variance in Quarterly Revenue and Operating Results

The Company derives a material portion of its revenues from relatively large sales. Accordingly, the Company believes that period-to-period comparisons are not necessarily meaningful and should not be relied upon as indications of future performance. The factors affecting the Company's revenue and results of operations include, but are not limited to:

- the size and timing of individual transactions;
- competitive conditions in the industry, including strategic initiatives by the Company or its competitors, new products or services, product or service announcements and changes in pricing policy by the Company or its competitors;
- market acceptance of the Company's products and services;
- the Company's ability to maintain existing relationships and to create new relationships with channel partners;
- varying mix of solutions and contractual terms of orders for the Company's products, which may affect the timing recognition of revenue;

- the discretionary nature of purchase and budget cycles of the Company's end-users and changes in their budgets for, and timing of, telecommunications infrastructure-related purchases;
- the length and variability of the sales cycles for the Company's products;
- strategic decisions by the Company or its competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- general weakening of the economy resulting in a decrease in the overall demand for telecommunications infrastructure products and services or otherwise affecting the capital investment levels of businesses with respect to the telecommunications industry; and
- timing of product development and new product initiatives.

Because the Company's quarterly revenue is dependent upon a relatively small number of transactions, even minor variations in the rate and timing of conversion of its sales prospects into revenue could cause it to plan or budget inaccurately, and those variations could adversely affect its financial results. Delays, reductions in the amount or cancellations of end-users' purchases could adversely affect the Company's business, results of operations and financial condition.

Small Number of Customers Compose Proportionately Large Percentage of Revenue

The Company has been dependent, and expects that during the current fiscal year it will continue to be dependent, on a relatively small number of customers for a large percentage of its revenue. For the year ended December 31, 2023, the Company's top 25 customers made up 85% of the Company's revenues (2022 – 87%). If one or more of the Company's end-users discontinues its relationship with the Company for any reason, or reduces or postpones current or expected purchases of the Company's products or services, the Company's business, results of operations and financial condition could be materially adversely affected.

Impact on Business Relationships

The Company has experienced significant changes in its executive team and senior management as well as significant changes in day-to-day personnel at the Company. This may result in further scrutiny from the Company's customers and suppliers. The impact of such additional scrutiny may result in customers canceling or postponing purchasing decisions and suppliers requiring more onerous terms from the Company.

Failure of Solutions Could Expose Company to Significant Liabilities

The Company's solutions are critical to its customers' ability to deliver and monetize services on their networks. If the Company fails to successfully deploy its solutions or if customers experience system outages caused by our software, the Company may be exposed to significant liabilities associated with unplanned remediation costs, penalties and claims for damages.

Investment in Cloud as a Growth Strategy

The Company is investing significant resources in developing a cloud-based BSS solution that is going to impact the way the Company generates revenue from its customers. While this solution is expected to be advantageous to the Company's customers and all CSPs from cost, performance and reliability perspectives, the adoption of cloud-based BSS solutions by these entities is still in the nascent stages. While many CSPs have expressed interest, it remains uncertain as to when the Company will generate significant revenue from these solutions. There is no guarantee that CSPs will be willing to adopt cloud-based BSS solutions and, as a result, the Company may not recover its investment and may not be able to achieve and sustain revenue growth, profitability and positive cash flows in the future.

Market Development

The market in which the Company operates is still developing and the market demand, price sensitivity and preferred business model to deliver innovative mobile communications infrastructure software and value-added services for CSPs

remains highly uncertain. The Company's growth is therefore dependent on, among other things, the size and pace at which the markets for its software products and services develop. If the markets for the Company's software products and services decline, remain constant or grow more slowly than anticipated, the Company's growth plans, business and financial results may suffer. Furthermore, the timing of revenue from sales of the Company's products and services in any financial year may change as a result of the specific requirements of the Company's customers and their available financial resources and, as such, may result in fluctuations in the Company's operating performance.

Intense Competition from Several Competitors

The Company has experienced, and expects to continue to experience, intense competition from a number of companies. The Company competes principally with multi-national vendors such as Amdocs, Ericsson, Oracle, Huawei, NetCracker and CSG International. The Company's competitors may announce new products, services or enhancements that better meet the needs of end-users or changing industry standards. Further, new competitors or alliances among competitors could emerge. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Many of the Company's competitors and potential competitors have significantly greater financial, technical, marketing or service resources. Many of these companies also have a larger installed base of products, longer operating histories or greater name recognition. End-users of the Company's products are particularly concerned that their suppliers will continue to operate and provide upgrades and maintenance over a long-term period. The Company's relatively small size and recent operating history may be considered negatively by prospective end-users. In addition, the Company's competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

Ability to Recruit and Retain Personnel

The Company depends on the services of its key technical, sales, marketing and management personnel. The loss of any of these key persons could have a material adverse effect on the Company's business, results of operations and financial condition. The Company's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified technical, product, sales, marketing and management personnel. Competition for such personnel can be intense, and the Company cannot provide assurance that it will be able to attract or retain highly qualified technical, product, sales, marketing and management personnel in the future. The Company's inability to attract and retain the necessary technical, product, sales, marketing and management personnel may have a material adverse effect on its future growth and profitability. It may be necessary for the Company to increase the level of compensation paid to existing or new employees and contractors to a degree that its operating expenses could be materially increased.

Currency Fluctuations

A substantial portion of the Company's revenue is earned in U.S. dollars, Indian Rupee, and in Euros, and a substantial portion of the Company's operating expenses are incurred in U.S. dollars and Euros. Fluctuations in the exchange rate between the U.S. dollar, Euros, and other currencies may have a material adverse effect on the Company's business, financial condition and operating results.

Customer Credit Risk

The Company is exposed to credit risk related to accounts receivable from customers, unbilled revenue related to on-going customer projects and amounts owing from channel partners and other third parties that the Company engages in business with. Third parties may default on their obligations to the Company due to bankruptcy, lack of liquidity, operational failure or other reasons. Credit risk may be dependent on general economic conditions, and regional and political risks. If a material number of third parties fail to make payment in respect of amounts owing to the Company to an extent that is in excess of the Company's estimated default rates, the Company's business, financial condition and results of operation could be materially adversely affected.

In accordance with industry practice, payment by customers under the Company's commercial contracts generally is based on achieving specified milestones, which may occur over extended periods of time. Therefore, the Company is exposed to credit and bad-debt risks and such risks may vary with economic conditions.

Maintaining Business Relationships

The Company has relationships with third parties that facilitate its ability to sell and implement its products. These business relationships are important to extend the geographic reach and customer penetration of the Company's sales force and ensure that the Company's products are compatible with customer network infrastructures and with third party products. However, the agreements that the Company does have, generally do not include obligations with respect to co-operating on future business. Should any of these third parties go out of business or choose not to work with the Company, the Company may be forced to increase the development of those capabilities internally, incurring significant expense and adversely affecting operating margins. Any of these third parties may develop relationships with other companies, including those that develop and sell products that compete with the Company's software. The Company could lose sales opportunities if it fails to work effectively with these parties or they choose not to work with the Company.

Product Liability

The Company's agreements with its customers typically contain provisions designed to limit its exposure to potential product liability claims. Despite this, it is possible that these limitations of liability provisions may not be effective as a result of existing or future laws or unfavorable judicial decisions. The Company has not experienced any dispute over product liability claims to date. However, the sale and support of the Company's products may entail the risk of those claims, which are likely to be substantial in light of the use of its products in critical applications. A successful product liability claim could result in significant monetary liability and could seriously harm the Company's business and its reputation.

System Failures and Breaches of Security

The successful operation of the Company's business depends upon maintaining the integrity of the Company's computer, communication and information technology systems. These systems and operations are vulnerable to damage, breakdown or interruption from events that are beyond the Company's control, such as: (i) fire, flood and other natural disasters; (ii) grid power loss or telecommunications or data network failures; (iii) improper or negligent operation of the Company's system by personnel, or unauthorized physical or electronic access; and (iv) interruptions to Internet system integrity generally as a result of attacks by computer hackers or viruses or other types of security breaches. Any such damage or interruption could cause significant disruption to the operations of the Company. This could be harmful to the Company's business, financial condition and reputation and could deter current or potential customers from using its services.

Notwithstanding that the Company continues to strengthen its security measures following its regular internal and external (third-party) risk assessments, such that risk is continuously mitigated as much as possible, there can be no guarantee that the said security measures in relation to its computer, communication and information systems will protect it from all potential breaches of security, and any such breach of security could have an adverse effect on the Company's business, results of operations or financial condition.

Unauthorized Disclosures and Breaches of Data Security

Most of the jurisdictions in which the Company operates have laws and regulations relating to data privacy, security and protection of information (sometimes referred to as: Personally Identifiable Information (PII); or Personal Data). The Company uses significant (internationally recognized and reputable) cloud-based third party information systems as part of our daily workflow, and stores data with third-party providers. The Company has robust measures to protect our information systems against unauthorized access and disclosure of personal information and of our confidential information and those belonging to our customers and other business partners (e.g. policies and procedures, inventories, technical and organizational measures, DPIAs, etc.), and the Company places significant reliance on its third-party cloud service providers to keep their systems secure (by selecting third parties who are (a) reputable; and (b) conform to

internationally recognized standards e.g. ISO27001, PCI-DSS, etc.). The Company has adequate and up to date policies and procedures in place dealing with data security, and records retention, breach and incident management, data subject rights requests, and more, and these are largely based on the requirements and guidelines of ISO27001 to which certification is currently being pursued. Optiva has undergone in the recent past an independent GDPR (data privacy) audit so as to ensure that it has addressed all applicable personal data processing regulations. However, there is no assurance that the security measures the Company has put in place will be effective in every case, nor will its third parties be able to guarantee the effectiveness of the security measures taken by them. Breaches in security could result in a negative impact for the Company and for its customers, adversely affecting Optiva's and its customers' businesses, assets, revenues, brands and reputation, and may result in penalties, fines, litigation, regulatory proceedings and other potential liabilities. Certain jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data, and in some cases, the Company's agreements with certain customers require it to notify them in the event of a data security incident. Such mandatory disclosures could lead to negative publicity and may cause Optiva's current and prospective customers to lose confidence in the effectiveness of its data security measures. These risks to the Company's business increase as it delivers cloud-based products and services globally.

Income Taxes

Income tax risk refers to uncertainties and potential exposures arising from the interpretation and application of tax laws and regulations. Various factors may contribute to income tax risk, including changes in tax laws, regulatory developments, uncertainties in tax positions, and the complexity of tax compliance requirements. Key risks include **(i)** Regulatory Changes: Changes in tax laws and regulations, both domestically and internationally, which may impact the determination of taxable income, tax rates, deductions, and credits, leading to potential adjustments and increased compliance burdens **(ii)** Tax Authority Scrutiny: Tax authorities may subject our tax positions and filings to scrutiny, audits, or investigations, which could result in adjustments to our tax liabilities, penalties, and interest charges. **(iii)** Transfer Pricing Risks: Transfer pricing refers to the pricing of transactions between Optiva's affiliated entities, located in different tax jurisdictions. Compliance with local transfer pricing regulations is essential to ensure that transactions between Optiva's related parties are conducted at arm's length, reflecting fair market value. Failure to comply with transfer pricing regulations may result in tax adjustments, penalties, and increased scrutiny by foreign jurisdictions, and the Canada Revenue Agency. If any of these taxation authorities are successful in challenging any of the Company's transfer pricing policies, income tax expenses may be adversely affected and the Company could also be subjected to interest and penalty charges. Any such increase in income tax expenses and related interest and penalties could have a significant impact on the Company's future earnings and future cash flows. Any change in the Company's tax status or in taxation legislation in any jurisdiction in which the Company operates could affect the Company's financial condition and results and its ability (if any) to provide returns to shareholders of the Company. The taxation of an investment in the Company depends on the individual circumstances of investors.

Financial Resources

The Company's future capital requirements will depend on many factors, including its ability to maintain and expand its customer base, implement its cost optimization plans and implement its strategic plans. The Company may attempt to raise additional funds through equity or debt financings or from other sources to fund its operations and strategic plans. Any additional equity financing may be dilutive to holders of Common Shares and any debt financing, if available, may require restrictions to be placed on the Company's future financing and operating activities. The Debentures place restrictions on the ability of the Company to incur additional debt. The Company may be unable to obtain additional financing on acceptable terms if the market and economic conditions, financial condition or operating performance of the Company or investor sentiment are unfavorable. The Company's inability to raise further funds may hinder its ability to implement its strategy to grow in the future or pay its obligations when it becomes due.

Liquidity Risk and Lack of Credit Facility

The Company currently does not have any credit facility and relies on its own cash to meet its liquidity needs. The Company collects its cash from customers in various jurisdictions; however, most of the Company's cash payments to suppliers are sourced from Canada and its wholly-owned subsidiary in Malta.

Market Price Volatility

The market price of the Company's Common Shares may be volatile and could be subject to wide fluctuations due to a number of factors, including:

- actual or anticipated fluctuations in the Company's results of operations;
- changes in estimates of the Company's future results of operations by it or securities analysts;
- ownership of the Company's shares is concentrated with a small number of shareholders which reduces the ability to buy or sell shares at the quoted market price
- announcements of technological innovations or new products or services by the Company or its competitors;
- general industry changes in the market for telecommunications software or related markets;
- shareholder disputes and the commencement or continuance of litigation;
- announcements relating to any strategic review undertaken by the Board; or
- other events or factors.

In addition, the financial markets have experienced significant price and value fluctuations that have particularly affected the market prices of equity securities of many technology companies and that sometimes have been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the telecommunications industry specifically, may adversely affect the market price of the Company's Common Shares.

Default Risk Due to Issuance of Debentures

The Debentures are secured debt obligations and represent a significant amount of indebtedness of the Company. The principal amount of the Debentures must be repaid on or before July 20, 2025. The Company's ability to pay principal and cash interest when due on the Debentures will depend on the success of the Company's operations and the Company's financial condition over the long term. In the event that the financial condition of the Company deteriorates, the Company may not be able to pay principal and cash interest on the Debentures. If and to the extent the Company has insufficient revenue to pay its debt obligations, cash from other sources will be required or the Company may be required to pay interest in-kind through the issuance of additional Debentures. The Company might also be required to sell some or all of its assets to meet its obligations, or to seek an extension to the Debentures, or to seek alternative debt or equity financing. If sale, extension or refinancing is not obtained or consummated, the Company could default on its obligations.

Potential Exercise of Secured Creditor Rights

If the Company defaults on the Debentures, the remedy of the holders of Debentures ("Debentureholders") would be (among other things) to institute proceedings against the Company's assets and properties to sell them to satisfy the amounts owed pursuant to the Debentures. This could result in the partial or total loss of the Company's assets. There is no assurance that, upon the exercise of the Debentureholders' secured creditor rights, the Company would receive a return of anything on its assets. The loss of Company's assets by the exercise of the Debentureholders' secured creditor rights would most likely materially adversely affect the Company business, financial condition or results, and could result in a total loss to shareholders of the Company.

Covenant Obligations

The Debentures contain operating covenants that prohibit the Company from undertaking certain actions ("negative operating covenants") and that require the Company to undertake other actions ("affirmative operating covenants"). The negative operating covenants could preclude the Company from taking actions that the Company may believe to be in its best interests. The affirmative operating covenants will require the Company to incur continuing costs and expense and could require the Company to take actions that it believes are not in its best interests. Moreover, the failure to comply with either negative operating covenants or affirmative operating covenants would most likely be a default under the Debentures, giving Debentureholders the rights described above.

Market Value Fluctuation for Debentures

Prevailing interest rates will affect the market value of the Debentures as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing interest rates for comparable debt instruments rise and increase as prevailing interest rates for comparable debt instruments decline.

Trading Market for Debentures

Although the Debentures are listed for trading on the NEO, there can be no assurance that a liquid market for trading in the Debentures will develop or that any market that does develop, will continue.

Rapid Technological Changes

The markets for the Company's products are characterized by rapidly changing technology, evolving technology, changing industry standards, and increasingly sophisticated customer requirements. The introduction of products - featuring new technology and the emergence of fresh industry standards can render the Company's existing products obsolete and unmarketable and can exert price pressures on existing products. It is critical to the success of the Company that the Company is able to anticipate and react quickly to changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Company's products obsolete. The Company's inability to develop products that are competitive in technology and price and that meet end-user needs could have a material adverse effect on the Company's business, financial condition or results of operations.

Management of Cloud Strategy

The growth of the Company's operations is dependent upon the success of its cloud innovation and places a strain on managerial, financial and human resources. The Company's ability to manage future growth will depend in large part upon a number of factors, including the ability of the Company to rapidly:

- develop the Company's cloud-based solution and influence customers to adopt it;
- build a cloud services team that manages customer environments on their behalf;
- build a network of channel partners to create an expanding presence in the evolving marketplace for the Company's products and services;
- build a sales team to keep end-users and channel partners informed regarding the technical features, issues and key selling points of its products and services, including its cloud-based solution;
- attract and retain qualified technical personnel in order to continue to develop reliable and flexible products and provide services that respond to evolving customer needs;
- develop support capacity for end-users as sales increase, so that the Company can provide post-sales support without diverting resources from product development efforts; and
- expand the Company's internal management and financial controls significantly, so that the Company can maintain control over its operations and provide support to other functional areas as the number of personnel and size increases and as it changes over to a new SaaS-based business model.

The Company's inability to achieve any of these objectives could harm the Company's business, financial condition and results of operations.

Defects in Components or Design of the Company's Solutions

The Company's solutions are complex, although the Company employs a rigorous testing and quality assurance program, its solutions may contain defects or errors, particularly when first introduced or as new versions are released. The

Company may not discover such defects or errors until after a solution has been released to a customer and used by the customer and end-users. Defects and errors in the Company's solutions could materially and adversely affect the Company's reputation, result in significant costs to it, delay planned release dates and impair its ability to sell its solutions in the future. The costs incurred in correcting any solution defects or errors may be substantial and could adversely affect the Company's operating margins. While the Company plans to continually test its solutions for defects and errors and work with end-users through the Company's post-sales support services to identify and correct defects and errors, defects or errors in the Company's solutions may be found in the future.

Potential for Infringement on Intellectual Property Rights

The Company's commercial success depends, in part, upon the Company not infringing on the intellectual property rights owned by others. A number of the Company's competitors and other third parties have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. Some of these patents may grant very broad protection to the owners of the patents. The Company cannot determine with certainty whether any existing third party patents or the issuance of any third party patents would require it to alter its technology, obtain licenses or cease certain activities. The Company may become subject to claims by third parties that its technology infringes their intellectual property rights due to the growth of products in the Company's target markets, the overlap in functionality of these products and the prevalence of products. The Company may become subject to these claims either directly or through indemnities against these claims that it routinely provides to its end-users and channel partners.

The Company has received, and may receive in the future, claims from third parties asserting infringement, claims based on indemnities provided by the Company, and other related claims. Litigation may be necessary to determine the scope, enforceability and validity of third party proprietary or other rights, or to establish the Company's proprietary or other rights. Some of the Company's competitors have, or are affiliated with companies having, substantially greater resources than the Company and these competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than the Company. Regardless of their merit, any such claims could:

- be time-consuming to evaluate and defend;
- result in costly litigation;
- cause product shipment delays or stoppages;
- divert management's attention and focus away from the business;
- subject the Company to significant liabilities;
- require the Company to enter into costly royalty or licensing agreements; and
- require the Company to modify or stop using the infringing technology.

Any such claim may therefore result in costs or other consequences that have a material adverse effect on the Company's business, results of operations and financial condition.

The Company may be prohibited from developing or commercializing certain technologies and products unless the Company obtains a license from a third party. There can be no assurance that the Company will be able to obtain any such license on commercially favorable terms, or at all. If the Company does not obtain such a license, its business, results of operations and financial condition could be materially adversely affected and the Company could be required to cease related business operations in some markets and to restructure its business to focus on operations in other markets.

Impact on Future Acquisitions

The Company may pursue acquisitions of assets, products or businesses that it believes are complementary to its existing business and/or to enhance its market position or expand its product portfolio. There is a risk that the Company will not be able to identify suitable acquisition candidates available for sale at reasonable prices, complete any acquisition, or successfully integrate any acquired product or business into its operations. The Company is likely to face competition for

acquisition candidates from other parties including those that have substantially greater available resources. Acquisitions may involve a number of other risks, including:

- diversion of management's attention;
- disruption to the Company's ongoing business;
- failure to retain key acquired personnel;
- difficulties in integrating acquired operations, technologies, products or personnel;
- unanticipated expenses, events or circumstances;
- assumption of disclosed and undisclosed liabilities; and
- inappropriate valuation of the acquired in-process research and development, or the entire acquired business.

If the Company does not successfully address these risks or any other problems encountered in connection with an acquisition, the acquisition could have a material adverse effect on the Company's business, results of operations and financial condition. Problems with an acquired business could have a material adverse effect on the Company's performance or its business as a whole. In addition, if the Company proceeds with an acquisition, the Company's available cash may be used to complete the transaction, diminishing its liquidity and capital resources, or shares may be issued which could cause dilution to existing shareholders.

Change in Pricing Models

The intensely competitive market in which the Company conducts its business may require it to reduce its prices. If the Company's competitors offer deep discounts on certain products or services in an effort to recapture or gain market share or to sell other products and services, the Company may be required to lower prices or offer other favorable terms to compete successfully. Any such changes would reduce the Company's margins and could adversely affect the Company's operating results.

Protection of Intellectual Property

The Company's success depends in part on its ability to protect its rights in its intellectual property. The Company relies on various intellectual property protections, including patents, copyright, trade-mark and trade secret laws and contractual provisions, to preserve its intellectual property rights. Despite these precautions, it may be possible for third parties to obtain and use the Company's intellectual property without its authorization. Policing unauthorized use of intellectual property is difficult, and some foreign laws do not protect proprietary rights to the same extent as the laws of Canada, the United States, the United Kingdom or the European Union.

To protect the Company's intellectual property, the Company may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays, materially disrupt the conduct of the Company's business or materially adversely affect its revenue, financial condition and results of operations.

Sales of Common Shares

If the Company's shareholders sell substantial amounts of the Company's Common Shares in the public market, the market price of the Company's Common Shares could fall. The perception among investors that these sales will occur could also produce this effect.

International Operations

The Company sells its products throughout the world and intends to continue to increase its penetration of international markets. Although the Company is seeking to simplify its corporate structure by winding-up various subsidiaries in multiple jurisdictions, the Company continues to operate through subsidiaries that are located in various jurisdictions globally. A number of risks are inherent in international transactions. Future results could be materially adversely affected by a variety of factors including, many of which are beyond the Company's control, including risks associated with:

- foreign currency fluctuations;
- political, security and economic instability in foreign countries;
- changes in and compliance with local laws and regulations, including export control laws, tax laws, labor laws, employee benefits, currency remittance restrictions and other requirements;
- differences in tax regimes and potentially adverse tax consequences of operating in foreign countries;
- customizing products for foreign countries;
- legal uncertainties regarding liability, export and import restrictions, tariffs and other trade barriers;
- hiring qualified resources; and
- difficulty in accounts receivable collection and longer collection periods, as well as remitting cash from jurisdictions with exchange controls

Any or all of these factors could materially adversely affect the Company's business or results of operations.

Company Sales made by Competitive Bids

Many of the Company's sales, particularly in larger installations, are made by competitive bid. Successfully competing in competitive bidding situations subjects us to risks associated with:

- the frequent need to bid on programs in advance of the completion of their design, which may result in unforeseen technological difficulties and cost overruns;
- R&D to improve or refine the Company's product in advance of winning the sale; and
- the substantial time, money, and effort, including design, development, and marketing activities, required to prepare bids and proposals for contracts that may not be awarded to us. If the Company does not ultimately win a bid, the Company may obtain little or no benefit from those expenditures and may not be able to recoup them on future projects.

Sensitivity to Changes in Spending for Network Operator Technology Infrastructure

The market for the Company's solutions has been adversely affected in the past by declines in mobile network technology infrastructure spending and continues to be affected by fluctuations in mobile network operator technology spending. If sales do not increase as anticipated or if expenses increase at a greater pace than revenues, the Company may not be able to attain or sustain or increase profitability on a quarterly or annual basis.

Complex Customer Arrangements

The Company may be required to defer recognizing revenue from the sale of products until all the conditions necessary for revenue recognition have been satisfied. Conditions that can cause delays in revenue recognition include:

- arrangements that have undelivered elements for which objective evidence of fair value has not been established;
- requirements to deliver services for significant enhancements or modifications to customize Optiva's software for a particular customer; or
- material customer acceptance criteria.

Optiva may be required to defer revenue recognition for a period of time after its products are delivered and billed to a customer, and such deferral may extend over one or more fiscal quarters. The period of deferral, if any, depends on the specific terms and conditions of each customer contract, and therefore it is difficult for the Company to predict with accuracy at the beginning of any fiscal period the amount of revenues that it will be able to recognize from anticipated customer deployments in that period. Moreover, any changes in accounting principles or interpretations and guidance could have a significant effect on the Company's reported financial results.

Use of Open Source Software

The Company uses certain "open-source" or "free-ware" software tools in the development of its software products which are not maintained or supported by the original developers thereof. The Company has conducted no independent investigation to determine whether the sources of these tools have the rights necessary to permit the Company to use these tools free of claims of infringement by third parties. The Company could be required to replace these components with internally developed or commercially licensed equivalents which could delay the Company's product development plans, interfere with the ability of the Company to support its customers and require the Company to pay licensing fees.

Dependence on Relationships with Sales Channel Partners

Where the Company sells products and services through sales channel partners, rather than directly to the customer, it is dependent upon its ability to establish and develop new relationships and to build on existing relationships with sales channel partners. The Company cannot guarantee that it will be successful in developing, maintaining or advancing its relationships with sales channel partners or that such sales channel partners will act in a manner that will promote the success of the Company's products and services. Failure by the sales channel partners to promote and support the Company's products and services could adversely affect its business, financial condition or results of operations.

Dependence on Suppliers

The Company licenses certain technologies used in its products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay the Company's ability to ship its products while the Company seeks to implement alternative technology offered by other sources which may require significant unplanned investments on its part. In addition, alternative technology may not be available on commercially reasonable terms or may not be available at all. In the future, it may be necessary or desirable to obtain other third-party technology licenses relating to one or more of the Company's products or relating to current or future technologies to enhance the Company's product offerings. There is a risk that the Company will not be able to obtain licensing rights to the required technology on commercially reasonable terms, if at all.

Economic and Geopolitical Uncertainty

The market for the Company's products depends on economic and geopolitical conditions affecting the broader market. Economic conditions globally are beyond the Company's control. In addition, acts of terrorism or hostilities and armed conflicts between countries can create geopolitical uncertainties that may affect the global economy. Downturns in the economy or geopolitical uncertainties may cause end-users to delay or cancel projects, reduce their overall security or IT budgets or reduce or cancel orders for the Company's products, which could have a material adverse effect on its business, results of operations and financial condition.

Period-to-period comparison of the Company's results of operations is not necessarily meaningful and should not be relied upon as any indication of future performance.

7. DIVIDENDS

The Company currently does not, nor has the Company paid dividends on its Common Shares in the last three financial years. The Company does not currently intend to pay dividends on its Common Shares. Any future determination to pay dividends on the Common Shares will be at the discretion of the Board and will depend upon the Company's results of operations, capital requirements, and other relevant factors.

8. DESCRIPTION OF SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the date hereof, 6,180,335 Common Shares and no preferred shares are issued and outstanding.

The following summary describes the rights, privileges, restrictions and conditions that are attached to the Common Shares and preferred shares. This summary does not purport to be complete and is subject to, and is qualified in its entirety by, the terms of its Articles.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and to one vote for each share held at all meetings of shareholders of the Company, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote.

The Common Shares are listed and posted for trading on the TSX under the symbol "OPT".

Dividends

Subject to the prior rights of the holders of the preferred shares and any other shares ranking senior to the Common Shares, the holders of the Common Shares shall be entitled to receive and the Company shall pay thereon, as and when declared by the Board out of moneys properly applicable to the payment of dividends, such dividends as the Board may from time to time declare.

Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of the preferred shares and any other shares ranking senior to the Common Shares, the holders of the Common Shares shall be entitled to receive the remaining property and assets of the Company.

Preferred Shares

Dividends

The preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, rank on a parity with the preferred shares of every other series and be entitled to preference over the Common Shares. If any amount of cumulative dividends (whether or not declared) or declared non-cumulative dividends or any amount payable on any such distribution of assets constituting a return of capital in respect of the preferred shares of any series is not paid in full, the preferred shares of such series shall participate ratably with the preferred shares of every other series in respect of all such dividends and amounts.

Voting

Holders of preferred shares are not entitled to receive notice of, attend, or vote at any meeting of shareholders of the Company, except as otherwise provided by law and except for meetings of the holders of preferred shares as a class or series.

Warrants

In 2023, the Company had outstanding (i) a share purchase warrant (the "Series A Warrant") exercisable for 925,712 Common Shares at an exercise price of \$34.00 per share, and (ii) a share purchase warrant (the "Standby Warrant" and together with the Series A Warrant, the "Warrants") exercisable for 50,000 Common Shares at an exercise price of \$25.00 per share. The Series A Warrant was issued to an entity related to ESW Capital, LLC in January 2017 and was originally set to expire on January 25, 2027. The Standby Warrant was also issued to an entity related to ESW Capital, LLC and was originally set to expire on September 5, 2027. However, pursuant to a separation agreement entered into between the Company and the holder of the Warrants, any unexercised portion of the Series A Warrant and the Standby Warrant expired on March 1, 2023. No Series A or Standby Warrants were exercised.

Options, Share Units and DSUs

Omnibus Equity Incentive Plan

On May 11, 2021, the Board adopted a new rolling long-term omnibus equity incentive plan (the "Omnibus Equity Incentive Plan"), which was approved by shareholders at the Meeting and became effective on June 22, 2021. The Omnibus Equity Incentive Plan is designed to provide flexibility to the Company to grant equity-based incentive awards in the form of options ("Options"), share units ("Share Units") and deferred share units ("DSUs" and together with Options and Share Units, "Awards") under a single, streamlined plan.

The Omnibus Equity Incentive Plan replaces the Company's legacy stock option plan as amended on March 29, 2017 (the "Legacy Option Plan"), the legacy share unit plan amended and restated effective March 5, 2019 (the "Legacy Share Unit Plan") and the legacy deferred share unit plan adopted on August 11, 2010 (the "Legacy DSU Plan" and together with the Legacy Option Plan and the Legacy Share Unit Plan, the "Legacy Plans"). Further awards may not be granted under the Legacy Plans. However, any awards granted under the Legacy Plans prior the adoption of the Omnibus Equity Incentive Plan remain outstanding and are governed by the terms of the applicable Legacy Plan. As of the date hereof, there are 100,000 options outstanding under the Legacy Option Plan (collectively, the "Legacy Options"), nil restricted share units and performance share units outstanding under the Legacy Share Unit Plan and 22,669 deferred share units outstanding under the Legacy DSU Plan.

The Omnibus Equity Incentive Plan is administered and interpreted by the Board, which may delegate its authority to a committee or plan administrator appointed by the Board. The Board determines which directors, officers, consultants and employees are eligible to receive Awards under the Omnibus Equity Incentive Plan, the time or times at which Awards may be granted, the conditions under which Awards may be granted or forfeited to the Company, the number of Common Shares to be covered by any Award, the exercise price of any Award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any Award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Board may determine. In addition, the Board interprets the Omnibus Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the Omnibus Equity Incentive Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Omnibus Equity Incentive Plan.

All of the Awards are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the Omnibus Equity Incentive Plan and are evidenced by an award agreement. In addition, subject to the limitations provided in the Omnibus Equity Incentive Plan and in accordance with applicable law, the Board may accelerate or defer the vesting or payment of Awards, modify outstanding Awards, and waive any condition imposed with respect to Awards or Common Shares issued pursuant to Awards.

Under the Omnibus Equity Incentive Plan (i) directors, executive officers, employees or consultants of the Company or any of its subsidiaries are eligible to receive Awards of Options and Share Units; and (ii) directors who are not otherwise employees or executive officers of the Company or any of its subsidiaries ("Non-Employee Directors") are eligible to receive Awards of DSUs (together, the "Eligible Participants").

The Omnibus Equity Incentive Plan is a "rolling" plan which provides that an aggregate maximum number of Common Shares reserved for issuance under the Omnibus Equity Incentive Plan shall not exceed 10% of the Company's issued and outstanding Common Shares from time to time, less any Common Shares underlying securities granted under any other share compensation arrangements of the Company, if any.

The Omnibus Equity Incentive Plan is considered to be an "evergreen" plan as Common Shares of the Company covered by Awards which have been settled will be available for subsequent grant under the Omnibus Equity Incentive Plan, and the number of Awards that may be granted under the Omnibus Equity Incentive Plan increases if the total number of issued and outstanding Common Shares of the Company increases. As such, the Omnibus Equity Incentive Plan must be approved by the majority of the Company's Board and its shareholders every three years following its adoption pursuant to the requirements of the TSX.

The Omnibus Equity Incentive Plan provides that the maximum number of Common Shares: (a) issuable to insiders at any time; and (b) issued to insiders within any one year period, under the Omnibus Equity Incentive Plan, or when combined with all of the Company's other share compensation arrangements, cannot exceed 10% of the Company's issued and outstanding securities. In addition, the maximum number of Common Shares that may be made issuable pursuant to Awards made to employees and Non-Employee Directors under the Omnibus Equity Incentive Plan within any one-year period shall not exceed 5% of the Company's issued and outstanding Common Shares (as of the commencement of such one-year period). The annual grant of Awards under the Omnibus Equity Incentive Plan to any one Non-Employee Director shall not exceed \$150,000 in value, of which no more than \$100,000 may comprise Options; provided that, the foregoing limits shall not apply to: (i) one-time initial grants to a new director upon joining the Board; and (ii) DSUs or other equity awards that Non-Employee Directors receive in lieu of cash fees, provided that the equity granted has the same value as the cash fees given up in exchange.

Except as specifically provided in a grant agreement approved by the Board, each Award granted under the Omnibus Equity Incentive Plan is not assignable or transferable by the holder of such Award, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of a deceased holder of such Award. No Award granted under the Omnibus Equity Incentive Plan shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

Stock Options

An Option entitles a holder thereof to purchase a prescribed number of Common Shares from treasury at an exercise price set at the time of the grant. The Board establishes the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the closing price of the Common Shares on the TSX on the last trading day prior to the date of grant (the "Market Value"). Subject to the provisions set forth in the Omnibus Equity Incentive Plan and any shareholder or regulatory approval which may be required, the Board may, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Omnibus Equity Incentive Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, and (iii) determine the relevant vesting provisions (including performance criteria, if applicable) and the Option term, which shall not be more than ten years from the date the Option is granted.

The Board may, at any time and on such terms as it may in its discretion determine, grant to an Eligible Participant who (i) has been granted one or more Awards under the Omnibus Equity Incentive Plan (a "Participant") and (ii) is entitled to exercise an Option, the alternative right (the "Cashless Exercise Right") to deal with such Option on a "cashless exercise" basis. Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, granted to a Participant in respect of any Options entitles the Participant the right to surrender such Options, in whole or in part, to the Company upon giving notice in writing to the Company of the Participant's intention to exercise such Cashless Exercise Right and the number of Options in respect of which such Cashless Exercise Right is being exercised, and, upon such surrender, to receive, as consideration for the surrender of such Options as are specified in the notice, that number of Common Shares, disregarding fractions, equal to the quotient obtained by: (a) subtracting the applicable Option price from the Market Value of a Common Share (determined as of the date such notice of cashless exercise is received by the Company), and multiplying the remainder by the number of Options specified in such notice; (b) subtracting from the amount obtained under subsection (a) the amount of any applicable withholding taxes as determined by the Company in its sole discretion; and (c) dividing the net amount obtained under subsection (b) by the Market Value of a Common Share determined as of the date such notice of cashless exercise is received by the Company.

As of the date hereof, there are 30,000 Options outstanding under the Omnibus Equity Incentive Plan. Including the legacy plan, the total number of options outstanding is 130,000.

Share Units

A Share Unit is an Award in the nature of a bonus for services rendered in the year of grant, that, upon settlement, entitles the recipient to receive a cash payment equal to the Market Value of a Common Share, and subject to such restrictions and conditions on vesting as the Board may determine at the time of grant, unless such Share Unit expires prior to being settled. Restrictions and conditions on vesting of the Share Units may, without limitation, be based on the passage of time during continued employment or other service relationship (referred to as a "Restricted Share Unit"), the achievement of

specified performance criteria (referred to as a "Performance Share Unit"), or both. The Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive Share Units under the Omnibus Equity Incentive Plan, (ii) fix the number of Share Units, if any, to be granted to each Eligible Participant and the date or dates on which such Share Units shall be granted, (iii) determine the relevant conditions, vesting provisions (including the applicable performance period and performance criteria, if any) and the period between the date of grant of such Share Units and the latest vesting date in respect of any portion of such Share Units, and (iv) any other terms and conditions applicable to the granted Share Units.

Subject to the vesting and other conditions and provisions in the Omnibus Equity Incentive Plan and in the applicable award agreement, each Share Unit entitles the holder thereof to receive, on settlement, a cash payment equal to the Market Value of a Common Share, or at the discretion of the Company, one Common Share or any combination of cash and Common Shares as the Company in its sole discretion may determine, in each case less any applicable withholding taxes. A Participant's vested Share Units shall be redeemed in consideration for a cash payment on the date that is the earliest of (i) the 15th day following the applicable vesting date for such vested Share Units (or, if such day is not a business day, on the immediately following business day), and (ii) December 15 of the third calendar year following the end of the calendar year in respect of which such Share Unit is granted.

Dividend equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested Share Units in a Participant's account on the same basis as cash dividends declared and paid on Common Shares as if the Participant was a shareholder of record of Common Shares on the relevant record date. Dividend equivalents, if any, will be credited to the Participant's account in additional Share Units, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of Share Units in such Participant's account on the date that dividends are paid multiplied by (ii) the dividend paid per Common Share and the denominator of which is the Market Value (as defined in the Omnibus Equity Incentive Plan) of one Common Share calculated as of the date that dividends are paid.

As of the date hereof, there are nil Restricted Share Units and nil Performance Share Units outstanding under the Omnibus Equity Incentive Plan.

DSUs

A DSU is an Award for future services to be rendered, and that, upon settlement, entitles the recipient Participant to receive cash or acquire Common Shares, as determined by the Company in its sole discretion, unless such DSU expires prior to being settled. The Board shall, from time to time, in its sole discretion, (i) designate the Non-Employee Directors who may receive DSUs under the Omnibus Equity Incentive Plan, (ii) fix the number of DSUs, if any, to be granted to any Non-Employee Director and the date or dates on which such DSUs shall be granted, and (iii) determine any other terms and conditions applicable to the granted DSUs. In addition, each Non-Employee Director is given the right, subject to the terms and conditions of the Omnibus Equity Incentive Plan, to elect to receive all or a portion of any director fees that are otherwise intended to be paid in cash in the form of DSUs in lieu of cash.

Subject to the vesting and other conditions and provisions in the Omnibus Equity Incentive Plan and in any award agreement, each DSU awarded to a Participant shall entitle the Participant to receive on settlement a cash payment equal to the Market Value of a Common Share, or at the discretion of the Company, one Common Share or any combination of cash and Common Shares as the Company in its sole discretion may determine. Except as otherwise provided in the Omnibus Equity Incentive Plan, (i) DSUs of a Participant who is a U.S. taxpayer shall be redeemed and settled by the Company on the 30th business day following the Participant's Separation from Service (as defined in the Omnibus Equity Incentive Plan), and (ii) DSUs of a Participant who is a Canadian Participant (or who is neither a U.S taxpayer nor a Canadian Participant) shall be redeemed and settled by the Company as soon as reasonably practicable following the Participant's Termination Date (as defined in the Omnibus Equity Incentive Plan), but in any event not later than, and any payment (whether in cash or in Common Shares) in respect of the settlement of such DSUs shall be made no later than, December 15 of the first calendar year commencing immediately after the Participant's Termination Date.

As of the date hereof, there are 224,641 DSUs outstanding under the Omnibus Equity Incentive Plan. Including the legacy plan, the total number of DSUs outstanding is 247,310.

Debentures

On July 20, 2020, the Company issued Debentures in the aggregate principal amount of \$90 million. On September 29, 2023, the Company issued an additional \$13.5 million aggregate principal amount of Debentures on a private placement basis. As at December 31, 2023, \$103.5 million (2022 - \$90 million) aggregate principal amount of Debentures are outstanding. The Debentures bear interest at a rate of 9.75% per annum, payable semi-annually on January 20 and July 20 each year, commencing on January 20, 2021. The Debentures will mature on July 20, 2025. The interest payable on the Debentures may be satisfied by way of a cash or in-kind payment, at the election of the Company. The Debentures are not convertible and are guaranteed by certain of the Company's subsidiaries, and constitute senior secured obligations of the Company. The Debentures are listed and posted for trading on the NEO under the symbol "OPT.DB.U".

Shareholder Rights Plan

The Company adopted the Rights Plan effective as of July 27, 2020. Shareholders of the Company ratified and approved the Rights Plan at the 2020 annual and special meeting of shareholders, and was in effect for a period of three years (from 2021 to 2023). It was then renewed at the 2023 annual and special meeting of shareholders for another three year period. The Rights Plan will be in effect until the close of business on the date on which the annual meeting of shareholders of the Company is held in 2026.

The Rights Plan is designed to ensure that all shareholders of the Company are treated fairly in connection with any take-over bid and to protect against "creeping bids", which involve the accumulation of more than 30%, on an aggregate basis, of the Common Shares through purchases exempt from applicable take over-bid rules. Pursuant to the Rights Plan, one right attaches to each issued and outstanding Common Share. Subject to the terms of the Rights Plan, the rights become exercisable in the event that any person (together with certain related parties) becomes a beneficial holder of 30% or more of the outstanding Common Shares without complying with the "Permitted Bid" provisions under the Rights Plan. In such event, holders of the rights (other than the acquiring person and its related parties) will be permitted to exercise their rights to purchase additional Common Shares at a 50% discount to the then prevailing market price of the Common Shares.

The Rights Plan is available on SEDAR+ at <http://www.sedarplus.ca/>.

9. MARKET FOR SECURITIES

9.1. Trading Price and Volume

Common Shares – TSX

Optiva's Common Shares are listed on the TSX under the symbol "OPT". The following table sets forth the market price ranges in Canadian dollars per Common Share and aggregate trading volumes on a monthly basis as reported by the TSX for the most recently completed financial year, respectively. The Common Shares closed at CA\$3.30 on the last trading day of the year ended December 31, 2023.

Month	High (C\$)	Low (C\$)	Volume (#)
January, 2023	19.00	17.01	4,400
February, 2023	18.96	17.12	15,800
March, 2023	21.41	15.50	5,900
April, 2023	16.95	15.29	1,800
May, 2023	16.85	9.28	32,600

Month	High (C\$)	Low (C\$)	Volume (#)
June, 2023	9.83	6.00	28,200
July, 2023	7.00	5.00	20,900
August, 2023	6.80	5.05	52,200
September, 2023	6.00	5.34	16,700
October, 2023	6.04	5.20	3,800
November, 2023	5.85	3.84	16,600
December, 2023	3.88	1.98	240,800

Debentures – NEO Exchange

Optiva's Debentures are listed on the NEO under the symbol "OPT.DB.U". The following table sets forth the trading data of the Debentures as reported by the NEO for the most recently completed financial year.

Month	High (US\$)	Low (US\$)	Volume (#)
January, 2023	103.77	101.36	-
February, 2023	103.58	101.64	-
March, 2023	102.84	101.24	500,000
April, 2023	102.81	101.91	-
May, 2023	102.93	101.75	-
June, 2023	103.10	102.13	-
July, 2023	103.01	102.16	-
August, 2023	102.75	101.95	-
September, 2023	102.83	101.95	-
October, 2023	102.45	101.53	-
November, 2023	102.52	101.57	-
December, 2023	102.66	102.07	-

9.2. Prior Sales

2,754 Common Shares were issued by the Company during the fiscal period ended December 31, 2023 as a result of the vesting of Restricted Share Units. The only securities of the Company that are outstanding but not listed or quoted on a marketplace are the Options, the Legacy Options, the Share Units and the DSUs.

9.3 Omnibus DSU Plan

The following table sets forth the number of DSUs under the Omnibus DSU Plan granted during the most recently completed financial year, the date of grant and the grant price thereof.

Date of Grant	Number of DSUs	Grant Price (CS)
March 31, 2023	3,824	17.00
June 30, 2023	9,863	6.59
September 30, 2023	11,711	5.55
November 10, 2023	95,571	5.65
December 31, 2023	19,697	3.30

10. DIRECTORS AND OFFICERS

10.1 Name, Address, Occupation and Voting Security Holdings

The following table sets out the directors and officers of the Board as at December 31, 2023, together with their province or state and country of residence, positions and offices held, principal occupations during the last five years, the years in which they were first appointed as directors and/or officers of the Company and the number of voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised by them, as of December 31, 2023.

Name and Place of Residence ⁽⁴⁾	Principal Occupation	Director and/or Officer Since	Voting Securities of the Company Beneficially Owned
Robert Stabile Toronto, Ontario, Canada	Board Chair and Chief Executive Officer, Optiva Inc. Partner, The Rosseau Group Inc. CFO, Beanfield Metroconnect	October 16, 2017	10,000
Lee Matheson ⁽¹⁾ Toronto, Ontario, Canada	Partner, EdgePoint Investment Group Inc.	July 20, 2020	25,000
Anuroop Duggal ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada	Private Investor	August 18, 2020	17,500

Name and Place of Residence ⁽⁴⁾	Principal Occupation	Director and/or Officer Since	Voting Securities of the Company Beneficially Owned
John Meyer ⁽²⁾⁽⁵⁾ Dallas, Texas, USA	Retired	June 22, 2021	1
Barry Symons ⁽³⁾ Toronto, Ontario, Canada	Chief Executive Officer, Jonas Operating Group	June 22, 2021	10,000
Pat Di Pietro ⁽³⁾ Ottawa, Ontario, Canada	Retired	June 22, 2021	Nil
Simon Parmar ⁽²⁾ Toronto, Ontario, Canada	Private Investor -	June 22, 2021	1,000
Matthew Kirk ⁽²⁾⁽³⁾ Corte Madera, California, USA	Private Investor	June 27, 2022	Nil
Birgit Troy ⁽¹⁾ Vancouver, British Columbia, Canada	Private Investor-	June 27, 2022	Nil
Mary-Lynn Oke Ontario, Canada	Chief Financial Officer, Optiva Inc. Finance Consultant	July 1, 2023	Nil
Dinesh Sharma Ontario, Canada	Vice President, Finance, Optiva Inc.	May 8, 2019	1,080

(1) Member of the Nomination and Governance Committee.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee.

(4) The information as to place of residence, principal occupation and voting securities beneficially owned or controlled has been furnished by each director and/or officer directly.

(5) John Meyer resigned on January 15, 2024.

As of December 31, 2023, the Company's directors and executive officers collectively own 64,581 Common Shares, constituting 1.04% of the total issued and outstanding Common Shares. Each director on the Board holds office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office becomes vacant by resignation, death, removal or other cause.

10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Optiva, no director or executive officer is, at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer, or chief financial officer of any company (including Optiva), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer, or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer.

To the knowledge of Optiva, no director or executive officer of Optiva, or a shareholder holding a sufficient number of securities of Optiva to affect materially the control of Optiva (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including Optiva) that, while that person

was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the director, executive officer, or shareholder.

10.3 Conflicts of Interest

The Company may from time to time become involved in transactions which conflict with the interests of the directors and the officers of the Company or the interest of these persons could conflict with those of the Company. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interest of the Company.

10.4 Board and Executive Officer Aggregate Ownership of Common Shares

The current directors and executive officers of the Company, as a group, beneficially own, or control or direct, directly or indirectly, 64,581 Common Shares, representing 1.04% of the total issued and outstanding Common Shares as of the date hereof.

11. Board Committees

The Board has established the following standing committees of the Board: an audit committee, a compensation committee and a nomination and governance committee. Each of the committees has adopted a written charter establishing its role and responsibilities. The chart below sets out the Board and committee structure as of the date hereof:

	Audit Committee	Compensation Committee	Nomination and Governance Committee
Robert Stabile			
Lee Matheson			©
Simon Parmar	©		
Anuroop Duggal	•		•
Barry Symons		©	
Pat DiPietro		•	
Matthew Kirk	•	•	
Birgit Troy			•

• Committee Member © Committee Chair

11.1 Audit Committee

The audit committee assists the Board in fulfilling its responsibilities for oversight and supervision of financial and accounting matters. These responsibilities include oversight of the quality and integrity of the Company's internal controls

and procedures, reviewing annual and quarterly financial statements and related management discussion and analysis, engaging the external auditor and approving independent audit fees and considering the recommendations of the independent auditor, monitoring the Company's compliance with legal and regulatory requirements related to financial reporting and examining improprieties or suspected improprieties with respect to accounting and other matters that impact financial results. The committee was composed of three independent directors, Simon Parmar (Chair), John Meyer, and Anuroop Duggal as at December 31, 2023. On January 15, 2024 John Meyer resigned and Matthew Kirk assumed the position. As at the date of this AIF, each committee member is "independent" and "financially literate" within the meaning of *National Instrument 52-110 - Audit Committees*.

The education and experience of each Audit Committee Member that is relevant to such member's responsibilities as a member of the Audit Committee is set out below.

Simon Parmar – Mr. Parmar has over 20 years of experience in professional services, management consulting, and executive roles. He is currently a partner at KingsPeak Partners, a Toronto-based investment company that invests in and develops market-leading small to mid-sized Canadian businesses. He spent 15 years as a President and Chief Financial Officer primarily in growth-oriented technology companies including Constellation Software Inc. and Softchoice. Throughout his career, he has held primary responsibility for facilitating effective board and audit committee meetings and developed an international perspective having lived and worked in North America and Europe. Mr. Parmar began his career with KPMG and was a management consultant with the Boston Consulting Group. He holds an MBA from the University of Western Ontario and is a Chartered Professional Accountant (CPA, CA).

Anuroop Duggal - Mr. Duggal is a private investor and board member, with significant institutional investing experience. He was previously a partner at 3G Capital, a global multi-billion-dollar asset manager, where he helped launch, manage, and grow a natural resource-focused equity and credit fund. Prior to that he was an investor with Goldman Sachs Investment Partners. Mr. Duggal was also an Adjunct Professor for the MBA program at Columbia Business School for seven years, where he taught value investing courses through the Heilbrunn Center for Graham & Dodd Investing. He is on the board of PrairieSky Royalties and Calfrac Well Services. Mr. Duggal 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 (gold medalist).

John Meyer – Mr. Meyer has over 40 years of leadership experience with large publicly traded organizations and building high growth organizations in both the United States and internationally. Mr. Meyer joined Arise Virtual Solutions ("Arise") as Chief Executive Officer in 2011 to drive the organization's growth, set the strategic vision and manage the global operations of the business. Prior to joining Arise in 2011, John served as Chief Executive Officer and President of Axiom Corporation, a \$1.1 billion global interactive marketing services company with more than 6,500 employees. Previously, he served as President of the Global Services group of Alcatel-Lucent Enterprise ("Lucent") for five years, where he was responsible for more than \$6 billion in annual revenue and the management of more than 20,000 people. Prior to joining Lucent, he spent almost 20 years in a number of high-profile positions at EDS, including Chairman of the Europe, Middle East and Africa (EMEA) Operating Team, President of Diversified Financial Services and Credit Services Divisions, and Chief Information Officer for the company's GMAC business. Mr. Meyer's global, multi-industry experience at EDS was marked by numerous successes, including doubling revenue in EMEA from \$3.6 billion to \$7.2 billion in four years. He holds an MBA in Quantitative Methods with honors from the University of Missouri and a BS in management from Pennsylvania State University.

Matthew Kirk – Mr. Kirk brings significant software and public markets experience. He was most recently an Investment Partner at Maple Rock Capital Partners ("Maple Rock"), a \$1.5B global long/short fund. Prior to joining Maple Rock, Mr. Kirk was a Partner and Analyst at Think Investments, an Analyst at Lonestar Capital Management, and an Associate in the private equity group at Golden Gate Capital. Mr. Kirk began his career in investment banking as an Analyst at Bear Stearns (and Bank of America Merrill Lynch). Mr. Kirk holds a B.A. in Economics-Mathematics from the University of California, Santa Barbara (Phi Beta Kappa; Regents Scholar) where he graduated summa cum laude.

Audit Fee

As set out in the audit committee's charter (attached as Schedule "A" to this AIF), the audit committee is responsible for pre-approving all non-audit services to be provided to the Company by its external auditor and has pre-approved the non-audit services as set out below. The current auditors of the Company are KPMG LLP. The following table sets out the fees incurred by the Company in using the services of KPMG LLP for the fiscal periods ended December 31, 2023, and December 31, 2022:

Category	Fiscal period ended December 31,2023 (\$)	Fiscal period ended December 31,2022 (\$)
Audit Fees	472,147	528,446
Tax Compliance	432,313	358,878
Tax Advisory	13,436	97,530
Total	917,896	984,854

Audit fees include, among other things, fees for the audit of the annual consolidated financial statements, review of the consolidated interim financial statements, statutory audits of our subsidiaries, and review of regulatory filings. Audit-related fees include assistance with implementation of new accounting standards and related transactions. Tax fees primarily relate to compliance-related services and various corporate tax planning for Optiva and its subsidiaries in various jurisdictions.

11.2 Compensation Committee

The compensation committee assists the Board in discharging its duties with respect to the compensation of the Company's Chief Executive Officer and other executive officers. The committee considers and recommends to the Board the framework or broad policy for the compensation of executives. It considers and recommends to the Board for approval the compensation of the Company's Chief Executive Officer and, upon recommendation of the Company's Chief Executive Officer, considers and approves compensation for other executives, covering elements such as salary, performance incentive, long-term incentives and material benefits. The committee provides oversight to the appointment and termination of executives, the approval of all management incentive plans, and the review and approval of disclosure relating to executive compensation disclosure. The committee periodically reviews the adequacy and the form of the compensation of non-management directors. The compensation committee is currently composed of three independent directors, Barry Symons (Chair), Matthew Kirk and Pat DiPietro.

11.3 Nomination and Governance Committee

The nomination and governance committee assists the Board in identifying candidates for the Board. The nomination and governance committee also evaluates the effectiveness of the Board as a whole, each committee of the Board, and the

contribution of individual directors. The nomination and governance committee is currently composed of Lee Matheson (Chair), Anuroop Duggal and Birgit Troy.

12. LEGAL PROCEEDINGS

The Company has provided routine indemnifications to its customers against liability if the Company's products infringe on a third party's intellectual property rights. The maximum exposure from these indemnifications cannot be reasonably estimated. In some cases, the Company has recourse against other parties to mitigate its risk of loss from these guarantees. In the normal course of operations, the Company is subject to claims from time to time, relating to labor, customers and others. The Company vigorously defends itself against such claims and reviews the probability of outcome that may result in an outflow of its cash or other resources as at each balance sheet date. Although it is not always possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse impact on the results of operations, financial position or liquidity of the Company.

13. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this AIF no director or executive officer or, to the knowledge of the Company, any person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the Common Shares or any associate or affiliate of any such directors, executive officers, persons or companies had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

14. TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's Common Shares in Canada is Computershare Investor Services Inc. at its principal offices at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

15. MATERIAL CONTRACTS

The following are the material contracts, other than those contracts entered into in the ordinary course of business, which have been entered into by the Company within the most recently completed fiscal year, or were entered into before the most recently completed fiscal year and are still in effect:

- Private placement debenture purchase agreement dated June 26, 2020, between the Company and EdgePoint Investment Group Inc.
- Private placement debenture purchase agreement dated June 26, 2020, between the Company and Maple Rock Master Fund LP
- Senior secured notes indenture dated as of July 20, 2020, among the Company, Computershare Trust Company of Canada, as trustee and collateral agent (the "Trustee"), and each of the guarantors thereunder, as supplemented by the first supplemental indenture dated September 29, 2023 between the Company and the Trustee
- Shareholder rights plan agreement dated July 27, 2020, between the Company and Computershare Investor Services Inc.

Copies of the above material agreements may be inspected during ordinary business hours via our investor relations contact or may be viewed at the website maintained by the Canadian Securities Administrators at <http://www.sedarplus.ca/>.

16. INTERESTS OF EXPERTS

The Company's audited annual consolidated financial statements for the year ended December 31, 2023, filed pursuant to *National Instrument 51-102 - Continuous Disclosure Obligations* have been audited by KPMG LLP, Vaughan, Ontario, Canada.

KPMG LLP has advised that they are independent of the Company within the meaning of the relevant rule and related interpretations prescribed by the relevant professional bodies in Canada and applicable legislation or regulations.

Other than as described above, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies is, or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

17. ADDITIONAL INFORMATION

Additional information relating to the Company, which is not and shall not be deemed to be incorporated by reference in this AIF, is available electronically on SEDAR at www.sedarplus.ca and on its website www.optiva.com.

Additional information, which is not and shall not be deemed to be incorporated by reference in this AIF, including director and officer remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's management information circular for its 2023 annual and special meeting of shareholders. For information relating to corporate governance matters, please see "Statement of Corporate Governance Practices" in such circular.

Additional financial information, which is not and shall not be deemed to be incorporated by reference in this AIF, is provided in the Company's financial statements and management discussion and analysis for its most recently completed financial year.

SCHEDULE A

OPTIVA INC.
(the "Company")

CHARTER FOR THE AUDIT COMMITTEE

1. Constitution and Purpose

The committee shall be established by resolution of the Board of Directors (the "**Board**") of the Company and shall be known as the Audit Committee (the "**Committee**"). The purpose of the Committee is overseeing the accounting and financial reporting processes of the Company and audits of its financial statements.

2. Composition, Qualification and Membership

- 1) The members of the Committee shall be appointed by the Board from amongst the directors of the Company (the "**Directors**") and shall be comprised of not less than three members. All of the members of the Committee shall be independent Directors, as that term is defined under National Policy 58-201.
- 2) All members of the Committee must be financially literate, as that term is defined under National Instrument 52-110.
- 3) The Chairman of the Committee, who shall be an independent non-executive Director, shall be appointed by the Board, which shall determine the period for which he/she shall hold office.
- 4) Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office.
- 5) A quorum for decisions of the Committee shall be two members.

3. Attendance at meetings

- 1) The Committee may at each meeting appoint one of their members or any other attendee to be the Secretary of the Committee.
- 2) The Committee may also invite other members of management to attend meetings and give presentations with respect to their area of responsibility, as considered necessary by the Committee.
- 3) The Chairman of the Board, the Chief Executive Officer and Chief Financial Officer of the Company and a representative of the external auditors of the Company (the "**Company's Auditors**") may, if invited by the Chairman of the Committee, attend and speak at meetings of the Committee. Other Board members may also, if invited by the Chairman of the Committee, attend and speak at meetings of the Committee.
- 4) On a quarterly basis, representatives of the Company's Auditors shall meet the Committee without any executive Directors being present, if requested.
- 5) The Chair of the Committee may attend, when possible, at the Annual General Meeting of the Company, in order to respond to any shareholder questions on the activities and responsibilities of the Company.

4. Frequency of meetings

- 1) The Committee shall meet at least quarterly and at such other times as the Chairman of the Committee shall require. The Company's Auditors, the Board or any member of the Committee may request a meeting if they consider that one is necessary.
- 2) At least seven days' notice of any meeting of the Committee shall be given, although such notice may be waived or shortened with the consent of all the members of the Committee.

5. Authority

- 1) The Committee is authorised by the Board to investigate any matter within its responsibility. The Committee is authorized to have direct communication with the Company's Auditors. The Committee is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee shall have unrestricted access to the books and records of the Company.

- 2) The Committee is authorized to engage, at the cost of the Company, independent counsel and other advisors as it determines necessary to carry out its duties. The Committee is authorized to set and pay compensation for any advisors that it employs. In obtaining outside advice, the Committee will act in consultation with the Chairman of the Company.
- 3) The powers of the Committee may also be exercised by resolution in writing signed by all the members of the Committee.

6. Duties

The Committee shall oversee:

- (1) appoint and compensate the Company's Auditor.
- (2) the Company's financial reporting process.
- (3) the Company's system of internal controls and risk management.
- (4) the Company's compliance with laws and regulations.
- (5) other matters referred by the Board.

6.1 Appoint, oversee, and compensate the Company's Auditor

- (a) to consider and make recommendations to the Board, to put before the shareholders for approval at a general meeting, in relation to the appointment, re-appointment and removal of the Company's Auditors and to approve the remuneration and terms of engagement of the Company's Auditors;
- (b) to require the Company's Auditors to report directly to the Committee;
- (c) to discuss with the Company's Auditors, before an audit commences, the nature and scope of the audit, and other relevant matters and ensure co-ordination where more than one audit firm is involved;
- (d) to review and monitor:
 - (i) the independence and objectivity of the Company's Auditors; and
 - (ii) the effectiveness of the audit process;taking into consideration relevant professional and regulatory requirements;
- (e) Oversee disclosure controls and procedures, and internal control over financial reporting;
- (f) to discuss problems and reservations arising from an audit, and any matters the Company's Auditors may wish to discuss (in the absence of management where necessary);
- (g) to review the Company's Auditors' management letter and management's response;
- (h) to develop and implement a pre-approval policy on the engagement of the Company's Auditors to supply non-audit services to the Company and its subsidiaries, taking into account relevant ethical guidance regarding the provision of non-audit services by the Company's Auditors; and to report to the Board, identifying any matters in respect of which the Committee considers that action or improvement is needed and to make recommendations as to the steps to be taken as they arise;
- i) to consider the major findings of the Company's Auditors, or any internal investigations and management's response, including the resolution of disagreements between management and the Company's Auditors regarding financial reporting;
- j) to, at least annually, review the qualifications and performance of the lead partners(s) of the Company's Auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors;

6.2 Oversee the Company's financial reporting process,

- a. to monitor in discussion with the Company's Auditors the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them and in particular to review the interim and annual financial statements, including any related management statements, before submission to the Board, focusing particularly on:

- (a) significant accounting policies and practices, including revenue recognition, and any changes in such accounting policies and practices;
 - (b) major judgmental areas including significant estimates and key assumptions;
 - (c) significant adjustments resulting from the audit;
 - (d) the going concern assumption;
 - (e) compliance with accounting standards;
 - (f) compliance with stock exchange and legal requirements;
 - (g) significant litigation and investigations of regulatory agencies;
 - (h) the extent to which the financial statements are affected by any unusual transaction; and
 - (i) significant off-balance sheet and contingent asset and liabilities and the related disclosures;
- b. to review the Company's financial statements, Management's Discussion & Analysis, Annual Information Form and earnings press releases prior to their public disclosure and to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements;

6.3 Oversee the Company's system of internal controls and risk management

- a. to review management's roles, responsibilities and performance with respect to financial reporting and system of internal control;
- b. to review management's assessment of the effectiveness of the Company's internal control over financial reporting as of the end of the most recent fiscal year;
- c. to oversee the design, implementation and assessment of management's effective system of disclosure controls and procedures, and internal control over financial reporting;
- d. to review any significant deficiencies or material weaknesses identified by management with respect to the Company's internal control over financial reporting and to monitor management's plans for remediation of such control deficiencies or weaknesses on at least a quarterly basis or as necessary;
- e. to review and discuss any fraud or alleged fraud involving management or other employees who have a role in the Company's system of internal control over financial reporting and the related corrective and disciplinary actions to be taken as they arise;
- f. to discuss with management any significant changes in the system of internal control over financial reporting that are disclosed, or considered for disclosure, in the Management's Discussion & Analysis, on a quarterly basis;
- g. to review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual and quarterly filings with the securities commissions;
- h. to review the Company's risk management program established to effectively identify, assess and treat the Company's key risks including the risk of fraud and to receive an annual report thereon;
- i. to monitor and review the effectiveness of any internal audit function, ensure coordination between the internal and external auditors and ensure that it is adequately resourced and has appropriate standing within the Company (and where there is no internal audit function, consider annually whether there is a need for an internal audit function and make a recommendation to the Board);
- j. to establish and review on an annual basis procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - (iii) the proportionate and independent investigation of such matters with appropriate follow-up action;

6.4 Oversee the Company's compliance with laws and regulations,

- a. to review the mandate of the Company's Disclosure, Ethics and Compliance Committee in conjunction with the Nomination and Governance Committee, and recommend any changes to the Board on an annual basis;
- b. to review the Company's Policy on Disclosure in conjunction with the Nomination and Governance Committee, and recommend any changes to the Board on an annual basis;
- c. to review the Company's Insider Trading Policy, and recommend any changes to the Board on an annual basis;
- d. to review the Company's Whistle Blower Policy and recommend any changes to the Board on an annual basis;
- e. to review the Code of Conduct and Business Ethics in conjunction with the Nomination and Governance Committee, and recommend any changes to the Board on an annual basis;
- f. on a quarterly basis receive the report of the Disclosure, Ethics and Compliance Committee with respect to the disclosure activities during the quarter, which is the subject of the report;
- g. on an annual basis, receive the report of the Disclosure, Ethics and Compliance Committee with respect to the results of the self-assessment of the Company's Disclosure Controls and Procedures including any control deficiencies identified and to review, consider and make recommendations on related corrective actions to be taken;

6.5 Oversee other matters referred by the board

- a) to, review the position description of the CFO on an annual basis, and recommend any changes to the Board of Directors for approval;
- b) to review and report to the Board on the financial accuracy of the annual budget; and
- c) to consider other matters referred to the Committee by the Board.

7. Procedures

- 1) The Secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board and to the Company's Auditors.
- 2) The Chairman of the Committee shall be available at the Annual General Meeting of the Company to respond to any shareholder questions on the activities and responsibilities of the Committee.
- 3) In setting the agenda for a meeting, the Chairman of the Committee shall encourage the Committee members, management, the Company's Auditors and other members of the Board to provide input in order to address emerging issues.
- 4) The Committee shall set its annual agenda for review and approval by the Board to ensure compliance with the requirements of this Charter.
- 5) The Committee shall conduct an annual self-assessment of its performance and this Charter and shall make recommendations to the Board with respect thereto.
- 6) Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of auditing, accounting, regulatory and industry issues applicable to the Company.
- 7) New Committee members shall be provided with an orientation program to educate them on the Company, their responsibilities and the Company's financial reporting and accounting practices.
- 8) The Committee shall report at regularly scheduled Board meetings on matters coming before the Committee.

8. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements as well as in the context of the Company's article and By-laws, it is not intended to establish any legally binding obligations.