

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

None of the Units, the Unit Shares, the Warrants and the Warrant Shares (as defined below) have been and they will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") or any securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act). Accordingly, these securities may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, "U.S. Persons" (as such term is defined in Regulation S under the U.S. Securities Act), unless registered under the U.S. Securities Act and any applicable securities laws of any state of the United States or unless an exemption from such registration requirements is available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Executive Officer of NowVertical Group Inc. at 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1, telephone (212) 302-0868, and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

December 7, 2021



### NOWVERTICAL GROUP INC.

**Minimum Offering: C\$5,000,000 (5,263,157 Units)**  
**Maximum Offering: C\$9,000,015 (9,473,700 Units)**

This short form prospectus is being filed by NowVertical Group Inc. ("NowVertical" or the "Corporation") to qualify the distribution of a minimum of 5,263,157 units of the Corporation (the "Units") (the "Minimum Offering") and of a maximum of 9,473,700 Units (the "Maximum Offering" and, together with the Minimum Offering, the "Offering") at a price of C\$0.95 per Unit (the "Offering Price"). The Units will be offered for sale on a commercially reasonable "best efforts" basis without underwriter liability pursuant to the terms and conditions of an agency agreement (the "Agency Agreement") to be entered into between the Corporation and Echelon Wealth Partners Inc. (the "Agent"). The terms of the Offering, including the Offering Price, were determined by arm's length negotiation between the Corporation and the Agent with reference to the prevailing market price of the Class A subordinate voting shares in the capital of the Corporation (the "Subordinate Voting Shares"). See "Plan of Distribution".

Each Unit consists of one Subordinate Voting Share (each, a "Unit Share") and one-half of one Subordinate Voting Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Subordinate Voting Share (each, a "Warrant Share") at an exercise price of C\$1.25 (the "Exercise Price") at any time prior to 5:00 p.m. (Toronto time) until the date that is 24 months following the Closing Date (as defined below) (the "Warrant Expiry Date"). The Warrants will be governed by a warrant indenture (the "Warrant Indenture") to be entered into on the Closing Date between the Corporation and TSX Trust Company (the "Warrant Agent"), as warrant agent. See "Description of Securities Being Distributed".

The Subordinate Voting Shares are listed and posted for trading on the TSX Venture Exchange (the "TSXV") under the symbol "NOW". On December 6, 2021, the last trading day prior to the date of this short form prospectus, the closing price of the Subordinate Voting Shares on the TSXV was C\$0.98 per share.

**There is currently no market through which the Warrants may be sold and purchasers may not be able to resell such securities. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of such securities, and the extent of issuer regulation. See "Risk Factors".**

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Price: C\$0.95 per Unit

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	<b>Price to the Public</b>	<b>Agent's Fee<sup>(1)(4)</sup></b>	<b>Net Proceeds to the Corporation<sup>(2)</sup></b>
Per Unit.....	C\$0.95	C\$0.0665	C\$0.8835
Minimum Offering <sup>(3)</sup> .....	C\$5,000,000	C\$350,000	C\$4,650,000
Maximum Offering <sup>(3)</sup> .....	C\$9,000,015	C\$630,001	C\$8,370,014

- (1) Pursuant to the Agency Agreement and in consideration for the services rendered by the Agent in connection with the Offering, the Agent will be paid a cash fee equal to 7.0% of the gross proceeds of the Offering (the "Agent's Fee") (including in respect of any exercise of the Over-Allotment Option). In addition, the Corporation has also agreed to issue the Agent such number of non-transferable warrants (the "Broker Warrants") equal to 7.0% of the number of Units sold under the Offering (including in respect of any exercise of the Over-Allotment Option). Each Broker Warrant will entitle the Agent to purchase one Unit (each, a "Broker Unit") at an exercise price equal to the Offering Price, subject to customary adjustments, for a period of 24 months following the Closing Date. Each Broker Unit will consist of one Subordinate Voting Share (a "Broker Unit Share") and one half of one Subordinate Voting Share purchase warrant (each whole warrant, a "Broker Unit Warrant"). Each Broker Unit Warrant will entitle the holder thereof to purchase one Subordinate Voting Share (a "Broker Unit Warrant Share") on the same terms as the Warrants. This short form prospectus also qualifies the distribution of the Broker Warrants. See "Plan of Distribution".
- (2) After deducting the Agent's Fee, but before deducting expenses and legal fees of the Offering, which are estimated to be C\$350,000 and which will be paid from the proceeds of the Offering. See "Use of Proceeds".
- (3) The Corporation has granted the Agent an option, exercisable in whole or in part, at any time and from time to time, for a period of 30 days from the Closing Date, to purchase up to an additional number of Units equal to 15% of the Units sold pursuant to the Offering, being 789,473 Units under the Minimum Offering or 1,421,056 Units under the Maximum Offering (the "Over-Allotment Units"), at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes (the "Over-Allotment Option"). The Over-Allotment Option may be exercised by the Agent in respect of: (i) Over-Allotment Units at the Offering Price; (ii) additional Unit Shares (the "Over-Allotment Shares") at a price of C\$0.91 per Over-Allotment Share; (iii) additional Warrants (the "Over-Allotment Warrants", and together with the Over-Allotment Units, and the Over-Allotment Shares, the "Over-Allotment Securities") at a price of C\$0.08 per Over-Allotment Warrant; or (iv) any combination of Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Shares and Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 789,473 Over-Allotment Shares and 394,736 Over-Allotment Warrants under the Minimum Offering or 1,421,056 Over-Allotment Shares and 710,528 Over-Allotment Warrants under the Maximum Offering. A person who acquires Over-Allotment Securities issuable on the exercise of the Over-Allotment Option acquires such Over-Allotment Securities under this short form prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full for Over-Allotment Units on the Maximum Offering, the total price to the public, Agent's Fee and net proceeds to the Corporation (before payment of the expenses of the Offering) will be C\$10,350,018, C\$724,501 and C\$9,625,517, respectively. This short form prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities. A person who acquires securities forming part of the Agent's over-allocation position acquires those securities under this short form prospectus regardless of whether the Agent's over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution" and the table below.
- (4) Assumes there is no exercise of the Over-Allotment Option.

<b>Agent's Position</b>	<b>Number of Securities Available<sup>(1)</sup></b>	<b>Exercise Period</b>	<b>Exercise Price</b>
Over-Allotment Option	1,421,056 Over-Allotment Units, 1,421,056 Over-Allotment Shares and/or 710,528 Over-Allotment Warrants	Up to 30 days from the Closing Date	C\$0.95 per Over-Allotment Unit (C\$0.91 per Over-Allotment Share and C\$0.08 per Over-Allotment Warrant)
Broker Warrants	762,632 Broker Warrants	Up to 24 months from the Closing Date	C\$0.95 per Broker Warrant

- (1) Assumes (i) the Maximum Offering and (ii) the Over-Allotment Option is exercised in full.

Unless the context otherwise requires, when used herein: (i) all references to "Units" include: (a) the Over-Allotment Units; and (b) the Broker Units; (ii) all references to "Unit Shares" include: (a) the Over-Allotment Shares; and (b) the Broker Unit Shares; (iii) all references to "Warrants" include: (a) the Over-Allotment Warrants; and (b) the Broker Unit Warrants; (iv) all references to "Warrant Shares" include: (a) the Subordinate Voting Shares issuable upon exercise of the Over-Allotment Warrants; and (b) the Subordinate Voting Shares issuable upon exercise of the Broker Unit Warrants; (v) all references to "Broker Warrants" include the Broker Warrants issuable upon exercise of the Over-Allotment Option; (vi) all references to "Broker Units" include the Broker Units issuable upon exercise of the

Broker Warrants issued in connection with the exercise of the Over-Allotment Option; (vii) all references to "Broker Unit Shares" include the Broker Unit Shares forming part of the Broker Units issuable upon exercise of the Broker Warrants issued in connection with the exercise of the Over-Allotment Option; (viii) all references to "Broker Unit Warrants" include the Broker Unit Warrants forming part of the Broker Units issuable upon exercise of the Broker Warrants issued in connection with the exercise of the Over-Allotment Option; and (ix) all references to "Broker Unit Warrant Shares" include the Broker Unit Warrant Shares issuable upon exercise of the Broker Unit Warrants forming part of the Broker Units issued in connection with the exercise of the Over-Allotment Option.

Subject to applicable laws, the Agent may, in connection with the Offering, effect transactions intended to stabilize or maintain the market price of the Subordinate Voting Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The Units will be offered for sale on a commercially reasonable "best efforts" basis without underwriter liability by the Agent who conditionally offers the Units for sale, if, as and when issued by the Corporation and accepted by the Agent in accordance with the terms and conditions contained in the Agency Agreement referred to under "*Plan of Distribution*", and subject to the approval of certain legal matters on behalf of the Corporation by Goodmans LLP and on behalf of the Agent by Dickinson Wright LLP.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Provided the Minimum Offering is met, the closing of the Offering is expected to occur on or about December 15, 2021, or on such other date as may be agreed upon by the Corporation and the Agent (the "**Closing Date**") but in any event no later than 90 days after the Corporation receives a final receipt for the final short form prospectus. If subscriptions for the Minimum Offering have not been received within 42 days following the issuance of a receipt for the final short form prospectus, the Offering will not continue and the subscription proceeds will be returned to subscribers without interest or deduction.

The Units are expected to be issued in registered or electronic form with CDS Clearing and Depository Services Inc. ("**CDS**") on the Closing Date. Purchasers will only receive a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS participant. Notwithstanding the foregoing, all Units, Unit Shares and Warrants offered and sold in the United States or to or for the account or benefit of U.S. Persons who are "accredited investors" (as such term is defined in Rule 501(a) of Regulation D promulgated under the U.S. Securities Act) (the "**U.S. Accredited Investors**"), and who are not "qualified institutional buyers" as such term 144A under the 1933 Act ("**Qualified Institutional Buyers**"), will be issued in certificated, individually registered form. See "*Plan of Distribution*".

Completion of the Offering is subject to a number of conditions, including the approval of the TSXV. The Corporation has been conditionally approved to list up to a maximum of 17,486,082 Subordinate Voting Shares and 5,828,694 Warrants to be issued and made issuable under the Offering. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSXV.

**This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this short form prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.**

**An investment in the Units is highly speculative and involves a high degree of risk that should be carefully considered by prospective investors before purchasing such securities. An investment in the Units is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. The risks outlined in this short form prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See "*Risk Factors*" and "*Cautionary Note Regarding Forward-Looking Information*".**

Readers should rely only on information contained or incorporated by reference in this short form prospectus. The Corporation has not authorized anyone to provide the reader with different information. The Corporation is not making an offer of these securities in any jurisdiction where the offer is not permitted. Readers should not assume that the information contained or incorporated by reference in this short form prospectus is accurate as of any date other than

the date on the front of this short form prospectus or the respective dates of the documents incorporated by reference herein. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

Potential investors should be aware that the acquisition of Units may have tax consequences in Canada and the United States. Such tax consequences may not be described fully in this short form prospectus. See “*Certain Canadian Federal Income Tax Considerations*” and “*Certain United States Federal Income Tax Considerations*”. **Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess the income tax, legal and other aspects of the Offering.**

The Corporation has two classes of issued and outstanding shares, being the Subordinate Voting Shares and the Class B proportionate voting shares of the Corporation (the “**Proportionate Voting Shares**”). The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Proportionate Voting Shares and the Subordinate Voting Shares are substantially identical with the exception of the multiple voting rights and conversion rights attached to the Proportionate Voting Shares. The Subordinate Voting Shares entitle the holders to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation have the right to vote. Each Subordinate Voting Share is entitled to one vote per Subordinate Voting Share and each Proportionate Voting Share is entitled to 100 votes per Proportionate Voting Share on all matters upon which the holders of shares are entitled to vote, and holders of Subordinate Voting Shares and Proportionate Voting Shares will vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by the articles of the Corporation (as amended, the “**Articles**”). Each Subordinate Voting Shares is convertible at the option of the holder into such number of Proportionate Voting Shares as is determined by dividing the number of Subordinate Voting Shares being converted by 100, so long as the board of the directors of the Corporation have approved such conversion. Each Proportionate Voting Share is convertible into 100 Subordinate Voting Shares at any time, subject to the FPI Condition (as defined herein) at the option of the holders thereof and automatically in certain other circumstances. The holders of Subordinate Voting Shares have certain conversion rights in the event of a take-over bid for the Proportionate Voting Shares. See “*Description of Share Capital*”.

Certain of the Corporation’s current directors and officers reside outside of Canada. Although Daren Trousdell, chief executive officer and director of NowVertical, John Adamovich, chief financial officer and director of NowVertical, and Aimee Lessard, David Whitmire and Cody Shankman, each officers of NowVertical, have appointed the Corporation located at 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1, as their agent for service of process in Canada, it may not be possible for purchasers to enforce against such person judgments obtained in Canadian courts predicated on the civil liability provisions of applicable securities laws in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Corporation’s head and registered office is located at 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1.

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## ABOUT THIS SHORT FORM PROSPECTUS

In this short form prospectus, unless the context otherwise requires, references to “NowVertical” or the “Corporation” refer to NowVertical Group Inc. and include its subsidiary entities.

References to “management” in this short form prospectus mean the persons acting in the capacity of the Corporation’s Chief Executive Officer, the Corporation’s Chief Financial Officer, and the other persons who are the Corporation’s executive officers. Any statements in this short form prospectus made by or on behalf of management are made solely in such persons’ capacities as officers of the Corporation and not in their personal capacities.

This short form prospectus and the documents incorporated herein by reference contain names, product names, trade names, trademarks and service marks of the Corporation. The Corporation owns or has rights to trademarks, service marks or trade names that it uses in connection with the operation of its business. In addition, the Corporation’s name and logo are its service marks or trademarks. The other trademarks, trade names and service marks appearing in this short form prospectus and the documents incorporated herein by reference are the property of their respective owners. Solely for convenience, the trademarks, service marks, tradenames and copyrights referred to in this short form prospectus are listed without the ©, ® and ™ symbols, but the Corporation will assert, to the fullest extent under applicable law, its rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

The information contained on [www.nowvertical.com](http://www.nowvertical.com) is not intended to be included in or incorporated by reference herein, and prospective investors should not rely on such information when deciding whether or not to invest in the Units. The Corporation is not making an offer of the Units in any jurisdiction in which the Offering is not permitted. Readers should not assume that the information contained or incorporated by reference in this short form prospectus is accurate as of any date other than the date of this short form prospectus or the respective dates of the documents incorporated by reference herein, regardless of the time of delivery of this short form prospectus or of any sale of securities pursuant hereto. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws. Any market data or other industry forecasts used in this short form prospectus or the documents incorporated by reference herein were obtained from market research, publicly available information and industry publications. The Corporation and the Agent believe that these sources are generally reliable but the accuracy and completeness of such information is not guaranteed. Neither the Corporation nor the Agent have independently verified such information and do not make any representation as to the accuracy of such information. While the Corporation is not aware of any misstatements regarding the industry data presented herein, the Corporation’s estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under “*Cautionary Note Regarding Forward-Looking Statements*” and “*Risk Factors*” in this short form prospectus.

## FINANCIAL INFORMATION

The financial statements of the Corporation incorporated by reference in this short form prospectus have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and are reported in United States dollars.

All currency amounts in this short form prospectus are expressed in United States dollars, unless otherwise indicated. References to “C\$” are to Canadian dollars. On December 6, 2021, the indicative rate of exchange for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US\$1.00 = C\$1.278.

## CAUTIONARY NOTE REGARDING NON-IFRS MEASURES

This short form prospectus and the documents incorporated by reference herein make reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Corporation’s results of operations from management’s perspective. The Corporation’s definitions of non-IFRS measures used in this short form prospectus and the documents incorporated by reference herein may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS

measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Corporation's financial information reported under IFRS.

The Corporation uses non-IFRS financial measures including "Adjusted Revenues", "EBITDA" and "Adjusted EBITDA". These non-IFRS measures are used to provide investors with supplemental measures of the Corporation's operating performance and to eliminate items that have less bearing on the Corporation's operating performance or operating conditions and thus highlight trends in the Corporation's core business that may not otherwise be apparent when relying solely on IFRS measures. Specifically, the Corporation believes that Adjusted Revenues, EBITDA and Adjusted EBITDA, when viewed with the Corporation's results under IFRS, provide useful information about the Corporation's business without regard to potential distortions. By eliminating differences in results of operations between periods caused by factors such as acquisition-related adjustments, depreciation and amortization methods, impairment and other charges, the Corporation believes that Adjusted Revenues, EBITDA and Adjusted EBITDA can provide a useful basis for comparing the current performance of the underlying operations being evaluated. The Corporation believes that securities analysts, investors and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Corporation's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period and to prepare annual budgets and forecasts.

"**Adjusted Revenues**" eliminate the effects of acquisition accounting on the Corporation's revenues.

"**EBITDA**" represents net income (loss) before amortization and depreciation expenses, net interest costs, and provision for income taxes.

"**Adjusted EBITDA**" adjusts EBITDA for items such as acquisition accounting adjustments, transaction expenses related to acquisitions, transactional gains or losses on assets, asset impairment charges, operational restructuring costs, non-recurring expense items, non-cash stock compensation costs, restructuring costs, expenses related to transactions, and includes the full year impact of cost synergies related to the reduction of employees in relation to acquisitions.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus and the documents incorporated by reference herein contain certain statements, which may constitute "forward-looking information" within the meaning of Canadian securities law requirements ("**forward-looking statements**"). These forward-looking statements are made as of the date of this short form prospectus and the Corporation undertakes no obligation to update any forward-looking statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments, except as required by applicable securities laws. Information regarding the Corporation's expectations of future results, performance, achievements, prospects or opportunities or the markets in which it operates is forward-looking information. All statements in this short form prospectus, other than statements of historical fact, which address events or developments that the Corporation expects to occur, are forward-looking statements. Forward-looking statements can generally, but not always, be identified by the words, "believes", "anticipates", "estimates", "plans", "intends", "expects", "indicates", "predicts", "forecast", "target", "goal", "seek", or "likely", or the negative of these terms, or other similar expressions, events or conditions that "will", "would", "may", "could" or "should" occur. Management has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect the Corporation's financial condition, results of operations, business strategy and financial needs.

Such information and statements are, however, by their very nature, subject to inherent risks and uncertainties, of which many are beyond the control of management, and which give rise to the possibility that actual results could differ materially from the expectations expressed in, or implied by, such forward-looking information or forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. Certain forward-looking statements in this short form prospectus and the documents incorporated by reference herein include, but are not limited to, statements relating to the completion of the Offering and the timing thereof; the use of net proceeds from the Offering; obtaining all of the required stock exchange and other approvals in connection with the Offering; the listing on the TSXV of the Subordinate Voting Shares and Warrants issuable in connection with the Offering; expectations regarding revenue, expenses and operations; anticipated cash needs and needs for additional

financing; business strategy and future growth plans; ability to successfully integrate acquired companies; ability to attract and retain personnel; and competitive position and its expectations regarding competition.

The above, and other aspects of the Corporation's anticipated future operations, are forward-looking in nature and as a result, are subject to certain risks and uncertainties. All forward-looking statements contained in this short form prospectus and the documents incorporated by reference herein are based on certain assumptions and analyses made in light of management's experience and perception of historical trends, current conditions, expected future developments and other factors management believes are appropriate. Although management believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Corporation's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under the "*Risk Factors*" section of this short form prospectus, which factors should not be considered exhaustive and should be read together with the other cautionary statements in this short form prospectus and the documents incorporated by reference herein. If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. In particular, management has made assumptions regarding, among other things:

- general economic conditions;
- the legislative and regulatory environment;
- the impact of increasing competition;
- fluctuation of operating results from quarter to quarter and year to year due to numerous external factors;
- uncertainty as to the Corporation's ability to raise additional funding to support its growth strategy;
- the Corporation's ability to access additional funding;
- the fluctuation of foreign exchange rates;
- the duration of COVID-19 and the extent of its economic and social impact;
- reliance upon industry publications as primary sources for third-party industry data and forecasts;
- the Corporation's reliance on the capabilities and experience of its key executives and the resulting loss of any of these individuals;
- the Corporation's ability to adequately protect intellectual property and trade secrets;
- the Corporation's acquisition process, including its acquisition strategy and criteria, ability to identify, complete, and integrate acquisitions, and the payment, timing and size of expected acquisitions;
- the risk of litigation; and
- the risk of unforeseen changes to the laws or regulations in the United States and Canada and other jurisdictions in which the Corporation operates or will operate in the near future.

Although management bases these forward-looking statements on assumptions that it believes are reasonable when made, the Corporation cautions readers that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this short form prospectus. In addition, even if the Corporation's results of operations, financial condition and liquidity

and the development of the industry in which it operates are consistent with the forward-looking statements contained in this short form prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

**The foregoing list is not exhaustive of all the factors that could affect the Corporation. The forward-looking statements contained in this short form prospectus, including the documents incorporated by reference herein, are expressly qualified by this cautionary statement.** If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

Certain statements included in this short form prospectus and the documents incorporated by reference herein may be considered a “financial outlook” for purposes of short form prospectus Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this short form prospectus. All forward-looking statements are made as of the date of this short form prospectus or the documents incorporated by reference herein, as applicable. Except as expressly required by applicable law, the Corporation assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in each of the provinces of Canada, except the Province of Québec.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Executive Officer of NowVertical Group Inc. at 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1, telephone (212) 302-0868, and are also available electronically at [www.sedar.com](http://www.sedar.com).

The following documents, filed by the Corporation with the various securities commissions or similar authorities in each of the Provinces of Canada, except for Quebec, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) the audited consolidated financial statements of the Corporation for the period from September 22, 2020 to December 31, 2020, together with the auditors’ report thereon as appended to the filing statement filed in respect of the Corporation’s qualifying transaction (the “**QT**”) dated June 21, 2021 (the “**Filing Statement**”);
- (b) the management’s discussion and analysis of the results of operations and financial position of the Corporation for the period from September 22, 2020 to December 31, 2020, as appended to the Filing Statement;
- (c) the audited annual financial statements of Good2Go Corp. (“**G2G**”), the capital pool corporation that amalgamated with the Corporation in connection with the QT, as at and for the years ended February 28, 2021 and February 29, 2020, including the auditor’s report thereon, as appended to the Filing Statement;
- (d) the management’s discussion and analysis of the results of operations and financial position of G2G for the years ended February 28, 2021 and February 29, 2020, as appended to the Filing Statement;
- (e) the audited financial statements of Seafront Analytics, LLC (“**Seafront**”) as of November 13, 2020 and December 31, 2019 and for the periods from January 1, 2020 to November 13, 2020 and July 12, 2019 (date of inception) to December 31, 2019, including the auditor’s report thereon, as appended to the Filing Statement;
- (f) the management’s discussion and analysis of the results of operations and financial position of Seafront as of November 13, 2020 and December 31, 2019 and for the periods from January 1, 2020 to November 13, 2020 and July 12, 2019 (date of inception) to December 31, 2019, as appended to the Filing Statement;

- (g) the audited financial statements of Signafire Technologies Inc. (“**Signafire**”) as of November 20, 2020, December 31, 2019 and January 1, 2019 and for the period from January 1, 2020 to November 20, 2020 and the year ended December 31, 2019, including the auditor’s report thereon, as appended to the Filing Statement;
- (h) the management’s discussion and analysis of the results of operations and financial position of Signafire as of November 20, 2020, December 31, 2019 and January 1, 2019 and for the period from January 1, 2020 to November 20, 2020 and the year ended December 31, 2019, as appended to the Filing Statement;
- (i) the unaudited interim condensed consolidated financial statements of the Corporation as of and for the three and nine months ended September 30, 2021 (the “**Interim Financial Statements**”);
- (j) the management’s discussion and analysis of the Corporation for the three and nine months ended September 30, 2021 (the “**Interim MD&A**”);
- (k) the material change report of the Corporation dated November 11, 2021 in connection with the Offering;
- (l) the material change report of the Corporation dated October 21, 2021 with respect to the announcement of the definitive agreement in connection with the Corporation’s acquisition of Affinio Inc. (the “**Affinio Acquisition**”);
- (m) the material change report of the Corporation dated July 6, 2021 with respect to the completion of the QT;
- (n) the material change report of the Corporation dated March 23, 2021 with respect to the announcement of the definitive agreement in connection with the QT;
- (o) the material change report of G2G dated February 15, 2021 with respect to the termination of its proposed business combination with Magical Brands Inc.;
- (p) the term sheet of the Corporation dated November 10, 2021 (the “**Original Term Sheet**”) and the amended term sheet of the Corporation dated November 11, 2021 (the “**Amended Term Sheet**”) in connection with the Offering;
- (q) the investor presentation of the Corporation dated November 10, 2021 in connection with the Offering;
- (r) the management information circular of the Corporation dated March 30, 2021 in connection with the annual and special meeting of shareholders of G2G; and
- (s) the sections titled “Information Concerning NowVertical Group, Inc.” and “Information Concerning the Resulting Issuer” which are included in the Filing Statement.

**Any document of the type referred to in section 11.1 of Form 44-101F1 *Short Form Prospectus*, if filed by the Corporation after the date of this short form prospectus and prior to the termination of the Offering, shall be deemed to be incorporated by reference in this short form prospectus.**

**Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies, replaces or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus. The modifying or superseding statement need not state that it has modified**

or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

## MARKETING MATERIALS

Any “template version” of any “marketing materials” (as defined in National Instrument 41-101 *General Prospectus Requirements* (“**NI 41-101**”)) that are used by the Agent in connection with the Offering are not part of this short form prospectus to the extent that the contents of any template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of any other marketing materials filed under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) after the date of this short form prospectus but before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the marketing materials) is deemed to be incorporated by reference in this short form prospectus.

The Original Term Sheet has been revised to include the pricing of the Units, the exercise price and term of the Warrants, and is superseded by the Amended Term Sheet. Pursuant to subsection 7.6(7) of National Instrument 44-101 - *Short Form Prospectus Distributions*, the Corporation prepared the Amended Term Sheet reflecting the final terms of the Offering discussed above and a blackline has been prepared to show the modified disclosure. A copy of the Amended Term Sheet and the blackline can be found under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, counsel to the Corporation, and Dickinson Wright LLP, counsel to the Agent, based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder (the “**Regulations**”) in force as of the date hereof, the Unit Shares, the Warrant Shares and the Warrants, if issued on the date hereof, would be qualified investments for a trust governed by a “registered retirement savings plan”, “registered retirement income fund”, “tax-free savings account”, “registered education savings plan”, “registered disability savings plan” (collectively, “**Registered Plans**”) or “deferred profit sharing plan” (as those terms are defined in the Tax Act), provided that: (i) in the case of the Unit Shares and the Warrant Shares, the Unit Shares or the Warrant Shares, as applicable, are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV) or the Corporation qualifies as a “public corporation” (as defined in the Tax Act); and (ii) in the case of the Warrants, (a) the Warrants are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV); or (b) the Warrant Shares are qualified investments as described in (i) above and neither the Corporation, nor any person with whom the Corporation does not deals at arm’s length, is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or “deferred profit sharing plan” (as defined in the Tax Act).

Notwithstanding the foregoing, if the Unit Shares, the Warrant Shares or the Warrants are a “prohibited investment” within the meaning of the Tax Act for a Registered Plan, the holder, annuitant or subscriber of the Registered Plan (the “**Controlling Individual**”), as the case may be, will be subject to a penalty tax as set out in the Tax Act. Unit Shares, Warrant Shares and Warrants generally will not be a prohibited investment for a Registered Plan if the Controlling Individual of the Registered Plan (a) deals at arm’s length with the Corporation for the purposes of the Tax Act, and (b) does not have a “significant interest” (as defined in the Tax Act) in the Corporation. In addition, the Unit Shares and the Warrant Shares will not be a prohibited investment if the Unit Shares and the Warrant Shares are “excluded property” (as defined in the Tax Act) for a Registered Plan.

**Purchasers of the Units should consult their own tax advisers with respect to whether the Unit Shares, the Warrant Shares or the Warrants would be prohibited investments having regard to their particular circumstances.**

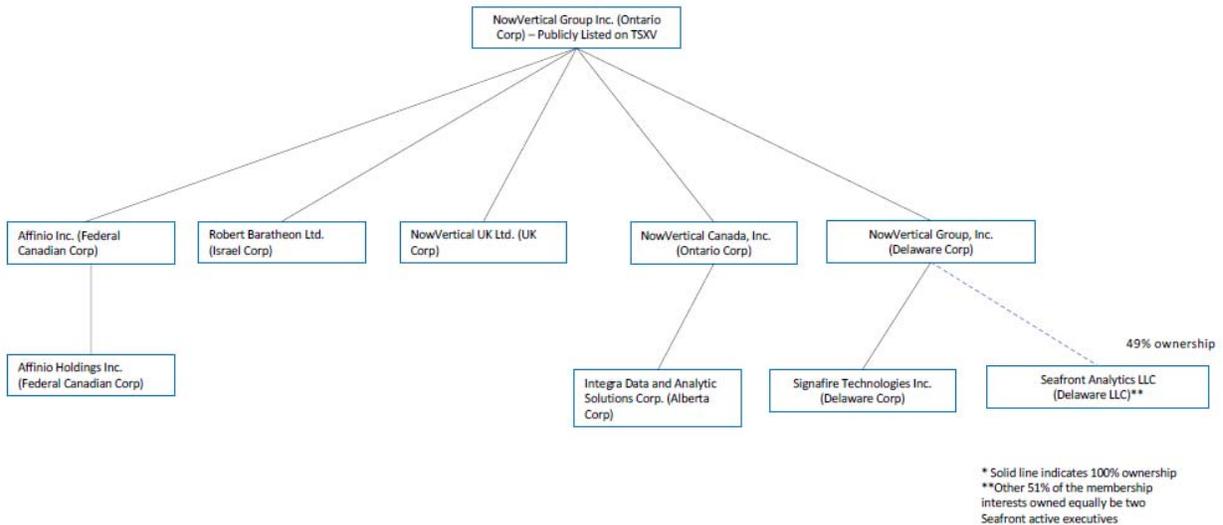
## SUMMARY DESCRIPTION OF THE BUSINESS

### Overview

NowVertical Group, Inc., a U.S. operating subsidiary of the Corporation, was incorporated on September 22, 2020 in Delaware, USA. On March 22, 2021, NowVertical Group, Inc. entered into a business combination agreement with G2G, a corporation incorporated under the laws of Ontario, which contemplated the acquisition by G2G of all the issued and outstanding shares of NowVertical. The transaction, which was structured as a “three-cornered” amalgamation and a reverse triangular merger, constituted a reverse takeover of G2G by NowVertical and the qualifying transaction of G2G under the TSXV’s Policy 2.4 – *Capital Pool Companies*. Coinciding with the transaction’s closing on June 28, 2021, G2G changed its (i) name to Now Vertical Group Inc., (ii) symbol on the TSXV to “NOW”, and (iii) year-end from February 28 to December 31, to conform with that of NowVertical. The Corporation’s Subordinate Voting Shares commenced trading on the TSXV on July 5, 2021. As a matter of emphasis, the Corporation, NowVertical Group Inc., does not have a comma (“,”) in its legal name, whereas the U.S. operating company, NowVertical Group, Inc. does have a comma in its legal name.

The registered head office of the Corporation is located at 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1. The Corporation is a publicly traded company, listed on the TSXV under the symbol “NOW”. Prior to its name change in connection with the closing of the QT, the Corporation was a capital pool company on the TSXV known as Good2Go Corp.

The following chart sets out the subsidiaries of the Corporation, their place of incorporation, continuance or formation, and the percentage of the outstanding voting securities of each subsidiary that are beneficially owned, controlled or directed by the Corporation:



### Business of the Corporation

The Corporation is a big data, analytics and vertical intelligence company that is growing organically and through acquisition. Management of the Corporation, with their broad range of expertise, is motivated to grow and scale the Corporation globally and help private and public sector organizations unlock their potential by creating vertically-focused solutions that create transformative value specific to their industry. The Corporation’s technologies and services level the playing field by upskilling workforces and democratizing access across organizations. The Corporation offers:

- solutions tailored to organizational needs and guided by industry experts;

- platform-agnostic products that plug into existing holdings with minimal setup;
- ground-breaking technologies that allow for top tier analysis and maximum output; and
- tailored training to upskill organizational teams and unlock greater potential more efficiently.

## Applications

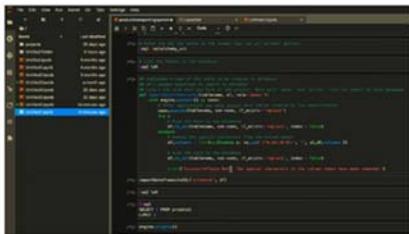
<p><b>PRIVACY-SAFE DATA COLLABORATION</b></p> <p>Coordinate around integrated organization-wide datasets with internal and external partners without exposing proprietary information or PII.</p>	<p><b>CONSUMER INSIGHTS AND AFFINITY ANALYSIS</b></p> <p>Leverage graph analytics to uncover previously unknown interest areas and novel insights to drive product development and marketing.</p>	<p><b>ENERGY SYSTEM MAINTENANCE</b></p> <p>Utilized production optimization and predictive maintenance methodologies to identify cost savings and higher efficiency repair schedules.</p>	<p><b>SECURITY OPERATION CENTER</b></p> <p>Deploy and activate security services around key events and figures by leveraging all of the data at your fingertips.</p>
<p><b>ENTERPRISE FUSION FOR QUALITY &amp; SAFETY</b></p> <p>Increase organizational awareness and recognize potential issues earlier, saving time, money, and lives.</p>	<p><b>DATA GOVERNANCE AND COMPLIANCE</b></p> <p>Track, monitor, and protect your organizational digital assets by implementing a comprehensive DRM solution across all your data.</p>	<p><b>INTERNAL &amp; FORENSIC INVESTIGATIONS</b></p> <p>Proactively identify sanctions violations and criminal behavior by delivering more efficient analytic queries across a fully fused dataset.</p>	<p><b>PREEMPTIVE CYBERSECURITY</b></p> <p>Detect and identify insider threat, employee misconduct, and organizational vulnerabilities by maximizing your current tech stack.</p>

## Proprietary Technologies

The Corporation’s vertical intelligence (“VI”) software and services solutions are organized by industry vertical, and are built upon a foundational set of data technologies that fuse, secure and mobilize data in a transformative and compliant way. The proprietary technologies built by the Corporation include NOW DataBench, NOW Fusion and NOW Privacy .

### NOW Data Bench

**Data discovery, analysis, and insight generation from a single tool built to open up access for your entire org.**



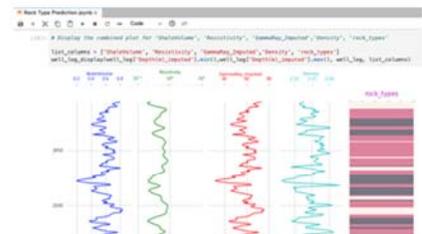
#### Easier Access to Your Data

Directly hook and work from your full set of data in a safe and analytically capable sandbox without requiring organizational intervention, assistance, or lengthy setup.



#### Analytical Tasks of Any Kind

Leverage analytic capabilities that run the gamut from geospatial to statistical to time series to categorical - and beyond.

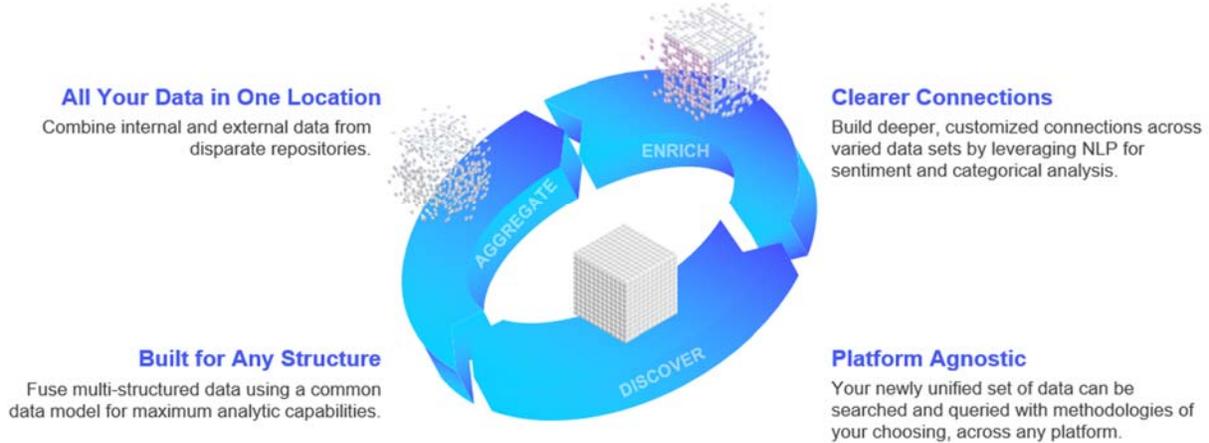


#### Quality and Consistency

Build custom workflow templates with the most rigorous and proven methodologies at their core to help users of any level reach impactful insights with speed and ease.

*NOW Fusion*

**Make sense of commonalities across all of your data, regardless of structure, format, location.**



*NOW Privacy*

**Secure and track your digital assets of any format across your entire organization.**



The NOW technologies enable the creation of high-value VI solutions that are predictive in nature and will enable automation specific to each industry vertical (i.e. government, automotive, media, etc.). The Corporation offers a sophisticated data mobilization solution that enables secure data access across internal and external stakeholders, accelerating data-oriented innovation and VI solution development. Also, the Corporation has a state-of-the-art data clustering platform that creates affinity graphs based on first and third-party data sources. This business intelligence (“BI”) tool is delivering transformative value in the way companies are analyzing and acquiring new customers.

The Corporation is rapidly pursuing its vertically driven expansion into several high-value industries with its turnkey strategy: establish foundations of intelligence through data securitization, fusion and mobility; expand business intelligence and analytical applications; and generate VI solutions in industry that deliver transformative value through the generation of predictive modeling solutions.

The Corporation owns and licenses certain patents in the ordinary course, and has various patent applications pending through its wholly-owned subsidiary, Affinio, none of which is material to the Corporation.

## *Acquisitions*

The Corporation plans to continue pursuing growth through accretive acquisitions. The Corporation's business strategy regarding whether to integrate or operate acquired businesses on a stand-alone basis varies depending on each target. When the Corporation acquires a business that it intends to operate on a stand-alone basis, the Corporation will integrate certain aspects of the business where it makes sense to do so financially, including centralizing human resources, financial and legal resources. There may be businesses the Corporation acquires in the future that, for regulatory reasons (for example, a business holding federal government clearance) or otherwise, the Corporation may not integrate, including with respect to the accounting function of such acquired business. Revenue from operations of acquired businesses will be used in the ordinary course. The expected costs of either integrating the Corporation's near-term acquisition targets or running them as stand-alone businesses are included in this short form prospectus under "Use of Proceeds".

For further information regarding NowVertical, please refer to the section titled "Description of the Business" in the Interim MD&A and the sections titled "Information Concerning NowVertical Group, Inc." and "Information Concerning the Resulting Issuer" in the Filing Statement. The Interim MD&A and the Filing Statement are available at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

## **Recent Developments**

There have been no material developments in the business of the Corporation since September 30, 2021, the date of the Interim Financial Statements, which have not been disclosed in this short form prospectus or the documents incorporated by reference herein, other than as set forth below:

### *Acquisition of certain assets of DocAuthority Ltd.*

On October 1, 2021, the Corporation, through its subsidiary in Israel, Robert Baratheon Ltd., and its subsidiary in the UK, NowVertical UK Ltd., acquired substantially all of the assets of DocAuthority Ltd. ("**DocAuthority**"), an Israeli-based data governance software company (the "**DocAuthority Acquisition**"). Founded in 2013, DocAuthority's customers use its software platform to automatically catalogue their data and documents to define the assets they have, what such assets contain, where they reside, and who has access to them, thus allowing customers to reduce risk and focus on doing more with their data. DocAuthority will be integrated into NOW Privacy, a suite of technologies offering enhanced privacy solutions. NOW Privacy encompasses part of the newly formed NOW Origin, which includes NOW Fusion, the Corporation's existing data fusion platform, and NOW DataBench, a data science workbench platform for analysts and data scientists. NOW Privacy is the digital rights management layer for organizations and users for their digital assets. The platform has a robust governance, compliance and access control capability that can be applied to a variety of use cases including insider threat, data management, privacy compliance and governance.

### *Acquisition of Affinio Inc.*

On November 1, 2021, the Corporation acquired all issued and outstanding securities of Affinio Inc. ("**Affinio**"), a Canadian-based audience insights and privacy-safe customer analytics platform company. Affinio was founded in 2013 with a focus on identifying and understanding the underpinning connections that can exist across massive data sets. Affinio users can work across a variety of data sources to leverage rich customer insights and powerful privacy-safe data collaboration enterprise-wide, all without having to move their data.

As at December 31, 2020 and September 30, 2021, Affinio's total assets were \$3,227,087 and \$1,970,732, respectively. The decrease in Affinio's total assets from December 31, 2020 to September 30, 2021 was primarily due to its net loss in the period.

For the year ended December 31, 2020, Affinio's revenues were \$3,621,491 and its net loss was \$2,023,964, of which \$981,059 was made up of non-cash expenses. For the nine months ended September 30, 2021, Affinio's revenues were \$2,247,671 and its net loss was \$1,216,376, of which \$737,315 was comprised of non-cash expenses. The non-cash expenses relate primarily to accrued dividends on cumulative preferred shares and, for the full year period, share

based compensation expense. As a result of a workforce and other cost reductions undertaken, Affinio is currently operating on a break-even basis.

#### *Marketing Services Agreement*

On November 18, 2021, the Corporation entered into a marketing services agreement (the “**Marketing Agreement**”) with AGORA Internet Relations Corp. (“**AGORACOM**”). The term of the Marketing Agreement is for 12 months effective November 1, 2021. Pursuant to the terms of the Marketing Agreement, and subject to TSXV approval, the Corporation intends to issue Subordinate Voting Shares equal to C\$100,000 plus HST to AGORACOM in instalments over 12 months from the effective date. The number of Subordinate Voting Shares to be issued at the end of each period in which AGORACOM provides services to the Corporation will be determined by using the closing price of the Subordinate Voting Shares on the TSXV on the first trading day following the end of each period.

### **DIRECTORS AND EXECUTIVE OFFICERS**

The following table sets forth the name, municipality of residence, position held with the Corporation, principal occupation for the five preceding years and number of Subordinate Voting Shares and/or Proportionate Voting Shares beneficially owned by each person who is a director and/or an executive officer of the Corporation. The directors of the Corporation are elected by the shareholders of the Corporation at each annual general meeting and typically hold office until the next annual general meeting at which time they may be re-elected or replaced.

<b>Name, Position with the Corporation and Residence</b>	<b>Director/Officer Since</b>	<b>Principal Occupation(s) for the Last Five Years</b>	<b>Number, Class and Percentage of Voting Shares<sup>(1)</sup></b>
Daren Trousdell Director, Chairman and Chief Executive Officer <i>Jupiter, Florida, USA</i>	June 28, 2021	Start-up Investor and Advisor, Executive: Clip Money Inc. (2018 – Present), TWDV Ventures LLC. (2010 – 2018)	237,045 Proportionate Voting Shares; 46.35%
John Adamovich Director and Chief Financial Officer <i>Ocean Ridge, Florida, USA</i>	June 28, 2021	Chief Financial Officer, Aeroflex Holding Corp. (2005 – 2014)	413,930 Subordinate Voting Shares; 0.81%
Scott Nirenberski <sup>(2)(3)</sup> Director <i>Toronto, Ontario</i>	June 28, 2021	Chief Financial Officer, MCI One Health Technologies Inc. (2020 to Present); Chief Operating Officer, Globalive Technology Inc. (2018 – 2020); Consultant and Advisor, Proteus Capital Management, LLC (2014 – 2017)	-
Elaine Kunda <sup>(2)(3)</sup> Director <i>Toronto, Ontario</i>	June 28, 2021	Founder and Managing Partner, Disruption Ventures (2018 – Present); Consultant, Elaine Kunda (2012 – 2018)	-
Darrell MacMullin <sup>(2)(3)</sup> Director <i>Toronto, Ontario</i>	June 28, 2021	Chief Commercial Officer, SecureKey Technologies Inc. (2017 – Present); Chief	-

		Executive Officer, Goldmoney Inc. (2015 – 2017)	
Aimee Lessard Chief Analytics Officer <i>Silver Spring, Maryland, USA</i>	June 28, 2021	Senior Data Analyst, Business Owner at Seafront	2,101 Proportionate Voting Shares; 0.41%
Andre Garber Executive Vice President, Corporate Development and Legal Affairs <i>Toronto, Ontario</i>	June 28, 2021	Corporate Lawyer, Partner, Fasken Martineau DuMoulin LLP (2018 – 2021); Director, Dentons Canada Startup Program, Dentons Canada LLP (2013 – 2018)	4,379,286 Subordinate Voting Shares; 8.56%
Altaf Bahora Chief Technology Officer <i>Brooklyn, New York, USA</i>	June 28, 2021	Executive Vice President, Engineering, Signafire (2015 – 2020)	-
David Whitmire Executive Vice President, Strategy and Operations <i>Raleigh, North Carolina, USA</i>	July 19, 2021	Chief Operating Officer, Bennett Aerospace Inc. (2018 – 2021); Managing Director, Titan Management Consulting, LLC (2016 – 2018)	-
Cody Shankman Executive Vice President, Chief Marketing Officer <i>Washington, District of Columbia, USA</i>	September 2, 2021	Director, Bully Bulpit Interactive (2019 – 2021); Director of Client Partnership, Signafire (2017 – 2019); Account Manager, BBDO (2015 – 2017)	-

- (1) As at September 30, 2021 after giving effect to Recent Acquisitions (as defined below) and the conversion of the Proportionate Voting Shares into Subordinate Voting Shares on the basis of 100 Subordinate Voting Shares for one Proportionate Voting Share.
- (2) Member of the Audit Committee. Each Audit Committee member is “independent” and “financially literate” within the meaning of National Instrument 52-110 – *Audit Committees*, and possesses education or experience that is relevant for the performance of their responsibilities as an Audit Committee member.
- (3) Member of the Governance, Human Resources and Compensation Committee.

The directors and executive officers of the Corporation, as a group, beneficially own, or control or direct, directly or indirectly, 4,739,216 Subordinate Voting Shares and 239,146 Proportionate Voting Shares, representing approximately 56% of the voting power attached to the Corporation’s voting shares as of the date of this short form prospectus. The information as to voting shares beneficially owned or directed by the directors and executive officers, not being within the knowledge of the Corporation, has been obtained from the System for Electronic Disclosure by Insiders (SEDI) or furnished by each such individual.

#### *Corporate Cease Trade Orders or Bankruptcies*

No director or executive officer of the Corporation is, or, within 10 years before the date of this short form prospectus, has been, a director, officer or promoter of any person or company (including the Corporation) that, while that person was acting in that capacity: (a) was the subject of a cease trade or similar order that denied the relevant company access to any exemptions under applicable securities legislation that was in effect for a period of more than 30 consecutive days; or (b) 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 the assets of that person.

### *Penalties or Sanctions*

No director or executive officer of the Corporation is, or, within the last 10 years, has been: (a) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable investor making an investment decision.

### *Personal Bankruptcies*

No director or executive officer of the Corporation, or a personal holding company of any such persons, has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 individual.

### *Conflicts of Interest*

Conflicts of interest may arise as a result of the directors and officers of the Corporation also holding positions as directors or officers of other companies. They also invest and may invest in businesses that compete directly or indirectly with the Corporation. Some of the directors or officers of the Corporation are also directors, officers and/or promoters of other reporting and non-reporting issuers.

## **CONSOLIDATED CAPITALIZATION**

Other than the DocAuthority Acquisition, and the Affinio Acquisition (together, the “**Recent Acquisitions**”), there have been no material changes in the share and loan capital of the Corporation since September 30, 2021, the date of the Interim Financial Statements. The following table shows the consolidated capitalization of the Corporation as at September 30, 2021 (before and after giving effect to the Recent Acquisitions) and as at such date, on an adjusted basis, after giving effect to the Recent Acquisitions and the issuance of Units in connection with the Minimum Offering and the Maximum Offering as well as the issuance of other Subordinate Voting Shares subsequent to September 30, 2021. The following table should be read in conjunction with the Interim Financial Statements and the Interim MD&A, each of which is incorporated by reference into this short form prospectus:

	As at September 30, 2021	As at September 30, 2021 after giving effect to the Recent Acquisitions	As at September 30, 2021 after giving effect to the Recent Acquisitions and the Minimum Offering <sup>(1)(2)</sup>	As at September 30, 2021 after giving effect to the Recent Acquisitions and the Maximum Offering <sup>(1)(3)</sup>
<b>Share capital:</b>				
Subordinate Voting Shares (unlimited)	22,680,398	24,020,398	29,283,555	33,494,098
Proportionate Voting Shares (unlimited)	271,270	271,270	271,270	271,270
Options	3,478,061	4,008,061 <sup>(4)</sup>	4,008,061 <sup>(4)</sup>	4,008,061 <sup>(4)</sup>
Compensation Warrants <sup>(5)</sup>	587,580	587,580	587,580	587,580
Convertible Note Compensation Warrants <sup>(6)</sup>	257,586	257,586	257,586	257,586
Warrants	Nil	Nil	2,631,578	4,736,850
Broker Warrants	Nil	Nil	368,421 <sup>(7)</sup>	663,159 <sup>(7)</sup>

(1) Including the issuances of Subordinate Voting Shares subsequent to September 30, 2021. See “*Prior Sales – Subordinate Voting Shares*” for further details of such issuances.

(2) Does not include any Over-Allotment Securities issuable upon the exercise of the Over-Allotment Option.

(3) Does not include any Over-Allotment Securities issuable upon the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full for Over-Allotment Units, there will be 34,915,154 Subordinate Voting Shares and 5,447,378 Warrants outstanding upon completion of the Maximum Offering and the issue and sale of Over-Allotment Units pursuant to the exercise of the Over-Allotment Option.

(4) Includes 530,000 options granted to certain non-executive employees of the Corporation on November 25, 2021.

(5) Issued by NVG Canada Finco, Inc. (“**Finco**”), a wholly-owned subsidiary of the Corporation.

(6) Issued to Echelon and Haywood Securities Inc. in connection with a Convertible Note financing prior to the QT.

(7) Assumes no exercise of the Over-Allotment Option.

## USE OF PROCEEDS

The Offering will not be completed and the subscription proceeds will not be advanced to the Corporation unless the Minimum Offering has been raised. In the event that the Minimum Offering is completed, the net proceeds to the Corporation from the Offering will be approximately C\$4,300,000, after deducting the Agent's Fee and the expenses of the Offering, estimated to be approximately C\$350,000. In the event that the Maximum Offering is completed, the net proceeds to the Corporation from the Offering will be approximately C\$8,020,014, after deducting the Agent's Fee and the expenses of the Offering, estimated to be approximately C\$350,000. If the Maximum Offering is completed and the Over-Allotment Option is exercised in full, the net proceeds to the Corporation from the Offering will be approximately C\$9,275,517, after deducting the Agent's Fee and the expenses of the Offering, estimated to be approximately C\$350,000.

As at September 30, 2021, the Corporation's estimated working capital was approximately C\$5,552,126. The Corporation had negative cash flow from its operating activities in the financial period from incorporation on September 22, 2020 to December 31, 2020 and for the nine months ended September 30, 2021. The Corporation cannot guarantee it will have positive cash flow from operating activities in any future periods. To the extent that the Corporation has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities. See "Risk Factors".

### Principal Purposes

The Corporation intends to use its estimated total funds available for the 12-month period following the completion of the Offering as follows:

Principal Purpose		Anticipated Timeline	Amount Allocated on Completion of the Minimum Offering (C\$4,300,000) <sup>(1)</sup>	Amount Allocated on Completion of the Maximum Offering (C\$8,020,014) <sup>(1)</sup>	Amount Allocated on Completion of the Maximum Offering and if the Over-Allotment Option is Exercised in Full (C\$9,275,517) <sup>(1)</sup>
1.	Increasing the sales and marketing team	2022	C\$851,562	C\$1,362,500	C\$1,566,875
2.	Increasing the finance and operations team	2022	C\$287,500	C\$460,000	C\$529,000
3.	Product development	2022	C\$740,938	C\$1,185,500	C\$1,363,325
4.	General and administrative <sup>(2)</sup>	2022	C\$2,475,000	C\$2,475,000	C\$2,475,000
5.	Acquisitions	2022	C\$5,497,126	C\$8,089,140	C\$8,893,443
<b>Total</b>			<b>C\$9,852,126<sup>(3)</sup></b>	<b>C\$13,572,140<sup>(3)</sup></b>	<b>C\$14,827,643<sup>(3)</sup></b>

(1) After deducting the Agent's Fee and the estimated expenses of the Offering.

(2) General and administrative is comprised of payroll and benefits, professional services, office expenses, marketing, and other expenses.

(3) Includes the Corporation's working capital as at September 30, 2021 of C\$5,552,126, calculated net of deferred revenue of C\$1,898,413.

The Corporation will spend the available funds for the principal purposes as indicated above. Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Corporation to achieve its objectives. In such case, the Corporation may also undertake additional steps to reduce its corporate, general and administrative expenses, and scale back its capital expenditure program. As a result, the Corporation may need to rely on future revenue, future equity financing, or alternative financing structures (which may be dilutive) to fund these items. The Corporation may require additional funds in order to fulfill all of the Corporation's expenditure requirements to meet its objectives. See "Risk Factors". There is no assurance that additional funding required by the Corporation will be available if required. However, it is anticipated that the

available funds and existing contract revenue will be sufficient to satisfy the Corporation's objectives over the 12 months following completion of the Offering.

### **Business Objectives and Milestones**

The Corporation's primary objectives for the 12 months following the completion of the Offering include the following:

- *Continue growth through additions to sales team, marketing and reseller support programs* – The Corporation's primary objective is to accelerate sales growth by continuing to build out and invest in sales teams and channels around the world. We will hire in strategic locations around the world in order to connect with global customers and global distribution and reseller channels. We will also build our support programs to meet the demands of our growing channel relationships. In order to meet this objective, the Corporation expects to hire at least 15 sales and marketing employees, on a staggered basis, in the 12 months following the completion of the Offering. See row 1 of the Use of Proceeds chart above.
- *Bring further scale to finance and operations* – In order to achieve rapid global scale, the Corporation anticipates the continued development of its in-house finance and operations team. The Corporation also expects to continue to hire internal resources such that execution of acquisitions, integrations and financial reporting is optimized. In order to meet this objective, the Corporation expects to hire at least 2 finance and operations employees in the 12 months following the completion of the Offering. See row 2 of the Use of Proceeds chart above.
- *Product and software development* – The Corporation expects that product development will continue to be a key priority for the business as the Corporation improves upon the technology of acquired businesses. The Corporation anticipates undertaking further product development as the breadth of customers continue to increase through continued acquisitions. In order to meet this objective, the Corporation expects to hire and/or outsource the equivalent of at least 12 developers, on a staggered basis, in the 12 months following the completion of the Offering. See row 3 of the Use of Proceeds chart above.
- *Allocating capital to execute on M&A activity* – The Corporation intends to use a portion of the proceeds to provide closing payments for acquisitions. In order to meet this objective, the Corporation plans to pursue at least two acquisitions in the 12 months following the completion of the Offering. As an active acquirer, the Corporation has regular discussions with potential targets and is currently under non-binding letters of intent with several targets. Certain non-binding letters of intent may be signed from time to time, which may or may not ultimately result in completed acquisitions. See row 5 of the Use of Proceeds chart above and below under "*Risk Factors – Integrating Acquired Companies*".

### **PLAN OF DISTRIBUTION**

The Corporation has engaged the Agent pursuant to an offer for sale to the public on a commercially reasonable "best efforts" basis without underwriter liability, and the Corporation has agreed to issue and sell a minimum of 5,263,157 Units and a maximum of 9,473,700 Units at the Offering Price, for aggregate gross proceeds of a minimum of C\$5,000,000 and a maximum of C\$9,000,015, payable in cash to the Corporation against delivery of the Units, subject to the terms and conditions of the Agency Agreement. The terms of the Offering, including the Offering Price, were determined by arm's length negotiation between the Corporation and the Agent with reference to the prevailing market price of the Subordinate Voting Shares. The obligations of the Agent under the Agency Agreement are subject to certain closing conditions and may be terminated at its discretion on the basis of "material change out", "disaster out", "regulatory proceedings out", "market out", "breach out" and "due diligence out" provisions in the Agency Agreement and may also be terminated upon the occurrence of certain other stated events. The Agent is not obligated to purchase any Units under the Agency Agreement. The Agency Agreement will provide that the Corporation will pay the Agent's Fee and issue the Broker Warrants. Pursuant to the terms of the Agency Agreement, the Agent has the right to form a syndicate consisting of other licensed dealers, brokers, and investment dealers acceptable to the Corporation, acting reasonably, with compensation to be negotiated between the Agent and such selling group participants, but at no additional cost to the Corporation.

Each Unit consists of one Unit Share and one-half of one Warrant. Each Warrant will entitle the holder to purchase one Warrant Share at a price of C\$1.25 at any time prior to 5:00 p.m. (Toronto time) on the Warrant Expiry Date, after which time the Warrants will expire and be void and of no value. The Warrants will be governed by the Warrant Indenture to be entered into on the Closing Date between the Corporation and the Warrant Agent. The Warrant Indenture will contain customary adjustment provisions designed to protect the holders of Warrants against dilution upon the happening of certain events. No fractional Subordinate Voting Shares will be issued upon the exercise of any Warrants. There is currently no market through which the Warrants may be sold and purchasers may not be able to resell such securities. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of such securities, and the extent of issuer regulation.

The Corporation has granted the Agent the Over-Allotment Option, exercisable in whole or in part, at any time and from time to time, in the sole discretion of the Agent, for a period of 30 days from the Closing Date, to purchase up to an additional number of Units equal to 15% of the Units sold pursuant to the Offering, at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercisable by the Agent in respect of: (i) Over-Allotment Units at the Offering Price; (ii) Over-Allotment Shares at a price of C\$0.91 per Over-Allotment Share; or (iii) Over-Allotment Warrants at a price of C\$0.08 per Over-Allotment Warrant. The grant of the Over-Allotment Option and the Over-Allotment Securities issuable upon exercise of the Over-Allotment Option are hereby qualified for distribution under this short form prospectus. A person who acquires Over-Allotment Securities issuable on the exercise of the Over-Allotment Option acquires such Over-Allotment Securities under this short form prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full on the Maximum Offering, the total price to the public, the Agent's Fee and the net proceeds to the Corporation (before payment of the expenses of the Offering) will be C\$10,350,018, C\$724,501 and C\$9,625,517, respectively.

Pursuant to the Agency Agreement and in consideration for the services rendered by the Agent in connection with the Offering, the Agent will be paid an Agent's Fee equal to 7.0% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option). In addition, the Corporation has agreed to issue the Agent such number of Broker Warrants as is equal to 7.0% of the number of Units sold under the Offering (including in respect of any exercise of the Over-Allotment Option). Each Broker Warrant will entitle the Agent to purchase one Broker Unit at an exercise price equal to the Offering Price, subject to customary adjustment, for a period of 24 months following the Closing Date. Each Broker Unit consists of one Broker Unit Share and one half of one Broker Unit Warrant. Each Broker Unit Warrant will entitle the holder thereof to purchase one Broker Unit Warrant Share on the same terms as the Warrants. This short form prospectus also qualifies the distribution of the Broker Warrants.

The Agency Agreement provides that the Corporation will indemnify the Agent and its affiliates and their respective directors, officers, employees, partners, agents, successors and assigns against certain liabilities and expenses or will contribute to payments that the Agent may be required to make in respect thereof.

The Corporation has agreed that, for a period commencing on the Closing Date and ending 120 days after the Closing Date, it will not, without the prior written consent of the Agent, issue, agree to issue, or announce an intention to issue any equity securities of the Corporation or any securities convertible into or exchangeable for equity securities of the Corporation other than in connection with: (i) the exchange, transfer, conversion or exercise rights of existing outstanding securities; (ii) the issuance of awards or other incentive under the Corporation's omnibus incentive plan; (iii) existing commitments to issue securities; (iv) an arm's length acquisition (including to acquire assets or intellectual property rights); or (v) under the Offering. The Corporation has also agreed that it will use its commercially reasonable efforts to cause its executive officers and directors to execute an undertaking (in a form satisfactory to the Agent, acting reasonably) in favour of the Agent that such executive officer or director will not, for a period commencing on the Closing Date and ending 90 days after the Closing Date, offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, any equity securities of the Corporation or other securities convertible or exchangeable into equity securities of the Corporation, without the prior consent of the Agent, such consent not to be unreasonably withheld, conditioned or delayed.

The Agent and its affiliates have performed investment banking, commercial banking and advisory services for the Corporation from time to time for which they have received customary fees and expenses. The Agent and its affiliates

may, from time to time, engage in transactions with and perform services for the Corporation in the ordinary course of their business.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Agent may not, at any time during the period ending on the date the selling process for the Units ends, bid for or purchase Subordinate Voting Shares. The foregoing restrictions are subject to certain exceptions including: (i) a bid for or purchase of Subordinate Voting Shares if the bid or purchase is made through the facilities of the TSXV in accordance with the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; (ii) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Agent or if the client's order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with the Offering, the Agent may over-allot or effect transactions that stabilize or maintain the market price of the Subordinate Voting Shares at levels other than those which otherwise might prevail on the open market. As a result of these activities, the price of the Units offered hereby may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Agent at any time. The Agent may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Other than Unit Shares and Warrants issued in the United States or to, or for the account or benefit of, U.S. Accredited Investors, it is expected that the Units distributed under this short form prospectus will be deposited with CDS on the Closing Date. The Unit Shares and Warrants (and underlying securities, if any and as applicable), issued in the United States or to, or for the account or benefit of, U.S. Persons that are U.S. Accredited Investors will be in the form of definitive certificates delivered to the holders thereof, or if permitted by the Corporation's transfer agent, restricted book-entry positions. No certificates evidencing the Unit Shares or Warrants will be issued to purchasers outside the United States under this short form prospectus, and registration of such securities will be made in the depository service of CDS.

Completion of the Offering is subject to a number of conditions, including the approval of the TSXV. The Corporation has been conditionally approved to list up to a maximum of 17,486,080 Subordinate Voting Shares and 5,828,694 Warrants to be issued and made issuable under the Offering. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSXV. There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants acquired under this short form prospectus. See "*Risk Factors*".

### **Offering in the United States**

None of the Units, Unit Shares and Warrants (and underlying securities) offered hereby have been and they will not be registered under the U.S. Securities Act, or any securities or "blue sky" laws of any state of the United States. Accordingly, the Units, Unit Shares and Warrants (and underlying securities) may not be offered, sold or delivered, directly or indirectly, within the United States, or to, or for the account or benefit of, U.S. Persons except in transactions exempt from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units, Unit Shares and Warrants (and underlying securities) offered hereby in the United States.

The Agent has agreed that, except as permitted by the Agency Agreement pursuant to transactions exempt from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States, they will not offer or sell the Units, Unit Shares and Warrants (and underlying securities) at any time within the United States or to, or for the account or benefit of, U.S. Persons as part of their distribution. The Agency Agreement permits the Agent to offer and sell the such securities in the United States or to, or for the account or benefit of, U.S. Persons in transactions that are exempt from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States. Accordingly, the Agent, pursuant to the terms and conditions set forth in the Agency Agreement and any exhibits thereto, (a) may offer and resell the Units outside the United States only in accordance with the exclusion from the registration requirements of the U.S. Securities Act provided by Rule 903 of Regulation S under the U.S. Securities Act, and (b) may offer and sell the Units, Unit Shares and Warrants (and underlying securities) within the United States only to, or for the account or benefit of, persons in the United States or

U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act (“**U.S. Persons**”)) in accordance with Rule 15a-6 under the United States Exchange Act of 1934, as amended, to a limited number of U.S. Accredited Investors pursuant to the exemption from registration provided by Rule 506(b) of Regulation D of the U.S. Securities Act and in compliance with applicable securities laws of any state of the United States. Further, the Warrants may not be exercised in the United States or by, or on behalf or for the benefit of, a U.S. Person, unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available for the issuance of the Warrant Shares to such U.S. Person and such U.S. Person has furnished, if requested, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect and/or any other certificates or documentation reasonably requested by the Corporation, the registrar and transfer agent or as required under the Warrant Indenture. Following exercise of the Warrants, if such an exemption is available, the Warrant Shares will bear a restrictive legend.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units (and component securities) within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the U.S. Securities Act.

The Units, the Unit Shares, the Warrants and the Warrant Shares, if any, offered and sold in the United States or directly or indirectly to U.S. Persons will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and any certificates representing such securities will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act, if available, and any other restrictions agreed to under the terms of any offer or sale that are applicable to such purchaser in the United States or to, or for the account or benefit of, such U.S. Persons. Such securities will also be permitted to be offered and sold to the Corporation (but the Corporation shall have no obligation to offer or buy) or outside the United States in compliance with Regulation S under the U.S. Securities Act, if available, and in compliance with applicable local laws and regulations.

## DESCRIPTION OF SHARE CAPITAL

The following describes the material terms of the Corporation’s share capital and the number of securities issued and outstanding. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Articles.

The Corporation’s authorized share structure consists of (i) an unlimited number of Subordinate Voting Shares without par value, and (ii) an unlimited number of Proportionate Voting Shares without par value. The Subordinate Voting Shares and the Proportionate Voting Shares are collectively referred to as the “**Shares**”.

As of September 30, 2021, the following securities of the Corporation were issued and outstanding: (i) 22,680,398 Subordinate Voting Shares (including 4,365,275 restricted share units); (ii) 271,270 Proportionate Voting Shares (including 300,100 restricted share units) convertible, subject to adjustment, into 27,127,000 Subordinate Voting Shares; and (iii) 3,478,061 stock options to purchase 3,478,061 Subordinate Voting Shares. See “*Consolidated Capitalization*” and “*Prior Sales*”.

As of September 30, 2021 the Subordinate Voting Shares represent approximately 45.55% of the voting rights attached to outstanding securities of the Corporation and the Proportionate Voting Shares represent approximately 54.45% of the voting rights attached to outstanding securities of the Corporation. If the Proportionate Voting Shares were converted on September 30, 2021, an aggregate of 49,807,398 Subordinate Voting Shares would be issued and outstanding and no Proportionate Voting Shares would be issued and outstanding. Approximately 88% of the Proportionate Voting Shares are owned by management of the Corporation, and the remaining 12% are owned by non-management shareholders of the Corporation.

The Subordinate Voting Shares and the Proportionate Voting Shares are substantially identical with the exception of the multiple voting and conversion rights attached to the Proportionate Voting Shares, and the related take-over bid protections attached to the Subordinate Voting Shares, as more particularly described herein.

The Proportionate Voting Shares carry a greater number of votes per share relative to the Subordinate Voting Shares and accordingly the Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Corporation has complied with the requirements of Part 12 of NI 41-101 – *General Prospectus Requirements* to be able to file a prospectus under which the Subordinate Voting Shares or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, the Subordinate Voting Shares are distributed, as the Corporation received the requisite prior majority approval of shareholders of the Corporation, at the annual and special meeting of shareholders held on April 28, 2021, in accordance with applicable law, including Section 12.3 of NI 41-101, for the amendment to re-designate the common shares of the Corporation as the Subordinate Voting Shares and the creation of the Proportionate Voting Shares (the “**Share Terms Amendment**”). The Share Terms Amendment constituted a “restricted security reorganization” within the meaning of such term under applicable Canadian securities laws.

### **Conversion Rights**

Issued and outstanding Subordinate Voting Shares may at any time, at the option of the holder, be converted into such number of Proportionate Voting Shares as is determined by dividing the number of Subordinate Voting Shares being converted by 100, provided the directors have approved such conversion. Further, in the event that an offer is made to purchase Proportionate Voting Shares (and not Subordinate Voting Shares), then each Subordinate Voting Share is convertible at the option of the holder into Proportionate Voting Shares on the basis of 100 Subordinate Voting Shares for one Proportionate Voting Share.

Issued and outstanding Proportionate Voting Shares, including fractions thereof, may at any time, subject to the FPI Condition (as defined below), at the option of the holder, be converted into Subordinate Voting Shares at an initial conversion ratio (the “**Conversion Ratio**”) of 100 Subordinate Voting Shares per Proportionate Voting Share. The Conversion Ratio is subject to adjustment from time to time in certain events. Further, the board may require holders of Proportionate Voting Shares to convert all, but not less than all, of their Proportionate Voting Shares at the applicable Conversion Ratio if (a) the Corporation is subject to the reporting requirements of Section 13 or 15(d) of the United States Securities and Exchange Act of 1934, as amended (the “**1934 Act**”), and (b) the Subordinate Voting Shares are listed or quoted on a recognized North American stock exchange.

### **Conversion Conditions**

The right of holders to convert their Proportionate Voting Shares into Subordinate Voting Shares is subject to certain conditions in order to maintain the status of the Corporation as a “foreign private issuer” under United States securities laws. The right to convert the Proportionate Voting Shares is subject to the condition that the aggregate number of Subordinate Voting Shares and Proportionate Voting Shares (calculated as a single class) held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the 1934 Act), may not exceed 40% of the aggregate number of Subordinate Voting Shares and Proportionate Voting Shares issued and outstanding after giving effect to such conversions (calculated as a single class) (the “**FPI Condition**”). The Corporation may, in its discretion, increase the threshold of the FPI Condition from 40% up to a maximum of 50%.

No fractional Subordinate Voting Shares will be issued on any conversion of any Proportionate Voting Shares and any fractional Subordinate Voting Shares will be rounded down to the nearest whole number.

### **Voting Rights**

All holders of Shares will be entitled to receive notice of any meeting of shareholders of the Corporation, and to attend, vote and speak at such meetings, except those meetings at which only holders of a specific class or series of shares are entitled to vote separately as a class or series. On all matters upon which holders of Shares are entitled to vote, (i) each Subordinate Voting Share is entitled to one vote per Subordinate Voting Share; and (ii) each Proportionate Voting Share is entitled to 100 votes per Proportionate Voting Share, and each fraction of a Proportionate Voting Share entitles the holder to the number of votes calculated by multiplying the fraction by 100 and rounding the product down to the nearest whole number.

Unless a different majority is required by law or the Articles, resolutions to be approved by holders of Shares require approval by a simple majority of the total number of votes of all Shares cast at a meeting of shareholders at which a quorum is present based on the voting entitlements of each class of Shares described above.

### **Dividend Rights**

Holders of Shares are entitled to receive dividends payable in cash or property of the Corporation as may be declared by the directors from time to time, on the following basis, and otherwise without preference or distinction among or between the Shares: each Proportionate Voting Share will be entitled to an amount equal to the amount paid or distributed per Subordinate Voting Share multiplied by 100. The directors may not declare a dividend payable in cash or property on the Proportionate Voting Shares unless the directors simultaneously declare a dividend payable in cash or property on the Subordinate Voting Shares, in an amount equal to the amount of the dividend declared per Proportionate Voting Share divided by 100.

### **Liquidation Rights**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation to its shareholders for the purposes of winding up its affairs, the holders of the Subordinate Voting Shares shall be entitled to participate *pari passu* with the holders of Proportionate Voting Shares, with the amount of such distribution per Subordinate Voting Share equal to the amount of such distribution per Proportionate Voting Share divided by 100; and each fraction of a Subordinate Voting Share will be entitled to the amount calculated by multiplying such fraction by the amount payable per whole Subordinate Voting Share.

### **Pre-Emptive and Redemption Rights**

Holders of Shares do not have any rights of first refusal, or pre-emptive or redemption rights.

### **Subdivision or Consolidation**

No subdivision or consolidation of any class of Shares may be carried out unless, at the same time, the Subordinate Voting Shares and Proportionate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis, so as to preserve the relative rights of the holders of each class of Shares.

### **Take-Over Bid Protection**

If an offer is made to purchase Proportionate Voting Shares (a “**PVS Offer**”) where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all or substantially all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Subordinate Voting Shares, the holders of Subordinate Voting Shares have the right, pursuant to the Articles, at their option, to convert their Subordinate Voting Shares into Proportionate Voting Shares at a conversion ratio of 100 Subordinate Voting Shares for one Proportionate Voting Shares for the purpose of allowing the holders of the Subordinate Voting Shares to tender to such PVS Offer.

### **Exchange Listing**

The Subordinate Voting Shares are currently listed for trading on the TSXV under the symbol “NOW”.

## **DESCRIPTION OF SECURITIES BEING DISTRIBUTED**

### **Subordinate Voting Shares**

See “*Description of Share Capital*” above.

## Warrants

The Warrants will be issued under and governed by the terms of the Warrant Indenture. The Corporation will appoint the principal transfer offices of the Warrant Agent in Toronto, Ontario as the location at which Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture contains all of the material attributes and characteristics of the Warrants but does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

The Unit Shares and the Warrants comprising the Units will separate immediately upon closing of the Offering. Each Warrant will entitle the holder to purchase one Warrant Share at the Exercise Price. The Exercise Price and the number of Warrant Shares issuable upon exercise are both subject to adjustment in certain circumstances as more fully described below. Warrants will be exercisable at any time prior to 5:00 p.m. (Toronto time) on the Warrant Expiry Date, subject to adjustment in certain customary events, after which time the Warrants will expire and become null and void. Under the Warrant Indenture and subject to applicable laws, the Corporation will be entitled to purchase in the market, by private contract or otherwise, all or any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Exercise Price for the Warrants will be payable in Canadian dollars.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the Exercise Price upon the occurrence of certain events, including:

- (i) the issuance of Subordinate Voting Shares or securities exchangeable for or convertible into Subordinate Voting Shares to all or substantially all of the holders of the Subordinate Voting Shares as a stock dividend or other distribution (other than a “dividend paid in the ordinary course”, as defined in the Warrant Indenture);
- (ii) the subdivision, redivision or change of the Subordinate Voting Shares into a greater number of shares;
- (iii) the reduction, combination or consolidation of the Subordinate Voting Shares into a lesser number of shares;
- (iv) the issuance to all or substantially all of the holders of the Subordinate Voting Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Subordinate Voting Shares, or securities exchangeable for or convertible into Subordinate Voting Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, for the Subordinate Voting Shares on such record date; and
- (v) the issuance or distribution to all or substantially all of the holders of the Subordinate Voting Shares of shares of any class other than the Subordinate Voting Shares, rights, options or warrants to acquire Subordinate Voting Shares or securities exchangeable or convertible into Subordinate Voting Shares, of evidences of indebtedness or cash, securities or any property or other assets.

No adjustments will be made to the number of Warrant Shares issuable upon the exercise of the Warrants and/or the Exercise Price with respect to a distribution of Subordinate Voting Shares upon the exercise of the Warrants or pursuant to the exercise of director, officer or employee stock options granted under the Corporation’s stock option plan.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or Exercise Price in the event of the following additional events: (1) reclassifications of the Subordinate Voting Shares; (2) consolidations, amalgamations, plans of arrangement or mergers of the Corporation with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not

result in any reclassification of the Subordinate Voting Shares or a change of the Subordinate Voting Shares into other shares); or (3) the transfer (other than to one of the Corporation's subsidiaries) of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the Exercise Price or the number of Warrant Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the Exercise Price by at least 1% or the number of Warrant Shares purchasable upon exercise by at least one one-hundredth of a Warrant Share.

The Corporation will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the Exercise Price or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Subordinate Voting Shares would have.

The Warrants will not be exercisable in the United States or by or on behalf of a U.S. Person, nor will certificates representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and such U.S. Person has furnished, if requested, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect and/or any other certificates or documentation reasonably requested by the Corporation, the registrar and transfer agent or as required under the Warrant Indenture.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution or (2) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants.

#### **Broker Warrants**

For its services in connection with the Offering, the Agent will receive such number of Broker Warrants as is equal to 7.0% of the number of Units sold under the Offering (including in respect of any exercise of the Over-Allotment Option). Each Broker Warrant will entitle the Agent to purchase one Broker Unit at an exercise price equal to the Offering Price for a period of 24 months following the Closing Date. Each Broker Unit consists of one Broker Unit Share and one half of one Broker Unit Warrant. Each Broker Unit Warrant will entitle the holder thereof to purchase one Broker Unit Warrant Share on the same terms as the Warrants. The terms to be set out in the certificates representing the Broker Warrants will include, among other things, customary provisions for the appropriate adjustment of the number of Broker Units issuable pursuant to any exercise of the Broker Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Subordinate Voting Shares, any capital reorganization of the Corporation, or any arrangement, merger, consolidation or amalgamation of the Corporation with or into another corporation or entity, as well as customary amendment provisions.

#### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Goodmans LLP, counsel to the Corporation, and Dickinson Wright LLP, counsel to the Agent, the following summary describes the principal Canadian federal income tax considerations under the Tax Act, as of the

date hereof, generally applicable to a holder (a “**Holder**”) who acquires Units as a beneficial owner pursuant to the Offering, and who, for the purposes of the Tax Act and at all relevant times, holds its Unit Shares and Warrants and, if applicable, Warrant Shares acquired upon exercise of the Warrants as capital property, deals at arm’s length with the Corporation and the Agent, and is not affiliated with the Corporation or the Agent. Generally, Unit Shares, Warrants and Warrant Shares will be considered to be capital property to a Holder provided that the Holder does not hold the Unit Shares, Warrants or Warrant Shares in the course of carrying on a business of trading or dealing in securities and has not acquired any such securities in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (i) that is a “financial institution” for purposes of the mark-to-market rules, (ii) that is a “specified financial institution”, (iii) an interest in which would be a “tax shelter investment”, (iv) that has elected to report its “Canadian tax results” in a currency other than the Canadian currency, (v) that has entered into a “derivative forward agreement” in respect of Unit Shares, Warrant Shares or Warrants, (vi) that receives dividends on Unit Shares or Warrant Shares under or as part of a “dividend rental arrangement”, (vii) that is a corporation resident in Canada that is or becomes, or does not deal at arm’s length for the purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident person or a group of non-resident persons that do not deal with each other at arm’s length for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act, all within the meaning of the Tax Act. Any such Holders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and the Regulations thereunder and counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”). This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, there can be no assurance that the Proposed Amendments will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in the law or administrative or assessing practice or policy of the CRA whether by legislative, regulatory, administrative, or judicial action, nor does it take into account tax legislation or considerations of any province, territory, or foreign jurisdiction, which may differ significantly from those discussed herein. Holders that are non-residents of Canada for the purposes of the Tax Act should consult with their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Unit Shares, Warrants and Warrant Shares in any jurisdiction in which they may be subject to tax, including Canada.

**This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all federal income tax considerations and does not describe the income tax considerations relating to the deductibility of the interest on money borrowed to acquire Units or to exercise Warrants. Accordingly, prospective Holders should consult their own tax advisors having regard to their own particular circumstances.**

### **Allocation of Offering Price**

Holders will be required to allocate the aggregate cost of the Unit between the Unit Share and the one-half Warrant comprising the Unit on a reasonable basis in order to determine their respective costs for the purposes of the Tax Act. The Corporation intends to allocate \$0.91 to each Unit Share and \$0.04 to each one-half Warrant. The Corporation believes that such allocation is reasonable but such allocation will not be binding on the CRA or a Holder. The cost to a Holder of a Unit Share comprising a part of a Unit acquired pursuant to the Offering must be averaged with the adjusted cost base of all other Subordinate Voting Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

### **Exercise of Warrants**

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder’s cost of the Warrant Share acquired thereby will be equal to the sum of the Holder’s adjusted cost base of such Warrant and the amount paid on the exercise of the Warrant. For purposes of computing the adjusted cost base to a Holder of each Warrant Share so acquired, the cost of the Warrant Share must be averaged

with the adjusted cost base to the Holder of all Subordinate Voting Shares (if any) held by the Holder as capital property immediately before the exercise of the Warrant.

### **Taxation of Resident Holders**

The following section of this summary applies to a Holder who, at all relevant times and for the purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada (a “**Resident Holder**”). Certain Resident Holders whose Unit Shares or Warrant Shares might not otherwise be capital property, may, in certain circumstances, be entitled to have the Unit Shares, Warrant Shares and every other “Canadian security”, as defined in the Tax Act, owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election does not apply to the Warrants. Resident Holders should consult their own tax advisors regarding this election.

#### *Expiry of Warrants*

The expiry of an unexercised Warrant generally will result in a capital loss to the Resident Holder equal to the adjusted cost base of the Warrant to the Resident Holder immediately before its expiry. See discussion below under the heading “*Taxation of Resident Holders — Capital Gains and Capital Losses*”.

#### *Taxation of Dividends*

A Resident Holder will be required to include in computing its income for a taxation year any dividends received or deemed to be received in the year by the Resident Holder on the Unit Shares or Warrant Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations (as defined in the Tax Act). Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as “eligible dividends” will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. There may be limitations on the ability of the Corporation to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, a dividend or deemed dividend received by a Resident Holder that is a corporation may be treated as a capital gain or proceeds of disposition. Resident Holders should contact their own tax advisors in this regard.

A corporation that is a “private corporation” (as defined in the Tax Act) or “subject corporation” (as defined in the Tax Act) generally will be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Unit Shares or Warrant Shares in a year to the extent such dividends are deductible in computing the Resident Holder’s taxable income for the year.

A Resident Holder may be subject to United States withholding tax on dividends received on the Unit Shares or Warrant Shares, as applicable (see “*Certain United States Federal Income Tax Considerations — Tax Considerations for Non-U.S. Holders — Distributions*” and “*Risk Factors — United States Tax Classification of the Corporation*”). Any United States withholding tax paid by or on behalf of a Resident Holder in respect of dividends received on the Unit Shares or Warrant Shares, as applicable, by a Resident Holder may be eligible for foreign tax credit or deduction treatment where applicable under the Tax Act. Generally, a foreign tax credit in respect of a tax paid to a particular foreign country is limited to the Canadian tax otherwise payable in respect of income sourced in that country. Dividends received on the Unit Shares or Warrant Shares, as applicable, by a Resident Holder may not be treated as income sourced in the United States for these purposes. Resident Holders should consult their own tax advisors with respect to the availability of any foreign tax credits or deductions under the Tax Act in respect of any United States withholding tax applicable to dividends on the Unit Shares or Warrant Shares, as applicable.

### *Dispositions of Unit Shares, Warrant Shares and Warrants*

A Resident Holder who disposes or is deemed to dispose of a Unit Share or Warrant Share (other than on a disposition to the Corporation that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) or Warrant (which does not include an exercise thereof) generally will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of such Unit Shares, Warrant Shares, or Warrants, as the case may be, immediately before the disposition or deemed disposition. The taxation of capital gains and losses is described below under the heading “*Taxation of Resident Holders — Capital Gains and Capital Losses*”.

### *Capital Gains and Capital Losses*

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Resident Holder in such taxation year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a particular taxation year against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses not deducted in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition of a Unit Share or Warrant Share by a Resident Holder that is a corporation may be reduced by the amount of any dividends received by such Resident Holder on the Unit Share or Warrant Share subject to and in accordance with the provisions of the Tax Act. Similar rules may apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is a “Canadian-controlled private corporation” as defined in the Tax Act will be liable to pay an additional refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, including taxable capital gains.

### *Minimum Tax*

Generally, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Unit Shares or Warrant Shares or realizes a capital gain on the disposition or deemed disposition of Units Shares, Warrant Shares or Warrants may be liable for minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

### **Taxation of Non-Resident Holders**

The following section of this summary is generally applicable to a Holder who, at all relevant times and for the purposes of the Tax Act and any applicable income tax treaty or convention, (i) is not, and is not deemed to be, resident in Canada for the purposes of the Tax Act and any applicable income tax treaty or convention; and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, any Unit Shares, Warrant Shares or Warrants in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

### *Dividends*

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Unit Shares or Warrant Shares are subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled to under any applicable income tax

convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to benefits under the Canada-United States Income Tax Convention (1980), as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%. Such Non-Resident Holders should consult their own tax advisors. A Non-Resident Holder may also be subject to United States withholding tax on dividends received on the Unit Shares or Warrant Shares, as applicable (see “*Certain United States Federal Income Tax Considerations — Tax Considerations for Non-U.S. Holders — Distributions*” and “*Risk Factors — United States Tax Classification of the Corporation*”).

#### *Dispositions of Unit Shares, Warrant Shares and Warrants*

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Unit Share, Warrant Share or Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Unit Share, Warrant Share or Warrant is, or is deemed to be, “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax treaty or convention.

Generally, a Unit Share, Warrant Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Unit Share or Warrant Share is listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes TSXV), unless at any time during the 60-month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Corporation were owned by or belonged to one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) more than 50% of the fair market value of such shares was derived, directly or indirectly, from one or any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Unit Share, Warrant Share or Warrant may also be deemed to be taxable Canadian property to a Non-Resident Holder. Non-Resident Holders should consult their own tax advisors as to whether their Unit Shares, Warrant Shares or Warrants constitute “taxable Canadian property” in their own particular circumstances.

In cases where a Non-Resident Holder disposes, or is deemed to have disposed, of a Unit Share, Warrant Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax treaty or convention, the consequences described above under the headings “*Taxation of Resident Holders — Dispositions of Unit Shares, Warrant Shares and Warrants*” and “*Taxation of Resident Holders — Capital Gains and Capital Losses*” will generally be applicable to such Non-Resident Holder.

Non-Resident Holders whose Unit Shares, Warrant Shares or Warrants are or may be taxable Canadian property should consult their own tax advisors.

### **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following is, as of the date of this short form prospectus, a general summary of certain material U.S. federal income tax consequences of the purchase, ownership, and disposition of the Units, Subordinate Voting Shares (including Subordinate Voting Shares received upon exercise of a Warrant) and Warrants, but does not purport to be a complete analysis of all the potential tax consequences relating thereto. For purposes of this summary, a “Subordinate Voting Share” includes an Unit Share and/or a Warrant Share, as applicable. This summary is based on the Internal Revenue Code of 1986, as amended (the “**U.S. Tax Code**”), the U.S. Treasury Regulations promulgated thereunder, the Treaty as in effect on the date of the Offering, and administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change or differing interpretations, possibly on a retroactive basis. The Corporation has not sought and will not seek a ruling from the U.S. Internal Revenue Service (the “**IRS**”) regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership or disposition of Subordinate Voting Shares and Warrants. This summary is limited to holders that hold the Subordinate Voting Shares and Warrants that

comprise the Units as capital assets within the meaning of Section 1221 of the U.S. Tax Code (i.e., generally, as property held for investment purposes). This summary does not apply to holders that have special tax situations, including:

- Dealers in securities or currencies;
- Traders in securities;
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;
- Persons holding Subordinate Voting Shares or Warrants as part of a conversion, constructive sale, wash sale or other integrated transaction or a hedge, straddle or synthetic security;
- Persons subject to the alternative minimum tax;
- Certain former citizens or long-term residents of the United States;
- Foreign governments or international organizations;
- Financial institutions;
- Controlled foreign corporations and passive foreign investment companies and shareholders of such corporations;
- Corporations that accumulate earnings to avoid U.S. federal income tax;
- U.S. Holders that are subject to taxing jurisdictions other than, or in addition, to, the United States;
- Real estate investment trusts;
- Insurance companies;
- Regulated investment companies and shareholders of such companies;
- Partnerships and other pass-through entities and owners of such entities;
- Non-U.S. Holders which are corporations organized outside the U.S., any state thereof or the District of Columbia that are nonetheless treated as U.S. taxpayers for U.S. federal income tax purposes;
- Entities that are tax-exempt for U.S. federal income tax purposes and retirement plans, individual retirement accounts and tax-deferred accounts; and
- Persons subject to special tax accounting rules.

The U.S. federal income tax treatment of a partner in a partnership (including an entity treated as a partnership for U.S. federal tax purposes) that holds the Subordinate Voting Shares or Warrants generally will depend on the status of the partner and the activities of the partnership, and such partnerships and partners should consult their own tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership, and disposition of the Units, Subordinate Voting Shares and Warrants.

This summary does not discuss all the aspects of U.S. federal income taxation that may be relevant to a holder considering the holder's particular investment or other circumstances. In addition, this summary does not discuss any U.S. state or local income, foreign income, estate, gift, generation-skipping, U.S. federal alternative minimum,

Medicare tax on net investment income, or other non-income tax consequences or (except as specifically addressed herein) the effect of any tax treaty. Except as discussed herein, this summary does not discuss tax reporting matters.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. EACH SHAREHOLDER SHOULD CONSULT ITS OWN TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO ITS PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SUBORDINATE VOTING SHARES AND WARRANTS ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

### **Tax Classification of the Corporation as a U.S. Domestic Corporation**

Although the Corporation is a Canadian corporation, the Corporation is classified as a U.S. domestic corporation for United States federal income tax purposes under Section 7874(b) of the U.S. Tax Code and will be subject to United States federal income tax on its worldwide income. The Corporation anticipates that it will experience a number of significant and complicated United States federal income tax consequences as a result of being treated as a U.S. domestic corporation for United States federal income tax purposes. It is anticipated that such U.S. tax treatment will continue indefinitely and that Subordinate Voting Shares will be treated indefinitely as shares in a U.S. domestic corporation for United States federal income tax purposes.

This summary does not attempt to describe all such U.S. federal income tax consequences. Section 7874 of the U.S. Tax Code and the Treasury Regulations promulgated thereunder do not address all the possible tax consequences that arise from the Corporation being treated as a U.S. domestic corporation for U.S. federal income tax purposes. Accordingly, there may be additional or unforeseen U.S. federal income tax consequences to the Corporation that are not discussed in this summary.

Generally, the Corporation will be subject to U.S. federal income tax on its worldwide taxable income (regardless of whether such income is “U.S. source” or “foreign source”) and will be required to file a U.S. federal income tax return annually with the IRS. The Corporation anticipates that it will also be subject to tax in Canada. It is unclear how the foreign tax credit rules under the U.S. Tax Code will operate in certain circumstances, given the treatment of the Corporation as a U.S. domestic corporation for U.S. federal income tax purposes and the taxation of the Corporation in Canada. Accordingly, it is possible that the Corporation will be subject to double taxation with respect to all or part of its taxable income. The remainder of this summary assumes that the Corporation will be treated as a U.S. domestic corporation for U.S. federal income tax purposes.

For a discussion of the Canadian federal income tax consequences of purchasing, holding and disposing of Subordinate Voting Shares and Warrants, holders should review the discussion under “*Certain Canadian Federal Income Tax Considerations*”.

### **Allocation of Offering Price**

For U.S. federal income tax purposes, under the Offering, a holder will be treated as acquiring one Subordinate Voting Share and one-half of one Warrant for the Offering Price. The Offering Price will need to be allocated between these two components in proportion to their relative fair market values at the time of purchase by the holder. This allocation of the Offering Price will establish a holder’s initial tax basis for U.S. federal income tax purposes in the Subordinate Voting Share and one-half of one Warrant, respectively. For this purpose, the Corporation will allocate C\$0.91 of the Offering Price to the Subordinate Voting Share and C\$0.04 of the Offering Price to one-half of one Warrant. However, the IRS will not be bound by the allocation of the Offering Price by the Corporation or any holder, and therefore, the IRS or a U.S. court may not respect such allocation. Each holder should consult its own tax advisor regarding the allocation of the Offering Price.

## **Tax Considerations for U.S. Holders**

The following is a summary of certain material U.S. federal income tax consequences to U.S. Holders (as defined below) of the ownership and disposition of the Subordinate Voting Shares and Warrants purchased in the Offering.

### *Definition of a U.S. Holder*

For purposes of this discussion, a “U.S. Holder” is any beneficial owner of Subordinate Voting Shares and Warrants that is, for U.S. federal income tax purposes:

- an individual who is a U.S. resident (discussed below) or U.S. citizen;
- a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S., any state within the U.S. or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that either (1) is subject to the primary supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the U.S. Tax Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

With respect to the first bullet point above, an individual is generally treated as a resident of the U.S. in any calendar year for U.S. federal income tax purposes if the individual either (i) is the holder of a green card, generally during any point of such year, or (ii) is present in the U.S. for at least 31 days in that calendar year and for an aggregate of at least 183 days during the three-year period ending on the last day of the current calendar year. For purposes of the 183-day calculation (often referred to as the Substantial Presence Test), all of the days present in the U.S. during the current year, one-third of the days present in the U.S. during the immediately preceding year, and one-sixth of the days present in the second preceding year are counted. Residents are generally treated for U.S. federal income tax purposes as if they were U.S. citizens.

### *Distributions*

Distributions of cash or property on Subordinate Voting Shares (including any constructive distributions on Subordinate Voting Shares with respect to a Warrant) will constitute dividends for U.S. federal income tax purposes to the extent paid from the Corporation’s current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Dividends will generally be taxable to a non-corporate U.S. Holder at the rates applicable to long-term capital gains, provided that such holder meets certain holding period and other requirements. Distributions in excess thereof will first constitute a return of capital and be applied against and reduce a U.S. Holder’s adjusted tax basis in its Subordinate Voting Shares, but not below zero, and thereafter be treated as capital gain and will be treated as described below under “Sale or Other Taxable Disposition.”

Dividends received by corporate U.S. Holders may be eligible for a dividends received deduction, subject to certain restrictions relating to, among others, the corporate U.S. Holder’s taxable income, holding period and debt financing.

### *Sale or Other Taxable Disposition*

Upon the sale or other taxable disposition of Subordinate Voting Shares or Warrants, a U.S. Holder will generally recognize capital gain or loss equal to the difference between (i) the amount realized by such U.S. Holder in connection with such sale or other taxable disposition, and (ii) such U.S. Holder’s adjusted tax basis in such Subordinate Voting Shares or Warrants. Generally, such gain or loss will be capital gain or loss. Such capital gain or loss will generally be long-term capital gain or loss if the U.S. Holder’s holding period respecting such stock is more than twelve months. U.S. Holders who are individuals are currently eligible for preferential rates of taxation respecting their long-term capital gains. Deductions for capital losses are subject to limitations.

### *Exercise or Lapse of Warrants*

Upon the exercise of a Warrant, a U.S. Holder will not recognize gain or loss and will have a tax basis in the Subordinate Voting Shares received equal to the U.S. Holder's tax basis in the Warrant plus the Exercise Price of the Warrant. The holding period for the Subordinate Voting Shares received pursuant to the exercise of a Warrant will begin on the date following the date of exercise (or possibly the date of exercise) and will not include the period during which the U.S. Holder held the Warrant. If a Warrant is allowed to lapse unexercised, a U.S. Holder will recognize a capital loss in an amount equal to its tax basis in the Warrant. Such loss will be long-term capital loss if the Warrant has been held for more than one year as of the date the Warrant lapsed. The deductibility of capital losses is subject to certain limitations.

### *Adjustment to Exercise Price*

Under Section 305 of the Code, an adjustment to the number of Subordinate Voting Shares that will be issued on the exercise of the Warrants, or an adjustment to the Exercise Price of the Warrants, may be treated as a constructive distribution to a U.S. Holder of the Warrants if, and to the extent that, such adjustment has the effect of increasing such U.S. Holder's proportionate interest in the "earnings and profits" or the Corporation's assets, depending on the circumstances of such adjustment (for example, if such adjustment is to compensate for a distribution of cash or other property to the shareholders). Adjustments to the Exercise Price of Warrants made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution of the interest of the holders of the Warrants should generally not be considered to result in a constructive distribution. Any such constructive distribution would be taxable whether there is an actual distribution of cash or other property.

### *Foreign Tax Credit Limitations*

The Corporation is subject to tax both as a U.S. domestic corporation and as a Canadian corporation. Accordingly, a U.S. Holder may pay, through withholding, Canadian tax, as well as U.S. federal income tax, with respect to dividends paid on its Subordinate Voting Shares. For U.S. federal income tax purposes, a U.S. Holder may elect for any taxable year to receive either a credit or a deduction for all foreign income taxes paid by the holder during the year. Complex limitations apply to the foreign tax credit, including a general limitation that the credit cannot exceed the proportionate share of a taxpayer's U.S. federal income tax that the taxpayer's foreign source taxable income bears to the taxpayer's worldwide taxable income. In applying this limitation, items of income and deduction must be classified, under complex rules, as either foreign source or U.S. source. The status of the Corporation as a U.S. domestic corporation for U.S. federal income tax purposes will cause dividends paid by the Corporation to be treated as U.S. source rather than foreign source for this purpose. As a result, a foreign tax credit may be unavailable for any Canadian tax paid on dividends received from the Corporation. Similarly, to the extent a sale or disposition of the Subordinate Voting Shares by a U.S. Holder results in Canadian tax payable by the U.S. Holder (for example, because the Subordinate Voting Shares constitute taxable Canadian property within the meaning of the Tax Act), a U.S. foreign tax credit may be unavailable to the U.S. Holder for such Canadian tax. In each case, however, the U.S. Holder should be able to take a deduction for the U.S. Holder's Canadian tax paid, provided that the U.S. Holder has not elected to credit other foreign taxes during the same taxable year.

The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisor regarding these rules.

### *Foreign Currency*

The amount of any distribution paid to a U.S. Holder in foreign currency, or the amount of proceeds paid in foreign currency on the sale, exchange or other taxable disposition of Subordinate Voting Shares and Warrants, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder

should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

#### *Information Reporting and Backup Withholding*

U.S. backup withholding (currently at a rate of 24%) is imposed upon certain payments to persons that fail (or are unable) to furnish the information required pursuant to U.S. information reporting requirements. Distributions to U.S. Holders will generally be exempt from backup withholding, provided the U.S. Holder meets applicable certification requirements, including providing a U.S. taxpayer identification number on a properly filled out IRS Form W-9, or otherwise establishing an exemption. The Corporation must report annually to the IRS and to each U.S. Holder the amount of distributions and dividends paid to that U.S. Holder and the proceeds from the sale or other disposition of Subordinate Voting Shares, unless such U.S. Holder is an exempt recipient.

Backup withholding does not represent an additional tax. Any amounts withheld from a payment to a U.S. Holder under the backup withholding rules will generally be allowed as a credit against such U.S. Holder's U.S. federal income tax liability, and may entitle such U.S. Holder to a refund, provided the required information and returns are timely furnished by such U.S. Holder to the IRS.

#### **Tax Considerations for Non-U.S. Holders**

##### *Definition of a Non-U.S. Holder*

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of Subordinate Voting Shares and Warrants that is neither a "U.S. Holder" nor an entity treated as a partnership for U.S. federal income tax purposes.

##### *Distributions*

Distributions of cash or property on Subordinate Voting Shares (including any constructive distributions on Subordinate Voting Shares with respect to a Warrant) will constitute dividends for U.S. federal income tax purposes to the extent paid from the Corporation's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess thereof will first constitute a return of capital and be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its Subordinate Voting Shares, but not below zero, and thereafter be treated as capital gain and will be treated as described below under "Sale or Other Taxable Disposition".

Subject to the discussions below under "Backup Withholding" and under FATCA (defined below), any dividend paid to a Non-U.S. Holder of Subordinate Voting Shares that is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the U.S. will be subject to U.S. federal withholding tax at a rate of 30% or such lower rate as may be specified under an applicable income tax treaty. To receive a reduced treaty rate, a Non-U.S. Holder must provide its financial intermediary with an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or an appropriate successor form), properly certifying such holder's eligibility for the reduced rate. If a Non-U.S. Holder holds Subordinate Voting Shares through a financial institution or other agent acting on the Non-U.S. Holder's behalf, the Non-U.S. Holder will be required to provide appropriate documentation to such agent, and the Non-U.S. Holder's agent will then be required to provide such (or a similar) certification to us, either directly or through other intermediaries. A Non-U.S. Holder that does not timely furnish the required certification, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their own tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S. (or, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment, or fixed base, of the Non-U.S. Holder) generally will be exempt from the withholding tax described above and instead will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if the Non-U.S. Holder were a U.S. Person. In such case, the Corporation will not have to withhold U.S. federal tax so long as the Non-U.S. Holder timely complies with the applicable certification and disclosure requirements. To obtain this exemption from withholding tax, a Non-U.S. Holder must provide its

financial intermediary with an IRS Form W-8ECI properly certifying its eligibility for such exemption. Any such effectively connected dividends received by a corporate Non-U.S. Holder may be subject to an additional “branch profits tax” at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty), as adjusted for certain items. Non-U.S. Holders should consult their own tax advisors regarding any applicable tax treaties that may provide for different rules.

#### *Sale or Other Taxable Disposition*

Subject to the discussions below under “Information Reporting and Backup Withholding” and under FATCA, any gain realized on the sale or other disposition of Subordinate Voting Shares or Warrants by a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with the Non-U.S. Holder’s conduct of a trade or business in the U.S. (or, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment, or fixed base, of the Non-U.S. Holder);
- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- the rules of the Foreign Investment in Real Property Tax Act of 1980 (“**FIRPTA**”) apply to treat the gain as effectively connected with a U.S. trade or business.

A Non-U.S. Holder who has a gain that is described in the first bullet point immediately above will be subject to U.S. federal income tax on the gain derived from the sale or other disposition pursuant to regular graduated U.S. federal income tax rates in the same manner as if it were a U.S. Person. In addition, a corporate Non-U.S. Holder described in the first bullet point immediately above may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits (or at such lower rate as may be specified by an applicable income tax treaty), as adjusted for certain items.

A Non-U.S. Holder who meets the requirements described in the second bullet point immediately above will be subject to a flat 30% tax (or a lower tax rate specified by an applicable tax treaty) on the gain derived from the sale or other disposition, which gain may be offset by certain U.S. source capital losses (even though the individual is not considered a resident of the U.S.), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, pursuant to FIRPTA, in general, a Non-U.S. Holder is subject to U.S. federal income tax in the same manner as a U.S. Holder on any gain realized on the sale or other disposition of a “U.S. real property interest” (“**USRPI**”). For purposes of these rules, a USRPI generally includes stock in a U.S. corporation (like Subordinate Voting Shares) assuming the U.S. corporation’s interests in U.S. real property constitute 50% or more, by value, of the sum of the U.S. corporation’s (i) assets used in a trade or business, (ii) U.S. real property interests, and (iii) interests in real property outside of the U.S. A U.S. corporation whose interests in U.S. real property constitute 50% or more, by value, of the sum of such assets is commonly referred to as a U.S. real property holding corporation (“**USRPHC**”). The Corporation is not, and does not anticipate becoming, a USRPHC.

#### *Exercise of a Warrant*

The U.S. federal income tax treatment of a Non-U.S. Holder’s exercise or lapse of a Warrant generally will correspond to the U.S. federal income tax treatment of the exercise or lapse of a warrant by a U.S. Holder, as described above under the section entitled “*Taxation of U.S. Holders — Exercise or Lapse of a Warrant.*”

#### *Information Reporting and Backup Withholding*

With respect to distributions and dividends on Subordinate Voting Shares, the Corporation must report annually to the IRS and to each Non-U.S. Holder the amount of distributions and dividends paid to such Non-U.S. Holder and any tax withheld with respect to such distributions and dividends, regardless of whether withholding was required with

respect thereto. Copies of the information returns reporting such dividends and distributions and withholding also may be made available to the tax authorities in the country in which the Non-U.S. Holder resides or is established under the provisions of an applicable income tax treaty, tax information exchange agreement or other arrangement. A Non-U.S. Holder will be subject to backup withholding for dividends and distributions paid to such Non-U.S. Holder at a rate of 30% unless either (i) such Non-U.S. Holder certifies under penalty of perjury that it is not a U.S. Person (as defined in the U.S. Tax Code), which certification is generally satisfied by providing a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI (or appropriate successor form), and the payor does not have actual knowledge or reason to know that such holder is a U.S. Person, or (ii) such Non-U.S. Holder otherwise establishes an exemption.

With respect to sales or other dispositions of Subordinate Voting Shares or Warrants, information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of Subordinate Voting Shares or Warrants within the U.S. or conducted through certain U.S.-related financial intermediaries, unless either (i) such Non-U.S. Holder certifies under penalty of perjury that it is not a U.S. person (as defined in the U.S. Tax Code), which certification is generally satisfied by providing a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI (or appropriate successor form), and the payor does not have actual knowledge or reason to know that such holder is a U.S. person, or (ii) such Non-U.S. Holder otherwise establishes an exemption.

Whether with respect to distributions and dividends, or the sale or other disposition of Subordinate Voting Shares or Warrants, backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS. In addition, backup withholding may be credited against any FATCA withholding discussed under the section below entitled "*FATCA*".

#### *FATCA*

Sections 1471 through 1474 of the Code (commonly referred to as "**FATCA**") impose a separate reporting regime and a potential 30% withholding tax on certain payments, including payments of dividends on Subordinate Voting Shares. Withholding under FATCA generally applies to payments made to or through a foreign entity if such entity fails to satisfy certain disclosure and reporting rules. These rules generally require (i) in the case of a foreign financial institution, that the financial institution agree to identify and provide information in respect of financial accounts held (directly or indirectly) by U.S. persons and U.S.-owned entities, and, in certain instances, to withhold on payments to account holders that fail to provide the required information, and (ii) in the case of a non-financial foreign entity, that the entity either identify and provide information in respect of its substantial U.S. owners or certify that it has no such U.S. owners.

FATCA withholding also potentially applies to payments of gross proceeds from the sale or other disposition of Subordinate Voting Shares or Warrants. Proposed regulations, however, would eliminate FATCA withholding on such payments, and the U.S. Treasury Department has indicated that taxpayers may rely on this aspect of the proposed regulations until final regulations are issued.

Non-U.S. Holders typically will be required to furnish certifications (generally on the applicable IRS Form W-8) or other documentation to provide the information required by FATCA or to establish compliance with or an exemption from withholding under FATCA. FATCA withholding may apply where payments are made through a non-U.S. intermediary that is not FATCA compliant, even where the Non-U.S. Holder satisfies the holder's own FATCA obligations.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA. Any applicable intergovernmental agreement may alter one or more of the FATCA information reporting and withholding requirements. Non-U.S. Holders should consult their own tax advisor regarding the possible implications of FATCA on investments in Subordinate Voting Shares or Warrants, including the applicability of any intergovernmental agreements.

## PRIOR SALES

The following table summarizes details regarding all issuances of securities of NowVertical Group, Inc., the Corporation and Finco during the 12 month period prior to the date of this short form prospectus.

Date of Issuance	Security	Issue/Exercise Price per Security	Number of Securities
November 13, 2020	NVG Shares <sup>(1)</sup>	\$0.0001	1,140
November 20, 2020	NVG Shares <sup>(1)</sup>	\$0.0001	12,453
February 9, 2021	Convertible Notes <sup>(2)</sup>	N/A <sup>(3)</sup>	40
February 12, 2021	Convertible Notes <sup>(2)</sup>	N/A <sup>(3)</sup>	19
February 19, 2021	Convertible Note <sup>(2)</sup>	N/A <sup>(3)</sup>	1
March 1, 2021	Finco Shares <sup>(4)</sup>	C\$0.01	100
March 19, 2021	NVG Options <sup>(5)</sup>	N/A	1,458,415
March 19, 2021	NVG RSUs <sup>(5)(6)</sup>	N/A	2,455,162
March 22, 2021	Convertible Note <sup>(2)</sup>	C\$157,021.50 (aggregate) <sup>(7)</sup>	1
March 23, 2021	Subscription Receipts <sup>(8)</sup>	C\$1.00	8,394,000
March 23, 2021	Compensation Warrants <sup>(9)</sup>	C\$1.00	587,580
April 29, 2021	NVG Shares <sup>(1)</sup>	\$1.43352	562,431
April 30, 2021	Convertible Note	C\$1.778	144,874
August 4, 2021	Subordinate Voting Shares <sup>(11)</sup>	C\$1.02	555,556
September 8, 2021	Options <sup>(12)</sup>	C\$1.00	795,000
September 29, 2021	Subordinate Voting Shares <sup>(13)</sup>	C\$1.26	40,000
October 29, 2021	Subordinate Voting Shares <sup>(14)</sup>	C\$1.24	1,300,000
November 25, 2021	Options <sup>(15)</sup>	C\$1.11	530,000

- (1) “**NVG Shares**” means common shares of NowVertical Group, Inc. prior to the QT. NVG Shares were exchanged for Subordinate Voting Shares on a 1:1.778 basis in connection with the QT.
- (2) “**Convertible Notes**” means convertible notes of the Corporation issued to various subscribers in tranches closing on February 9, 12, and 19, 2021 which were converted into NVG Shares at C\$0.80 per NVG Share immediately prior to the completion of the QT.
- (3) Issued for individual amounts between \$10,000 and \$1,000,000 in connection with a non-brokered private placement of Convertible Notes prior to the QT.
- (4) “**Finco Shares**” means common shares of Finco. Finco Shares were exchanged for Subordinate Voting Shares on a 1:1 basis in connection with the QT.
- (5) “**NVG Options**” means option to purchase NVG Shares, and “**NVG RSU**” means restricted share units of the Corporation. NVG Options and NVG RSUs were issued to certain key employees and consultants of the Corporation, prior to the QT, as part of equity compensation arrangements. NVG Options were subsequently adjusted to reflect a split on a 1:1.778 basis.
- (6) Each NVG RSU was split on a 1:1.778 basis and then each NVG RSU vested and was settled and exchanged for one Subordinate Voting Shares in connection with the QT.
- (7) Converted into Subordinate Voting Shares at a 20% discount to the issue price of Subscription Receipts issued in connection with the QT.
- (8) “**Subscription Receipts**” are defined as subscription receipts of the Finco Shares.
- (9) Issued by Finco.
- (10) Issued to Echelon and Haywood Securities Inc. in connection with a Convertible Note financing prior to the QT
- (11) Issued in connection with the Corporation’s acquisition of all of the outstanding securities of Integra Data and Analytic Solutions Corp. on August 5, 2021.
- (12) Grants to certain members of management.
- (13) Issued in connection with the DocAuthority Acquisition.
- (14) Issued in connection with the Affinio Acquisition.
- (15) Issued to certain non-executive employees of the Corporations.

## TRADING PRICE AND VOLUME

The Subordinate Voting Shares are listed and posted for trading on the TSXV under the symbol “NOW”. The following table sets forth information relating to the trading of the Subordinate Voting Shares on the TSXV since they commenced trading on July 5, 2021.

<b>Month</b>	<b>High (C\$)</b>	<b>Low (C\$)</b>	<b>Volume</b>
July 5-30, 2021	1.15	1.08	848,654
August 2021	1.05	0.77	701,665
September 2021	1.06	0.88	851,634
October 2021	1.05	0.88	1,018,758
November 2021	1.43	0.93	4,212,459
December 1-6, 2021	1.14	0.95	592,722

At the close of business on December 6, 2021, the last trading day prior to the date of this short form prospectus, the price of the Subordinate Voting Shares as quoted by the TSXV was C\$0.98 per share.

## **RISK FACTORS**

An investment in securities of the Corporation is highly speculative and involves significant risks. Any prospective investor should carefully consider the risk factors and all of the other information contained below and elsewhere in this short form prospectus (including, without limitation, the documents incorporated by reference, and specifically under the section entitled “Risk Factors” in the Interim MD&A) before purchasing any of the securities distributed under this short form prospectus. The risks described herein and in the documents incorporated by reference in this short form prospectus are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business.

### ***Risks Related to the Offering and Ownership of our Shares***

#### **Completion of the Offering**

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. The Offering will not be completed and the subscription proceeds will not be advanced to the Corporation unless the Minimum Offering has been raised. In addition, failure by the Corporation to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Corporation may not be able to raise the funds required for the purposes contemplated under “*Use of Proceeds*” from other sources on commercially reasonable terms or at all.

#### **Forward-looking Statements**

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this short form prospectus under the heading “*Cautionary Note Regarding Forward-Looking Statements*”.

#### **Discretion in the Use of Proceeds**

The Corporation intends to use the proceeds from the Offering as described under “*Use of Proceeds*” herein. However, the aggregate amount of net proceeds to be received by the Corporation pursuant to the Offering is uncertain and management of the Corporation will have broad discretion in the application of the net proceeds of the Offering as well as the timing of their expenditures. Because of the number and variability of factors that will determine the Corporation’s use of proceeds of an offering of the securities, the Corporation’s ultimate use might vary substantially from that described in “*Use of Proceeds*” herein if the Corporation believes it would be in its best interests to do so at the time such proceeds are received. Accordingly, a purchaser of Units will have to rely upon the judgment of management with respect to the use of the proceeds, with only limited information concerning management’s specific

intentions. Management may spend a portion or all of the net proceeds from the Offering in ways that the Corporation's shareholders may not desire, that may not yield a favourable return and that may not improve the Corporation's results of operations or increase the value of the Subordinate Voting Shares or its other securities issued and outstanding from time to time. Pending their use, the Corporation may invest the net proceeds from any offering of securities in a manner that does not produce income or that loses value. The results and effectiveness of the application of the net proceeds are uncertain. The failure by management to apply such funds effectively could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

### **No Current Market for Warrants**

The Warrants constitute a new issue of securities of the Corporation. There is currently no market through which the Warrants may be sold and purchasers of Units may not be able to resell the Warrants purchased under this short form prospectus. While the Corporation has applied to list the Warrants on the TSXV, such listing is subject to TSXV approval which is not guaranteed. If listed, the Warrants may trade at a discount depending on the market for similar securities, the Corporation's performance, the performance of the Subordinate Voting Shares and other factors. No assurance can be given that a liquid market for the Warrants will develop for the Warrants after the Offering, or if developed, that such a market will be sustained at the price level of the Offering. To the extent that an active trading market for the Warrants does not develop, the liquidity and trading price of the Warrants may be adversely affected.

### **Warrants are Speculative in Nature and may not have any Value**

The Warrants do not confer any rights of Subordinate Voting Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Subordinate Voting Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Subordinate Voting Shares and pay an Exercise Price of C\$1.25 per Subordinate Voting Share, subject to certain adjustments, for a period of 24 months following the Closing Date, after which date any unexercised Warrants will expire and have no further value. Moreover, following completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Subordinate Voting Shares will ever equal or exceed the Exercise Price, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

### **Future Sales or Issuances of Securities**

The Corporation may sell additional Subordinate Voting Shares or other securities in subsequent offerings. The Corporation may also issue additional securities to finance future activities. The Corporation cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Subordinate Voting Shares. Sales or issuances of substantial numbers of Subordinate Voting Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Subordinate Voting Shares. With any additional sale or issuance of Subordinate Voting Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per share.

### **Volatility of Market Price of the Subordinate Voting Shares**

The market price of the Subordinate Voting Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control. This volatility may affect the ability of holders of Subordinate Voting Shares to sell their securities at an advantageous price. Market price fluctuations in the Subordinate Voting Shares may be due to the Corporation's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by government and regulatory authorities, the Corporation or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Subordinate Voting Shares.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the

operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Subordinate Voting Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Subordinate Voting Shares may be materially and adversely affected.

### **Concentrated Voting Control**

Certain members of management, directly or indirectly, own or control approximately 88% of the Proportionate Voting Shares. The Proportionate Voting Shares have 100 votes per Proportionate Voting Share and the Subordinate Voting Shares, the shares being offered in the Offering, have one vote per Subordinate Voting Share.

Because of the 100-to-1 voting ratio between the Proportionate Voting Shares and Subordinate Voting Shares, the holders of the Proportionate Voting Shares will continue to control a significant proportion of the combined voting rights of the Corporation's voting shares even where the Proportionate Voting Shares represent a substantially reduced percentage of the total outstanding shares. The concentrated voting control of the holders of the Proportionate Voting Shares will limit the ability of the Corporation's other shareholders to influence corporate matters for the foreseeable future, including the election of directors, as well as with respect to decisions regarding amending the Corporation's share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of the Corporation's business, merging with other companies and undertaking other significant transactions. As a result, the holders of Proportionate Voting Shares will have the ability to influence or control many matters affecting the Corporation and actions may be taken that the Corporation's other shareholders may not view as beneficial.

Assuming the completion of the Maximum Offering and no exercise of the Over-Allotment Option, the Proportionate Voting Shares will collectively represent approximately 44.75% of the voting rights attached to all of the Corporation's outstanding voting securities. For so long as the Corporation's management, either directly or through one or more affiliates, maintains a significant voting interest in the Corporation, such shareholders will have the ability to exercise substantial influence with respect to the Corporation's affairs and significantly affect the outcome of shareholder votes, and may have the ability to prevent certain fundamental transactions. Accordingly, the Subordinate Voting Shares may be less liquid and may trade at a relative discount compared to such Subordinate Voting Shares in circumstances where the holders of Proportionate Voting Shares did not have the ability to significantly influence or determine matters affecting the Corporation.

### **Foreign Private Issuer Status**

Because the Corporation is a "foreign private issuer" under the 1934 Act, as amended, it is exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers.

The Corporation may lose its foreign private issuer status if, as of the last business day of the Corporation's second fiscal quarter for any year, more than 50% of the Corporation's outstanding voting securities (as determined under U.S. Securities Act) are directly or indirectly held of record by residents of the United States. Loss of foreign private issuer status may have adverse consequences on the Corporation's ability to raise capital in private placements or Canadian prospectus offerings. In addition, loss of the Corporation's foreign private issuer status would likely result in increased reporting requirements and increased audit, legal and administration costs. Further, should the Corporation seek to list on a securities exchange in the United States, loss of foreign private issuer status may increase the cost and time required for such a listing. These increased costs may have a material adverse effect on the business, financial condition or results of operations of the Corporation.

The Corporation could lose its status as a foreign private issuer if all or a portion of the Proportionate Voting Shares directly or indirectly held of record by U.S. residents are converted into Subordinate Voting Shares. The conversion rights attached to the Proportionate Voting Shares contain restrictions on conversion that are intended to avoid such a result, however there can be no guarantee that such restrictions on conversion will be effective to prevent the

Corporation from potentially losing foreign private issuer status if a sufficient number of Proportionate Voting Shares are converted into Subordinate Voting Shares and such Subordinate Voting Shares are acquired, either upon conversion or pursuant to a subsequent transaction, by U.S. residents. The Corporation could potentially lose its foreign private issuer status as a result of future issuances of Subordinate Voting Shares and Proportionate Voting Shares from treasury to the extent such shares are acquired by U.S. residents.

### ***Risks related to our Business***

#### **Limited Operating History**

The Corporation has a limited operating history upon which its business and future prospects may be evaluated. The Corporation will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for the Corporation to meet future operating and debt service requirements, it will need to be successful in its growth, marketing and sales efforts. Additionally, in the event the Corporation experiences outsized growth, its current operational infrastructure may require changes to scale its business efficiently and effectively to keep pace with demand, and achieve long-term profitability. If the Corporation's products and services are not accepted by new customers, the Corporation's operating results may be materially and adversely affected.

#### **Negative Operating Cash Flow**

The Corporation had a negative operating cash flow in the financial period from incorporation on September 22, 2020 to December 31, 2020 and the nine months ended September 30, 2020. While the Corporation anticipates that it will have positive cash flow from operating activities in future periods, to the extent that the Corporation has negative cash flow in any future period, the Corporation will use its available cash balance to fund any such negative cash flow, and may be required to use net proceeds from the Offering to fund such negative cash flow from operating activities.

If the Corporation experiences future negative cash flow, the Corporation may also be required to raise additional funds through the issuance of equity and/or debt securities, incur other forms of indebtedness and/or reduce operating costs which could have a negative impact on short-term revenue generation. There can be no assurance that the Corporation will be able to generate positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Corporation.

#### **Growth-Related Risks**

The Corporation is subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

#### **Integrating Acquired Companies**

The Corporation may fail to identify targets for acquisition. The success of the acquisition of companies will depend, in part, on the ability of the Corporation to realize the anticipated benefits and synergies from integrating those companies into the businesses of the Corporation.

The Corporation may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of the acquired companies with its existing operations. If integration is not managed successfully by the Corporation's management, the Corporation may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Corporation's business, financial condition and results of operations. The Corporation may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of the acquired companies may also impose substantial demands on the Corporation's management. There is no assurance that these acquisitions will be successfully integrated in a timely manner.

## **Competition**

Numerous factors will affect the Corporation's competitive position. Other companies may decide to enter the space and could have substantially greater financial, marketing and other resources. Several of these companies may have greater name recognition and well-established relationships with some of the Corporation's target customers. Furthermore, these potential competitors may be able to adopt more aggressive pricing policies or updated technology and offer better terms to customers than the Corporation is able to offer. The Corporation may face increasing price pressure or technological development from competitors and customers. Existing and potential competitors may also develop enhancements to, or future generations of, the software used in the Corporation's business and thus, provide better services than the Corporation.

It is possible that the Corporation will face additional competition from new entrants. To remain competitive, the Corporation will require a continued high level of marketing, sales, and support to its clients. The Corporation may not have sufficient resources to maintain marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Corporation.

## **Reliance on Management**

Investors must rely on the judgment, experience, ability and good faith of the Corporation, and its directors, officers, employees and affiliates and their consultants and advisors and, in part, on their continuing ability to hire and retain knowledgeable personnel in exercising this responsibility. Directors and officers the Corporation are not required to devote all of their business time and attention to the Corporation's business.

## **Reliance on Contracts with Key Customers**

Revenues attributable to the Corporation's business is dependent upon certain significant customers. There can be no assurance that the Corporation's contracts with these key customers will be renewed or that the Corporation's services will continue to be utilized by those key customers. There could be material adverse effects on the businesses of the Corporation if a key client does not renew its contracts with the Corporation, or elects to terminate its contracts with the Corporation in favour of another service provider. Furthermore, there is no assurance that any new agreement or renewal entered into by the Corporation with its customers will have terms similar to those contained in current arrangements, and the failure to obtain those terms could have an adverse effect on the Corporation's business. In some cases, these contracts may be terminated by the counterparty at any time for convenience. In addition, our expectations for future renewals of, and other opportunities arising from, these contracts may prove to be incorrect. There can be no assurance that such renewals or opportunities will materialize. Various factors may affect the performance, duration and renewal of these contracts, including changes or shifts in government policies, priorities or funding levels or budgets in respect of these programs and the other risk factors described hereunder

## **Factors which may Prevent Realization of Growth Targets**

The Corporation is still developing and growing its business. There is a risk that these additional objectives will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following: failure to identify, acquire and successfully integrate acquired businesses; non-performance or failure of technology from third party contractors; developing technology is subject to change; new competition; inability to acquire sufficient financing to fund operations; cyber-attacks or failure with respect to the Corporation's systems; increases in independent contractor costs; and litigation. As a result, there is a risk that the Corporation may not have sufficient capacity to meet the anticipated demand or to meet future demand when it arises.

## **Rapid Technological and Legal Change**

The Corporation operates in an industry which experiences frequent new product introductions and evolving industry standards, which could cause the Corporation's products and software solutions to become obsolete. The length or direction of the Corporation's development cycle may impact its ability to react to new technology trends and customer needs. Further, the Corporation operates in an industry which continues to experience changes in laws and regulations,

which could adversely impact the Corporation's business or product offerings. Evolving and changing definitions of personal information, within Canada, the United States and elsewhere, especially relating to classification of machine or device identifiers, location data and other information, may cause the Corporation to, in the future, change business practices, or limit or inhibit the Corporation's ability to operate or expand its business. Data protection and privacy-related laws and regulations are evolving and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. Failure of the Corporation or its partners to comply with new or existing privacy policies, and privacy-related and data protection laws and regulations could result in proceedings and/or fines with adverse effect on the operating results and on the business.

### **Failure to Innovate**

The Corporation's success depends upon its ability to design, develop, test, market, license and support new software products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, software products and enhancements must remain compatible with the other software products and systems used by its customers. Often, the Corporation must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If the Corporation is unable to successfully integrate third party software to develop new software products and enhancements to existing products, or to complete products currently under development, its operating results will materially suffer. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, the Corporation's operating results will materially suffer. Also, if new industry standards emerge that the Corporation does not anticipate or adapt to, its software products could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed.

### **Reliance on Third Party Software and Providers**

The Corporation currently depends upon third party software products and third party service providers, as applicable, to provide services to its clients. If in the future such reliance existed and the software products and providers, as applicable, were not available, the Corporation might experience delays or increased costs in the provision of its services. Should the Corporation in the future rely upon third-party software licenses, or third party service providers, as applicable, that may not continue to be available to the Corporation, and the related software may not continue to be appropriately supported, maintained, or enhanced by the licensors, the loss by the Corporation of the license to use, or the inability by licensors to support, maintain, and enhance any of such software, could result in increased costs or in delays or reductions in services provided to clients until equivalent software is developed or licensed and integrated with the Corporation's clients. Such increased costs or delays could materially adversely affect its business. The loss of the Corporation's rights to use software licensed to it by third parties, or alternative third party service providers, as applicable, could increase its operating expenses by forcing the Corporation to seek alternative technology and materially adversely affect its ability to compete. If the Corporation is unable to address weaknesses resulting from problems with third party software products or service providers such that its products do not meet customer needs or expectations, its reputation, and consequently, its business may be significantly harmed.

### **Reliance on Third-Party-Owned Communication Networks**

The delivery of the Corporation's products and services and a significant portion of the Corporation's expected revenues are dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the Internet. No assurance can be given of the continued use and expansion of these networks as a medium of communications for the Corporation. Effective delivery of the Corporation's products and services through the Internet is dependent on Internet service providers continuing to expand high-speed Internet access, maintaining reliable networks with the necessary speeds, data capacity and security, and developing complementary products and services for providing reliable and timely access and services. Changes in access fees (for example, revising the application of bandwidth caps or other metered usage schemes) to users may adversely affect the ability or willingness of users to access the Corporation's products and services. Changes in access fees to distributors, such as the Corporation or its service providers, or a departure from "net neutrality" (the principle that all forms of Internet traffic (including video, voice, and text) are subject to equal treatment in transmission speed and quality) or its governing regulations could result in increased costs to the Corporation. All of these factors are out of the Corporation's control and the manifestation of any of them could ultimately have a material adverse effect on the

Corporation's prospects, business, financial condition or results of operations. In addition, increasing traffic, user numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including in particular mobile Internet) performance and/or Internet reliability. Internet outages or delays or loss of network connectivity may result in partial or total failure of the Corporation's services, additional and unexpected expenses to fund further product development or to add programming personnel to complete a development project, loss of revenue because of the inability of clients to use the Corporation's products and services, or the cancellation or discontinuation by clients of the Corporation's services, any of which could have a material adverse effect on the Corporation's prospects, business, financial condition or results of operations.

### **Failure to Protect Intellectual Property**

Failure to protect the Corporation's intellectual property could harm its ability to compete effectively. The Corporation is highly dependent on its ability to protect its proprietary technology. The Corporation intends to rely on a combination of copyright, trademark and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights. The Corporation intends to protect its rights vigorously. However, there can be no assurance that these measures will, in all cases, be successful. Enforcement of the Corporation's intellectual property rights may be difficult. While U.S. and Canadian copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or of the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of the Corporation's proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of the Corporation's products represents a loss of revenue to the Corporation. Despite the precautions the Corporation may take, unauthorized third parties, including its competitors, may be able to: (i) copy certain portions of its products; or (ii) reverse engineer or obtain and use information that the Corporation regards as proprietary. Also, the Corporation's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to the Corporation's technologies. The Corporation's competitive position may be materially adversely affected by its possible inability to effectively protect its intellectual property.

### **Information Technology Defects**

The integrity, reliability and operational performance of the Corporation's information technology ("IT") systems are critical to the Corporation's ability to meet its business objectives. The Corporation's IT systems may be damaged or interrupted by unforeseen or unanticipated increases in usage, human error, unauthorized access, natural hazards or disasters or similarly disruptive events. Any failure of these IT systems or the telecommunications and/or other third-party infrastructure on which such systems rely, as described in "Reliance on Third-Party Owned Communication Networks", could lead to significant costs and disruptions that could reduce the Corporation's revenue, harm the Corporation's business reputation and have a material adverse effect on the Corporation's prospects, business, financial condition or results of operations. The Corporation has procedures and measures in place to protect against network or IT system failures or disruptions. However, those procedures and measures may not be effective to ensure that the Corporation is able to carry on its business in the ordinary course if they fail or are disrupted. In addition, the Corporation's IT systems may not be effective in detecting any intrusion or other security breaches, or safeguarding against sabotage, hackers, denial of service attacks, viruses or cybercrime. Any failure in these protections could harm the Corporation's business reputation and have a material adverse effect on the Corporation's prospects, business, financial condition or results of operations.

### **Use of Open Source Software**

The Corporation's software makes use of and incorporates open source software components. These components are developed by third parties over whom the Corporation has no control. There are no assurances that those components do not infringe upon the intellectual property rights of others. The Corporation could be exposed to infringement claims and liability in connection with the use of those open source software components, and the Corporation may be forced to replace those components with internally developed software or software obtained from another supplier, which may increase its expenses. The developers of open source software are usually under no obligation to maintain or update that software, and the Corporation may be forced to maintain or update such software itself or replace such

software with internally developed software or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to its products. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications the Corporation makes to such software will be available to all downstream users of the software, including its competitors. In addition, certain open source licenses provide that if the Corporation wishes to combine the licensed software, in whole or in part, with its proprietary software, and distribute copies of the resulting combined work, the Corporation may only do so if such copies are distributed under the same terms and conditions as the open source software component of the work was licensed to the Corporation, including the requirement to make the source code to the entire work available to recipients of such copies. The types of combinations of open source software and proprietary code that are covered by the requirement to release the source code to the entire combined work are uncertain and much debated by users of open source software. An incorrect determination as to whether a combination is governed by such provisions will result in non-compliance with the terms of the open source license. Such non-compliance could result in the termination of the Corporation's license to use, modify and distribute copies of the affected open source software and the Corporation may be forced to replace such open source software with internally developed software or software obtained from another supplier, which may increase its expenses. In addition to terminating the affected open source license, the licensor of such open source software may seek to have a court order that the proprietary software that was combined with the open source software be made available to others, including its competitors, under the terms and conditions of the applicable open source license.

### **Risks Related to Collection Processing of Data; Cyber Security Risks**

The Corporation obtains, stores and processes a large amount of data. Any real or perceived improper or unauthorized use of, disclosure of, or access to such data could harm the Corporation's reputation, as well as have a material and adverse effect on the Corporation's business. Cybersecurity risk is the risk of harm, loss and liability resulting from a failure or breach of information technology systems. The Corporation and its third party partners and service providers, including third-party data centers and cloud computing providers that the Corporation uses, obtain and process large amounts of sensitive data, potentially including personal identifiable information ("PII"). The Corporation faces risks in the handling and protection of this data, including PII, and these risks will increase as the Corporation's business continues to expand to include new products and technologies. The Corporation has administrative, technical, and cyber security deterrence measures in place, as well as procedures in place to contractually require third parties to whom the Corporation transfers data to implement and maintain appropriate security measures.

In addition, while the Corporation takes steps to avoid unlawful collection of PII about consumers, it may inadvertently receive this information in the course of its business, in which case it may log this information and may inadvertently release it in contravention of applicable privacy legislation. The Corporation's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against the Corporation, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the Corporation's reputation and loss of goodwill, any of which could have a material adverse impact on operations, financial performance and business. If security measures are inadequate or are breached as a result of third-party action, employee error, malfeasance, malware, phishing, hacking attacks, system error, trickery, or otherwise, and, as a result, bad actors obtain unauthorized access to sensitive information, including personally identifiable information, or if the Corporation suffers a ransomware or advanced persistent threat attack, or if any of the foregoing is reported or perceived to have occurred, the Corporation's reputation and business could be damaged. Any perceived or actual breach of security, regardless of how it occurs or the extent of the breach, could have a significant impact on the Corporation's operations, require the Corporation to expend significant funds to remedy problems caused by breaches and to implement measures to prevent further breaches, cease operations, and expose the Corporation to legal risk and potential liability including resulting from governmental or regulatory investigations, class action litigation and costs associated with remediation, such as fraud monitoring. It is increasingly difficult to identify and protect against these risks due to the rapidly evolving nature of the threats.

## **Revenues from Government Entities**

A portion of the Corporation's revenue is generated by sales to government entities, which are subject to a number of challenges and risks. Sales to government entities are subject to a number of risks. Selling to government entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government certification requirements for products like ours may change, thereby restricting our ability to sell into the U.S. federal government, U.S. state government, or non-U.S. government sectors until we have attained the revised certification. Government demand and payment for the Corporation's offerings may be affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for the Corporation's offerings.

Additionally, the Corporation relies on certain partners to provide technical support services to certain of the Corporation's government entity customers to resolve any issues relating to the Corporation's products. If the Corporation's partners do not effectively assist the Corporation's government entity customers in deploying the Corporation's products, succeed in helping the Corporation's government entity customers quickly resolve post-deployment issues, or provide effective ongoing support, the Corporation's ability to sell additional offerings to new and existing government entity customers would be adversely affected and our reputation could be damaged.

Government entities may have statutory, contractual, or other legal rights to terminate contracts with the Corporation or the Corporation's channel partners for convenience or due to a default, and any such termination may adversely affect the Corporation's future results of operations. Governments routinely investigate and audit government contractors' administrative processes, and any unfavorable audit could result in the government refusing to continue buying our subscriptions, a reduction of revenue, or fines or civil or criminal liability if the audit uncovers improper or illegal activities, which could adversely affect the Corporation's results of operations in a material way.

## **Litigation**

The Corporation may from time to time become party to claims and litigation proceedings, which may include, among other things, those generally related to contractual disputes and allegations by third parties of infringement, misappropriation or other violations of their intellectual property. Such matters are subject to many uncertainties and the Corporation cannot predict with any assurances the outcome and ultimate financial impact from any such claims or proceedings. There can be no guarantee that actions that may be brought against the Corporation in the future will be resolved in its favour or that the insurance the Corporation carries will be available or paid to cover any litigation exposure. Any losses from settlements or adverse judgments arising out of these claims could be materially adverse to the Corporation.

## **United States Tax Classification of the Corporation**

Although the Corporation is a Canadian corporation, the Corporation is classified as a U.S. domestic corporation for United States federal income tax purposes under Section 7874(b) of the U.S. Tax Code and will be subject to United States federal income tax on its worldwide income. However, for Canadian tax purposes, regardless of any application of Section 7874 of the U.S. Tax Code, the Corporation is treated as a Canadian resident corporation. As a result, the Corporation is subject to taxation both in Canada and the United States which could have a material adverse effect on its financial condition and results of operations.

It is unlikely that the Corporation will pay any dividends on the Subordinate Voting Shares in the foreseeable future. However, dividends received by shareholders who are residents of Canada for purposes of the Tax Act will generally be subject to U.S. withholding tax at a 30% rate or such lower rate as provided in an applicable treaty. In addition, a Canadian foreign tax credit or deduction may not be available under the Tax Act in respect of such taxes.

Dividends received by U.S. resident shareholders will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax under the Tax Act. Dividends paid by the Corporation will be characterized as U.S. source income for purposes of the foreign tax credit rules under the U.S. Tax Code. Accordingly, U.S. shareholders generally will not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, they have an

excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax.

Dividends received by shareholders that are neither Canadian nor U.S. residents will generally be subject to U.S. withholding tax and will also be subject to Canadian withholding tax. These dividends may not qualify for a reduced rate of U.S. withholding tax under any income tax treaty otherwise applicable to a shareholder of the Corporation, subject to examination of the relevant treaty.

Since the Corporation is classified as a U.S. domestic corporation for United States federal income tax purposes under Section 7874(b) of the U.S. Tax Code, the Subordinate Voting Shares will be treated as shares of a U.S. domestic corporation and shareholders will be subject to the relevant provisions of the U.S. Tax Code and/or the Treaty. As a result, the United States gift, estate and generation-skipping transfer tax rules generally apply to a non-United States shareholder of Subordinate Voting Shares.

EACH SHAREHOLDER SHOULD SEEK TAX ADVICE, BASED ON SUCH SHAREHOLDER'S PARTICULAR FACTS AND CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR, INCLUDING, WITHOUT LIMITATION, IN CONNECTION WITH THE CORPORATION'S CLASSIFICATION AS A U.S. DOMESTIC CORPORATION FOR UNITED STATES FEDERAL INCOME TAX PURPOSES UNDER SECTION 7874(b) OF THE U.S. TAX CODE, THE APPLICATION OF THE U.S. TAX CODE, THE APPLICATION OF THE TREATY, THE APPLICATION OF U.S. FEDERAL ESTATE AND GIFT TAXES, THE APPLICATION OF U.S. FEDERAL TAX WITHHOLDING REQUIREMENTS, THE APPLICATION OF U.S. ESTIMATED TAX PAYMENT REQUIREMENTS AND THE APPLICATION OF U.S. TAX RETURN FILING REQUIREMENTS.

### **COVID-19 and Global Health Crisis**

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, including the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact the Corporation's operations, could postpone commercial activities, and could impair the Corporation's ability to raise funds depending on the effect of COVID-19 on capital markets.

### **Financial Support for Subsidiaries**

The Corporation may, from time to time, provide intercompany loan agreements with the Corporation's subsidiaries. In funding such subsidiaries, the Corporation will have less cash flow available to support operations and other general activities. If the Corporation is unable to generate sufficient cash flows in the future to support the Corporation's operations and service any debt as a result of funding its subsidiaries, the Corporation may be required to refinance all or a portion of the Corporation's existing debt, as applicable, or to obtain additional financing. There can be no assurance that any refinancing will be possible or that any additional financing could be obtained on acceptable terms. The inability to service or refinance the Corporation's existing debt or to obtain additional financing would have a material adverse effect on the Corporation's financial position, liquidity and results of operations.

### **Currency Fluctuations**

Due to the Corporation's present operations in the US and Canada, and intention to expand operations in multiple jurisdictions outside of North America, the Corporation is expected to be exposed to significant currency fluctuations. Increased volatility in the currency markets is expected. Fluctuations in CAD, USD and other dollar exchange rates may have a material adverse effect on the Corporation's business, financial condition and operating results. In connection with any global expansion, the Corporation may be subject to additional gains or losses against various

additional currencies. The Corporation may establish a foreign exchange hedging program in the future, with the objective of minimizing impact of fluctuations in foreign exchange rates.

### **Conflicts of Interest**

The Corporation may be subject to various potential conflicts of interest because of the fact that some of its officers, directors and consultants may be engaged in a range of business activities, including certain officers, directors and consultants that provide services to other companies involved in data analytics. The Corporation's executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Corporation. In some cases, the Corporation's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that may interfere with their ability to devote time to the Corporation's business and affairs and that could adversely affect the Corporation's operations. In addition, the Corporation may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which the Corporation may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Corporation. 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 Corporation's directors, 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 Corporation are required to act honestly, in good faith and in the best interests of the Corporation.

### **Enforcement of Judgements**

Certain of the Corporation's operations and assets are located outside of Canada and certain of its directors and officers reside outside of Canada. Although the directors and officers who reside outside of Canada have appointed an agent for service of process in Canada, it may not be possible for investors to enforce against such person's judgements obtained in Canadian courts. Investors are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or that resides outside of Canada, even if the party has appointed an agent for service of process.

### **INTEREST OF EXPERTS**

Each of Goodmans LLP, counsel for the Corporation, and Dickinson Wright LLP, counsel for the Agent, have provided its opinion on certain matters contained in this short form prospectus. As of the date hereof, partners and associates of Goodmans LLP and Dickinson Wright LLP, each as a group, own, directly or indirectly, in the aggregate, less than 1% or no securities of the Corporation.

Grant Thornton LLP are the auditors of the Corporation and are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

MNP LLP were the auditors of the Corporation (previously existing as Good2Go Corp.) for the period from incorporation on February 28, 2018 to completion of the QT on June 28, 2021. MNP LLP was independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

### **PROMOTER**

Staff at the Ontario Securities Commission has notified the Corporation that it is currently of the view that Daren Trousdell is a promoter of the Corporation within the meaning of applicable securities laws. Pursuant to section 58(5) of the *Securities Act* (Ontario), the Director has consented to Daren Trousdell not signing a Certificate of Promoter for this short form prospectus in accordance with the requirement under section 58(1) of the *Securities Act* (Ontario) and section 5.11 of NI 41-101.

The Corporation has been advised by the Ontario Securities Commission that the issuance of a receipt by or on behalf of the applicable Canadian Securities Administrators by the Ontario Securities Commission for this short form prospectus will evidence the granting of the foregoing consent.

For information regarding Daren Trousdell's ownership of voting securities of the Corporation, see "*Directors and Executive Officers*".

#### **ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS**

Certain of the Corporation's operations and assets are located outside of Canada, and certain of its officers, directors and shareholders, reside outside of Canada. Although Daren Trousdell, chief executive officer and director of NowVertical, John Adamovich, chief financial officer and director of NowVertical, and Aimee Lessard, David Whitmire and Cody Shankman, each officers of NowVertical, have appointed the Corporation located at 1 King Street West, Suite 1505, Toronto, Ontario M5H 1A1, as their agent for service of process in Canada, it may not be possible for purchasers to enforce against such person judgments obtained in Canadian courts predicated on the civil liability provisions of applicable securities laws in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

#### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering of warrants (including the Warrants comprising part of the Units), investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this short form prospectus is limited, in certain provincial securities legislation, to the price at which the warrant is offered to the public under the short form prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

## CERTIFICATE OF THE CORPORATION

Dated: December 7, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except the Province of Québec.

(Signed) "*Daren Trousdell*"  
Daren Trousdell  
Chief Executive Officer

(Signed) "*John Adamovich*"  
John Adamovich  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*Elaine Kunda*"  
Elaine Kunda  
Director

(Signed) "*Darrell MacMullin*"  
Darrell MacMullin  
Director

## **CERTIFICATE OF THE AGENT**

Dated: December 7, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except the Province of Québec.

ECHELON WEALTH PARTNERS INC.

By: (Signed) "*Christine Young*"  
Christine Young  
Managing Director, Head of Origination

