



**AMENDED & RESTATED
ANNUAL INFORMATION FORM
for the year ended December 31, 2021**

Dated: September 27, 2022

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ANNUAL INFORMATION FORM

INTRODUCTION

General

This Amended and Restated Annual Information Form (the “**Annual Information Form**”) amends and restates the Annual Information Form of NowVertical Group Inc. dated September 26, 2022. In this Annual Information Form, unless the context otherwise requires, “NowVertical”, the “Company”, “we”, “us” or “our” refers to NowVertical Group Inc., its subsidiaries and divisions and their respective predecessors. The Company presents its financial information in United States dollars. All references to “dollars”, “\$” and “US\$” are to United States dollars and all references to “C\$” are to Canadian dollars. For an explanation of certain of the capitalized terms and expressions, please refer to the “Glossary of Terms” at the end of this Annual Information Form. Unless otherwise indicated, the information contained herein is given as at December 31, 2021.

Forward-Looking Information

All information other than statements of current and historical fact contained in this Annual Information Form is forward-looking information. In certain cases, forward-looking information can be identified by the use of words such as “plans”, “targets”, “expects”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “intends”, “anticipates”, “projects”, “indicates”, “predicts”, “believes”, “goal”, “seek”, “likely”, “pro forma” or the negative of these terms, or other similar expressions, events or conditions that “will”, “would”, “may”, “could” or “should” occur and similar words or the negative thereof. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to the Company’s financial position, business strategy, growth strategies, addressable markets, the duration and impact of the COVID-19 pandemic on the business, budgets, operations, financial results, taxes, plans and objectives. Particularly, information regarding the Company’s expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of management’s experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. Although the Company believes that the assumptions underlying these statements are reasonable as of the date of this Annual Information Form, they may prove to be incorrect and there can be no assurance that actual results will be consistent with these forward-looking statements. 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 Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including, but not limited to those listed in this Annual Information Form under “Risk Factors”, which factors should not be considered exhaustive and should be read together with the other cautionary statements in the Company’s disclosure documents.

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.

Although the Company bases these forward-looking statements on assumptions that it believes are reasonable when made, the Company 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 Annual Information Form. In addition, even if the Company’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 Annual Information Form, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, investors are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement that is made in this Annual Information Form speaks only as of the date

of such statement, and the Company 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. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

All of the forward-looking information contained in this Annual Information Form is expressly qualified by the foregoing cautionary statements.

CORPORATE STRUCTURE

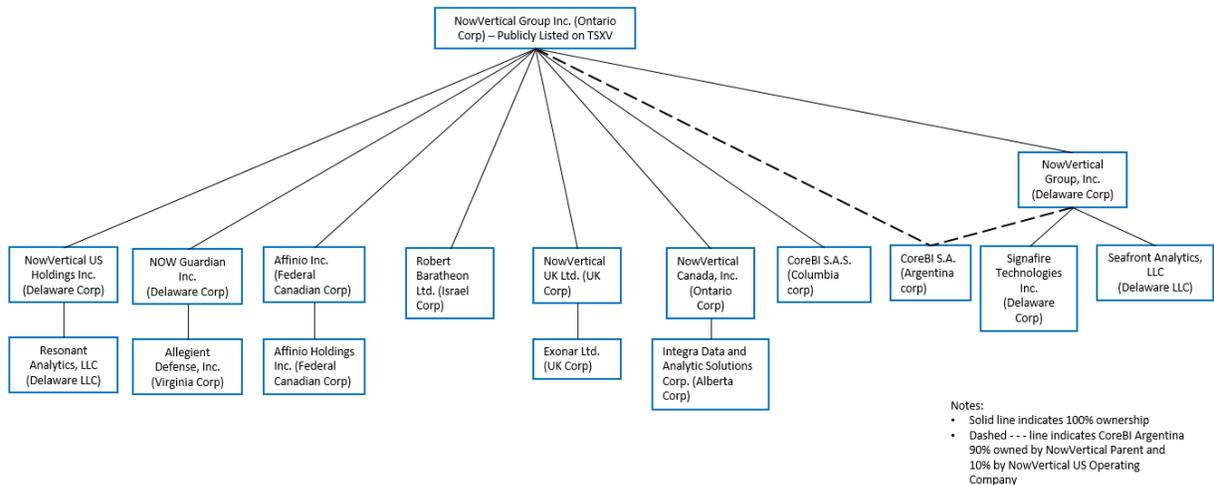
Name, Address and Incorporation

NowVertical Group Inc. is a corporation existing under the OBCA. Prior to the Company’s name change in connection with the closing of its qualifying transaction (the “QT”), NowVertical was a capital pool company listed on the TSXV known as Good2Go Corp. (“G2G”). The Company’s Subordinate Voting Shares are listed on the TSXV under the symbol “NOW”.

The Company’s head and registered office is located at 333 Bay Street, Suite 3400, Toronto, Ontario M5V 2S7.

Intercorporate Relationships

The following diagram sets out the material subsidiaries of the Company, 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 Company:



GENERAL DEVELOPMENT OF THE BUSINESS

NowVertical Group, Inc. (“**NowVertical US**”), currently a U.S. operating subsidiary of the Company, was incorporated on September 22, 2020 in Delaware, USA, as a data analytics and software services company. Prior to completion of the QT, the business of NowVertical was conducted by NowVertical US. As a matter of emphasis, the Company, 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. Unless the context otherwise requires, references to “NowVertical”, the “Company”, “we”, “us” or “our” include NowVertical Group Inc., its subsidiaries (including NowVertical US), divisions and their respective predecessors.

On November 13, 2020, the Company acquired a 49% interest in Seafront Analytics, LLC (“**Seafront**”), a leading data analytics service provider to private and public sector clients. In connection with its investment, the Company

was granted a call option to acquire all of the remaining interests in Seafront for \$1.00, which it subsequently exercised on December 31, 2021.

On November 20, 2020, the Company, by way of merger, acquired Signafire Technologies, Inc. (“**Signafire**”), a data fusion and data analytics software company. The acquisitions of Seafront and Signafire helped to form the initial group companies comprising NowVertical, allowing the Company to offer a broad range of data analytics software and services.

On March 22, 2021, NowVertical US entered into a business combination agreement with G2G, an OBCA corporation, which contemplated the acquisition by G2G of all the issued and outstanding shares of NowVertical US. The transaction, which was structured as a “three-cornered” amalgamation and a reverse triangular merger, constituted a reverse takeover of G2G by NowVertical US and the qualifying transaction of G2G under TSXV 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 US. The Subordinate Voting Shares commenced trading on the TSXV on July 5, 2021 (the “**Listing Date**”).

On March 23, 2021, NowVertical US, through NVG Canada Finco, Inc. (“**Finco**”), completed a brokered private placement (the “**Private Placement**”) of an aggregate of 8,394,000 subscription receipts for common shares of Finco (“**Subscription Receipts**”) at a price of C\$1.00 per Subscription Receipt for aggregate gross proceeds of C\$8,394,000. Finco was a special purpose Ontario company incorporated solely for the purpose of completing the Private Placement in connection with the QT. The Private Placement was completed pursuant to the terms of an agency agreement dated March 23, 2021 among G2G, NowVertical US, Echelon, as lead agent, and Canaccord Genuity Corp., Stifel Nicolaus Canada Inc. and Haywood Securities Inc. as agents. Pursuant to the terms of a subscription receipt agreement dated March 23, 2021 (the “**Subscription Receipt Agreement**”) among NowVertical US, Finco, Echelon (the “**Agent**”) and TSX Trust Company in its capacity as subscription receipt agent, each Subscription Receipt entitled the holder thereof to receive, upon automatic exchange in accordance with the terms of the Subscription Receipt Agreement, without payment of additional consideration, one common share of Finco upon the satisfaction or waiver of certain escrow release conditions on or before July 21, 2021. Each common share of Finco was then exchanged for one Subordinate Voting Share upon completion of the QT. The Company agreed to pay the Agent a cash fee of approximately C\$587,580 in connection with the Private Placement and granted the Agent 587,580 warrants to purchase one common share of Finco (then exchanged for one warrant to purchase one Subordinate Voting Share of the Company). Net of the Agent’s cash fee and transaction expenses, the Company raised \$5,884,753.

On August 5, 2021, the Company acquired all the outstanding securities of Integra Data and Analytic Solutions Corp. (“**Integra**”), a data analytics software and services company. The acquisition of Integra provided the Company with a strong technology and strategy team, with which it has built out its energy and renewables vertical and integrated Integra’s proprietary technology, Digital Hub, into the NOW data analytics platform.

On October 1, 2021, the Company acquired substantially all of the assets of DocAuthority Ltd., an Israeli-based data governance SaaS platform that helps companies save money and reduce risk by organizing, managing and protecting their data.

On November 1, 2021, the Company acquired all of the 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.

On December 15, 2021, the Company completed an overnight marketed public offering of 10,894,756 units of the Company (the “**Units**”) at a price of C\$0.95 per Unit for gross proceeds of C\$10,350,018 (the “**Unit Offering**”). The Unit Offering was conducted on a “best efforts” basis by Echelon, as sole agent and bookrunner. Each Unit consisted of one Subordinate Voting Share and one-half of one Subordinate Voting Share purchase warrant (each whole warrant, a “**Warrant**” and collectively, the “**Warrants**”). Pursuant to the terms of a warrant indenture dated December 15, 2021 (the “**Warrant Indenture**”) between the Company and TSX Trust Company, in its capacity as warrant agent (the “**Warrant Agent**”), each Warrant is exercisable for one Subordinate Voting Share (a “**Warrant Share**”) at a

price of C\$1.25 per Warrant Share for a period of 24 months following closing of the Unit Offering. The Warrants commenced trading on the TSXV under the symbol “NOW.WT” on December 15, 2021.

On January 7, 2022, the Company filed a preliminary short form base shelf prospectus with securities commissions in each of the provinces of Canada, other than Quebec to allow the Company and certain of its security holders to qualify the distribution by way of prospectus of up to C\$65 million of Subordinate Voting Shares, debt securities, warrants, subscription receipts, and/or units, during the 25-month period that the base shelf prospectus is effective. Subsequently, on January 24, 2022, the Company announced that it had filed and obtained a receipt for a final short form base shelf prospectus with the securities commissions in each of the provinces of Canada, other than Quebec.

On February 17, 2022, the Company acquired all of the issued and outstanding securities of CoreBI S.A. and CoreBI S.A.S. (together, “**CoreBI**”), an ISO 9000 certified data science and analytics firm that provides data engineering, big data, data governance, business intelligence and data science in Latin America. Operating from two primary locations in Argentina (Buenos Aires & Cordoba) and also from Bogotá, Colombia, CoreBI was founded in 2006 by Leandro Srur and Mauricio Pinto. The company is focused on empowering bold decision-making for its customers through big data, data-driven consulting, business intelligence, advanced-analytical models, and data governance business insights. CoreBI currently services more than 20 marquee customers across the banking and finance, telecommunications, retail, energy, and pharmaceutical industries. With over 60 regional success stories, CoreBI works with some of the world’s most recognizable global enterprises, including Metlife Worldwide, Disney, Nike, Visa, and Raizen Energia, providing consulting services and software solutions across the big data analytics value chain.

On March 25, 2022, the Company acquired 100% of the issued and outstanding securities of Exonar Ltd. (“**Exonar**”), a UK-based software solutions firm. Exonar’s core software offers enterprise-scale, big data architecture and machine learning technology that handles diverse data sources and types to locate sensitive and vital information, enabling users to manage compliance issues quickly and securely.

On April 6, 2022, the Company acquired 100% of the issued and outstanding securities of Allegient Defense, Inc. (“**Allegient Defense**”) a U.S.-based government defense contractor providing systems engineering and technical assistance support to the U.S. Department of Defense. Allegient Defense is a trusted advisor and partner to the U.S. federal government, providing technical expertise related to cloud computing, data analytics, artificial intelligence/machine learning, directed energy, autonomous aerial vehicles, and next-generation weapons systems and bringing together premier talent in engineering, information technology, program and project management, executive support, data management and compliance.

On July 20, 2022, the Company acquired 100% of the issued and outstanding securities of Resonant Analytics LLC (“**Resonant**”), a USA-based guided solutions analytics firm providing CRM program strategy, database marketing and business intelligence solutions to Fortune 500 companies. The acquisition was made to significantly expand the U.S. commercial business of the Company’s Solutions segment, adding opportunities in addition to the Company’s established government vertical in the fast-growing market for data and data analytics solutions.

Concurrent with the closing of its acquisition of Allegient Defense, the Company secured a \$5,800,000 credit facility with US-based MVB Bank, comprising a \$3,800,000 term loan bearing interest at the five year U.S. treasury rate plus 3.25% (with a floor of 4.5%) and a \$2,000,000 revolving line of credit bearing interest at the WSJ prime rate plus 0.25% (with a floor of 3.5%), and concurrent with the closing of its acquisition of Resonant, the Company secured a \$1,600,000 credit facility with MVB Bank, comprising a \$1,350,000 term loan bearing interest initially at the three month U.S. treasury rate plus 3.15% (with a floor of 4.5%) and a \$250,000 revolving line of credit bearing interest at the WSJ prime rate plus 0.5% (with a floor of 4.5%) (together, the “**Facility**”). The Facility is intended to provide the Company with increased flexibility for meeting working capital requirements.

On September 22, 2022, the Company announced that it has launched a marketed public offering (the “**Debenture Unit Offering**”) of senior unsecured convertible debenture units (“**Debenture Units**”) of the Company for gross proceeds of up to C\$5,000,000. Each Debenture Unit will consist of one senior unsecured convertible debenture (each a “**Convertible Debenture**”) of the Company having a face value of C\$1,000 and 715 Subordinate Voting Share purchase warrants of the Company (each a “**Debenture Unit Warrant**”). The Debenture Unit Offering will be completed by way of a prospectus supplement dated September 26, 2022 (the “**Prospectus Supplement**”) to the short

form base shelf prospectus of the Company dated January 21, 2022 filed with the securities commissions in all the Provinces of Canada except Quebec. The Company intends to complete, concurrent with the completion of the Debenture Unit Offering, a private placement of Debenture Units with investors in the Province of Quebec for total gross proceeds of up to C\$500,000 pursuant to available prospectus exemptions (the “**Concurrent Placement**”). The Debenture Unit Offering and Concurrent Placement will be conducted by Echelon, as sole agent and bookrunner, and is subject to customary closing conditions, including the receipt of all necessary regulatory and other approvals including the approval of the TSX-V. In addition, the Company has granted Echelon an option to purchase up to an additional 15% of the Debenture Units sold under the Debenture Unit Offering, which may be exercised, in whole or in part, to purchase Debenture Units, Convertible Debentures or Debenture Unit Warrants as determined by Echelon upon written notice to the Company at any time up to 30 days following and including the closing date of the Debenture Unit Offering. For further details, including a more fulsome description of the Debenture Units, Convertible Debentures and Debenture Unit Warrants, please refer to the Prospectus Supplement, which has been filed on the Company’s SEDAR profile, accessible at www.sedar.com.

DESCRIPTION OF THE BUSINESS

Business Overview

NowVertical is a data, analytics and Vertical Intelligence™ (“**VI**”) software and services company that is growing organically and through acquisition. Since its inception in September 2020, the Company has been acquiring complementary companies and technologies to execute its growth strategy. In the approximately twenty-four months since inception to the date of this Annual Information Form, the Company has successfully completed nine acquisitions.

Technologies, Products and Services

The Company’s Vertical Intelligence software and services solutions address industry-specific needs in three areas: (i) data transformation (including data fusion, mobilization and securitization), (ii) data visualization and analysis, and (iii) artificial intelligence and automation. Our proprietary technologies include NOW Fusion, NOW Privacy, NOW DataBench, NOW Affinio Social and NOW Affinio Snowflake.

The Company’s proprietary software is described below:

- NOW Fusion is a database fusion technology that brings together structured and unstructured data from both inside and outside an organization to drive enhanced business analysis.
- NOW Privacy is a data discovery, management and workflow tool that accelerates data governance, data efficiency and data management to an entire organization’s data set.
- NOW DataBench is a unified analytics operating framework that brings business intelligence tools into a single interface to empower more people in an organization to make informed decisions using their data.
- NOW Affinio Snowflake offers a privacy-safe data mobilization solution that enables secure data access across internal and external stakeholders.
- NOW Affinio Social is a state-of-the-art data clustering platform that creates affinity graphs based on third-party data sources that delivers transformative value in the way companies are analyzing data and acquiring new customers.
- NOW Solutions is a global data, analytics and consulting network that accelerates its private and public sector customers to realize the impact of their data and technology assets. The NOW Solutions network team are experts in NOW’s Proprietary Software assets, offering them a unique differentiator in the market, and also in other third-party technologies, to maintain an agnostic perspective.

The Company’s operating segments are (i) Technology, which comprises activity from the Company’s technology tools and platforms divisions, (ii) Solutions, which comprises activities from the Company’s services divisions, and (iii) Corporate, which includes corporate costs.

Industry

Market Segments

NowVertical targets two distinct, but related, market segments, being (i) the data and analytics software and services market, and (ii) the global Artificial Intelligence market. NowVertical brings these two markets together under its Vertical Intelligence offering, which connects the broad nature of data in a modern organization with the specificity required to develop and deploy Artificial Intelligence in practice. While many organizations are in the earliest stages with respect to both market segments, NowVertical's ability to connect the two under a federated model of software and services differentiates NowVertical from its competitors. Our customers range from CIOs to CDOs to data analysts and customer intelligence personnel, and our broad, federated offering enables us to target public and private customers across the technology and services spectrum.

Industry Trends

Digital transformation within companies is creating the multi-hundred-billion-dollar market in which NowVertical operates. According to International Data Corporation, investments in big data software and services spending is increasing at a 13.2% compound annual growth rate from the five-year period beginning in 2019 with the total, global AI market reaching \$394 billion in 2026. The Company is well positioned to capitalize on this this large market and aggressive market growth rate.

Growth Strategy

NowVertical's growth is predicated on the organic growth of its businesses, its ability to identify suitable acquisition targets and execute transactions and the successful integration of acquired companies.

Organic Growth

The Company 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 Vertically Intelligent solutions in industry that deliver transformative value through the generation of predictive modeling solutions. This unifying vision and operating model enables each of our business units to broaden its impact without losing the expertise of its offering. The Company also benefits from synergies across the group, specifically in that the global NOW Solutions network can serve as a sales accelerant for our proprietary technologies. Organic growth is also enhanced by integrating our acquisitions into our central sales enablement structure, which augments an acquisition's direct sales with access to a central marketing and lead generation function and our global channel partner network, in conjunction with strong incentives to cross-sell across the NowVertical group of businesses.

Acquisitions & Integration

NowVertical is also pursuing growth through accretive acquisitions. We seek to acquire leading data and analytics software and services companies and provide them with the resources to accelerate their scale and profitability by integrating into NowVertical's operating model. NowVertical's acquisition strategy is focused on acquiring fundamentally solid, financially performing businesses. Our preferred targets have outstanding management teams, established customer bases and recurring software and services revenues. We adjust our evaluation criteria based on the relative stage of each acquisition target and assess a multitude of criteria when considering an acquisition. The Company's currently contemplated criteria do not include all factors that may make an acquisition viable, and our evaluation criteria and other analytic metrics are subject to change and refinement over time.

We integrate our acquisitions with our greater business by including those companies in our standard operating model, which prioritizes enhancing revenue, improving profitability, and standardizing processes to reveal efficiencies. With growth through integration as a priority, NowVertical's operating model standardizes all back-office functions within a set of efficient, global standards while offering revenue scaling through three additional revenue streams, being (i) the global NOW network of software and services companies, a commercially-led network of our senior commercial and sales leaders creating revenue opportunities across the Company, governed by a revenue sharing model, (ii) our global channel partner network, a centrally managed third party channel program comprised of value-added resellers, distributors, alliance partners, system integrators, agencies and vendors that sell NOW software and services, and (iii) our central lead generation and sales enablement function.

Competitive Conditions

The data analytics market is rapidly evolving, fragmented and highly competitive, and the current competitive landscape suffers from two major barriers to broad, enterprise adoption:

1. Large technology vendors offer a “one-size-fits-all” model that inhibits an enterprise’s ability to leverage their data in a manner specific to their vertical; and
2. Deep, vertical experts that are industry-specific run into a scaling issue due to the scarcity of talent, the operational cost of expansion, and pressure from large technology vendors.

We believe that NowVertical competes favourably across these factors. However, many of the Company’s competitors and potential competitors are larger and have the benefit of greater brand name recognition, longer operating histories, access to larger customer bases, larger sales and marketing budgets and significantly greater resources. Moreover, because the Company’s principal market is changing rapidly, it is possible that additional new entrants could introduce new products and services that disrupt the Company’s business. For more information, see “Risk Factors – Risks Related to our Business and Industry”.

Intellectual Property

NowVertical’s intellectual property rights are important to its business. The Company is in pursuit of intellectual property registrations in relevant jurisdictions. The Company owns and licenses certain patents in the ordinary course, and has various patent applications granted and pending, including through its wholly-owned subsidiaries, Affinio and Robert Baratheon Ltd., none of which is material to the Company. NowVertical protects its intellectual property rights through a combination of trade-marks and trade secret laws, as well as contractual provisions.

NowVertical uses non-disclosure agreements with business partners, prospective customers and other relationships where disclosure of proprietary information may be necessary. The Company also uses such agreements with its employees and consultants which assign to the Company all intellectual property developed in the course of their employment or engagement. The Company also secures from such individuals obligations to execute such documentation as is reasonably required by the Company to evidence its ownership of such intellectual property.

We are subject to risks related to our intellectual property. For more information, see “Risk Factors – Risks Related to our Business and Industry”.

Specialized Skills and Knowledge

The NowVertical team is comprised of experts to execute on its organic revenue growth, acquisition and integration strategies. On the corporate management side, the Company’s team includes management with experience and specialized skills, including operations and in executing on M&A transactions. On the technology side, the Company’s expertise is sought by stakeholders across the strategic, operational and tactical spectrums to support sophisticated public sector security initiatives. The Company’s team has been at the cutting edge of multisource and open-source intelligence analytics for more than a decade in both the public and private sectors. The team has developed and integrated specialized data and technology deployments across global markets and in many different verticals and possess an expert-level understanding of how to develop and implement advanced analytical technologies, provide analytic consulting and training, and conduct technical and analytical testing and evaluation.

Employees

As of August 31, 2022, NowVertical’s global headcount sits at 432 with 22 located in Canada, 86 located in the United States and 284 located elsewhere. None of our employees are represented by a labour organization or are party to a collective bargaining arrangement.

Regulatory Environment

NowVertical is subject to applicable Canadian and foreign privacy laws regarding the collection, use, disclosure and protection of client and employee data. Among other things, Canada’s federal *Personal Information Protection and*

Electronic Documents Act (“**PIPEDA**”) and its provincial counterparts govern the collection, use and disclosure of personal information in the course of commercial activities by private sector organizations in Canada. In addition, personal information protection legislation regulates the Company’s handling of employee personal information. PIPEDA and its provincial counterparts impose various obligations on the Company and restrict the Company’s use of personal information to the purposes for which it was originally collected or for other specific purposes specified in the applicable legislation.

NowVertical, through its subsidiaries, engages directly and indirectly with the U.S. government. U.S. government contracts are subject to procurement laws and regulations. Some of the Company’s contracts are governed by the Federal Acquisition Regulation (“**FAR**”), which contains uniform policies and procedures for acquiring goods and services by the U.S. government, and agency-specific acquisition regulations that implement or supplement the FAR. The Department of Defense implements the FAR through the Defense Federal Acquisition Regulations (“**DFAR**”). The FAR also contains guidelines and regulations for managing a contract after award, including conditions under which contracts may be terminated, in whole or in part, at the government’s convenience or for default. These regulations also subject the Company to financial audits and other reviews by the government of its costs, performance, accounting and general business practices relating to its government contracts, which may result in adjustment of the Company’s contract-related costs and fees. The Company adheres to the FAR and DFAR.

When operating in countries outside of Canada and the United States, the Company will deploy best practices to establish and/or maintain the proper status to operate in such jurisdictions. The Company is also subject to local data governance and privacy laws where it operates, depending on the nature of the services it provides in various jurisdictions.

RISK FACTORS

The Company’s business is subject to a variety of risks and special considerations. As a result, prospective investors in the Company should carefully consider the risks described below and the other information included in this Annual Information Form and any information gathered as a result of the prospective investor’s own independent evaluation of the Company and its business before deciding to invest in the Subordinate Voting Shares, the Warrants or any other securities of the Company. The following summary of “risk factors” does not purport to be exhaustive or to summarize all the risks that may be associated with purchasing or owning Subordinate Voting Shares or Warrants. Additional risks and uncertainties not presently known to NowVertical, or that it believes to be immaterial, may impair the Company’s business. Each potential investor is advised and expected to conduct its own investigation into the Company and to arrive at an independent evaluation of the investment. If any of the following risks actually occur, the Company’s business, financial condition and results of operations could suffer. In that case, the value of the Subordinate Voting Shares or the Warrants could decline and the investor could lose all or part of its investment.

Risks Related to our Business and Industry

Limited Operating History

The Company has a limited operating history upon which its business and future prospects may be evaluated. The Company 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 Company 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 Company 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 Company’s products and services are not accepted by new customers, the Company’s operating results may be materially and adversely affected.

Negative Operating Cash Flow

The Company had negative operating cash flow in the financial year ended December 31, 2021. While the Company anticipates that it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, the Company will use its available cash balance to fund any such negative cash flow. If the Company experiences future negative cash flow, the Company 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 Company 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 Company.

Growth-Related Risks

The Company is subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company 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 Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company has grown rapidly over the last several years, and as a result, the Company's ability to forecast its future results of operations is subject to a number of uncertainties, including its ability to effectively plan for and model future growth. Any predictions about the Company's future revenue and expenses may not be as accurate as they would be if it had a longer history of high sales or operated in a more predictable market. The Company has encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If the Company's assumptions regarding these risks and uncertainties, which it uses to plan and operate its business, are incorrect or change, or if the Company does not address these risks successfully, its results of operations could differ materially from its expectations, its growth rates may slow, and its business would suffer.

Pursuing Acquisitions and Integrating Acquired Companies

One of the Company's strategies to grow its business is to continue to pursuing accretive acquisitions of complementary businesses, technologies and services. This strategy will depend on the Company's ability to find suitable acquisitions and finance them on acceptable terms. If the Company is unable to acquire suitable acquisition candidates, it may experience slower growth. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and the Company may not be able to complete acquisitions successfully. The Company may require additional debt or equity financing for future acquisitions. Raising additional capital for acquisitions through debt financing would result in increased interest expense and may involve agreements that include covenants limiting or restricting the Company's ability to take certain actions, such as incurring additional debt, making capital expenditures or declaring dividends. If the Company raises additional capital for acquisitions through equity financing, the ownership interests of existing Shareholders will be diluted.

The success of the acquisitions will depend, in part, on the ability of the Company to realize the anticipated benefits and synergies from integrating those companies into the businesses of the Company. The Company 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 Company's management, the Company 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 Company's business, financial condition and results of operations. The Company 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 Company's management. There is no assurance that acquisitions will be successfully integrated in a timely manner.

Competition

Numerous factors will affect the Company'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 Company'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 Company is able to offer. The Company 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 Company's business and thus, provide better services than the Company.

It is possible that the Company will face additional competition from new entrants. To remain competitive, the Company will require a continued high level of marketing, sales and support to its clients. The Company 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 Company.

Some of the Company's competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with systems integrators, third-party consulting firms or other parties, thereby limiting the Company's ability to promote its products. Any such consolidation, acquisition, alliance or cooperative relationship could lead to pricing pressure and the Company's loss of market share and could result in a competitor with greater financial, technical, marketing, service and other resources, all of which could have a material adverse effect on the Company's business, results of operations and financial condition.

Consolidation within the Company's existing and target markets as a result of mergers or other strategic transactions may also create uncertainty among customers as they realign their businesses and impact new sales and renewal rates. For example, mergers or strategic transactions by potential or existing customers may delay orders for the Company's products and services or cause the use of its products to be discontinued, which could have a material adverse effect on the Company's business, results of operations and financial condition.

Reliance on Management

Investors must rely on the judgment, experience, ability and good faith of the Company, 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 Company are not required to devote all of their business time and attention to the Company's business.

Reliance on Contracts with Key Customers

Revenues attributable to the Company's business is dependent upon certain significant customers. There can be no assurance that the Company's contracts with these key customers will be renewed or that the Company's services will continue to be utilized by those key customers. There could be material adverse effects on the businesses of the Company if a key client does not renew its contracts with the Company, or elects to terminate its contracts with the Company in favour of another service provider. Furthermore, there is no assurance that any new agreement or renewal entered into by the Company 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 Company's business. In some cases, these contracts may be terminated by the counterparty at any time for convenience. In addition, the Company's 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 Company 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 Company's systems; increases in independent contractor costs; and litigation. As a result, there is a risk that the Company may not have sufficient capacity to meet the anticipated demand or to meet future demand when it arises.

Rapid Technological and Legal Change

The Company operates in an industry which experiences frequent new product introductions and evolving industry standards, which could cause the Company's products and software solutions to become obsolete. The length or direction of the Company's development cycle may impact its ability to react to new technology trends and customer needs. Further, the Company operates in an industry which continues to experience changes in laws and regulations, which could adversely impact the Company'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 Company to, in the future, change business practices, or limit or inhibit the Company'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 Company 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 Company'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 Company must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If the Company 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 Company's operating results will materially suffer. Also, if new industry standards emerge that the Company 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 Company 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 Company might experience delays or increased costs in the provision of its services. Should the Company 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 Company, and the related software may not continue to be appropriately supported, maintained, or enhanced by the licensors, the loss by the Company 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 Company's clients. Such increased costs or delays could materially adversely affect its business. The loss of the Company'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 Company to seek alternative technology and materially adversely affect its ability to compete. If the Company 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 Company's products and services and a significant portion of the Company'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 Company. Effective delivery of the Company'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 Company's products and services. Changes in access fees to distributors, such as the Company 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 Company. All of these factors are out of the Company's control and the manifestation of any of them could ultimately have a material adverse effect on the Company'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 Company'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 Company's products and services, or the cancellation or discontinuation by clients of the Company's services, any of which could have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

Failure to Protect Intellectual Property

Failure to protect the Company's intellectual property could harm its ability to compete effectively. The Company is highly dependent on its ability to protect its proprietary technology. The Company 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 Company intends to protect its rights vigorously. However, there can be no assurance that these measures will, in all cases, be successful. Enforcement of the Company'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 Company's proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of the Company's products represents a loss of revenue to the Company. Despite the precautions the Company 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 Company regards as proprietary. Also, the Company's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to the Company's technologies. The Company'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 Company's information technology ("IT") systems are critical to the Company's ability to meet its business objectives. The Company'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 Company's revenue, harm the Company's business reputation and have a material adverse effect on the Company's prospects, business, financial condition or results of operations. The Company 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 Company is able to carry on its business in the ordinary course if they fail or are disrupted. In addition, the Company'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 Company's business reputation and have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

Use of Open Source Software

The Company's software makes use of and incorporates open source software components. These components are developed by third parties over whom the Company has no control. There are no assurances that those components do not infringe upon the intellectual property rights of others. The Company could be exposed to infringement claims and liability in connection with the use of those open source software components, and the Company 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 Company 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 Company 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 Company wishes to combine the licensed software, in whole or in part, with its proprietary software, and distribute copies of the resulting combined work, the Company 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 Company, 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 Company's license to use, modify and distribute copies of the affected open source software and the Company 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 and Processing of Data; Cyber Security Risks

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

In addition, while the Company 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 Company's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against the Company, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the Company'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 Company suffers a ransomware or advanced persistent threat attack, or if any of the foregoing is reported or perceived to have occurred, the Company'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 Company's operations, require the Company to expend significant funds to remedy problems caused by breaches and to implement measures to prevent further breaches, cease operations, and expose the Company 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 Company's revenue is generated by sales to government entities, which are subject to a number of challenges and 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 the Company's ability to sell into the U.S. federal government, U.S. state government, or non-U.S. government sectors until it has attained the revised certification. Government demand and payment for the Company'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 Company's offerings.

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

Government entities may have statutory, contractual or other legal rights to terminate contracts with the Company or the Company's partners for convenience or due to a default, and any such termination may adversely affect the Company'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 purchasing the Company's products and services, a reduction of revenue, or fines or civil or criminal liability if the audit uncovers improper or illegal activities, which could adversely affect the Company's results of operations in a material way.

Litigation

The Company is not currently involved in any material litigation; however, it 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 Company 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 Company in the future will be resolved in its favour or that the insurance the Company 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 Company. In addition, litigation can result in substantial costs and diversion of the resources of the Company. Insurance may not cover such investigations and claims, may not be sufficient for one or more such investigations or claims and may not continue to be available on acceptable terms. An investigation or claim brought against the Company could also result in unanticipated costs and reputational harm.

United States Tax Classification of the Company

Although the Company is a Canadian corporation, the Company 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 Company is treated as a Canadian resident corporation. As a result, the Company 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 Company 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 Company 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, subject to examination of the relevant treaty.

Since the Company 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.

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 COMPANY'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 Company and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact the Company's operations, could postpone commercial activities, and could impair the Company's ability to raise funds depending on the effect of COVID-19 on capital markets.

Financial Support for Subsidiaries

The Company may, from time to time, enter into intercompany loan agreements with the Company's subsidiaries. In funding such subsidiaries, the Company will have less cash flow available to support operations and other general activities. If the Company is unable to generate sufficient cash flows in the future to support the Company's operations and service any debt as a result of funding its subsidiaries, the Company may be required to refinance all or a portion of its 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 Company's existing debt or to obtain additional financing would have a material adverse effect on the Company's financial position, liquidity and results of operations.

Currency Fluctuations

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

additional gains or losses against various additional currencies. The Company 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 Company 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 Company'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 Company. In some cases, the Company'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 Company's business and affairs and that could adversely affect the Company's operations. In addition, the Company may 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 Company 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 Company. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company'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 Company are required to act honestly, in good faith and in the best interests of the Company.

Enforcement of Judgements

Certain of the Company'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.

Risks Related to The Facility

The Company is currently indebted under the Facility, which could:

- negatively affect the Company's ability to pay principal and interest on its other indebtedness or dividends on the Subordinate Voting Shares;
- increase the Company's vulnerability to general adverse economic and industry conditions;
- limit the Company's ability to fund future capital expenditures and working capital, to engage in future acquisitions or development activities, or to otherwise realize the value of its assets and opportunities fully because of the need to dedicate a substantial portion of the Company's cash flow from operations to payments of interest and principal or to comply with any restrictive terms of the Company's debt;
- limit the Company's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates in;
- impair the Company's ability to obtain additional financing or to refinance its indebtedness in the future; and
- place the Company at a competitive disadvantage compared to its competitors that may have proportionately less debt.

The Company's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, could materially and adversely affect the Company's financial position and results of operations and could cause the market price of the Subordinate Voting Shares to decline. Further, failure to comply with the covenants under the Company's indebtedness may have a material adverse impact on the Company's operations. If the Company fails to comply with the covenants under its indebtedness, and are unable to obtain a waiver or amendment, such failure may result in an event of default under the Company's indebtedness. The Company may not have sufficient liquidity to repay or refinance its indebtedness if such indebtedness were accelerated upon an event of default. Under the terms of the Company's outstanding indebtedness,

it may not be able to incur substantial additional indebtedness in the future, which could further exacerbate the risks described above.

Risks Related to Latin American Operations

The Company's Latin American presence, through CoreBI, is subject to the political, economic and other uncertainties associated with operating in a foreign country, including but not limited to, foreign exchange restrictions, nationalisation or expropriation of property, cancellation or modification of contractual rights, currency exchange rate fluctuation, as well as royalty and tax increases.

Risks in Latin America may include, but are not limited to, currency non-convertibility or instability and changes of law affecting foreign ownership, economic, social or political instability or change, hyperinflation, government participation, taxation, working conditions, rates of exchange control, or labour regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. Any future material adverse changes in government policies, conditions or legislation in Latin America that affect foreign ownership may affect the viability and profitability of the Company. The legal systems operating in Latin America may be less developed than more established countries, which may result in risk such as:

- political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;
- a higher degree of discretion on the part of governmental agencies;
- the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and
- relative inexperience of the judiciary and court in such matter.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to contracts. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness of and enforcement of such arrangements cannot be assured.

Countries in Latin America, including Argentina have, in the past, and is currently enduring a period of hyperinflation, which could increase the Company's operating costs. It may be difficult to find or hire qualified people in the relevant industry who are situated in Latin America, or to obtain all of the necessary services or expertise in Latin America or to conduct operations at reasonable rates. If qualified people and services or expertise cannot be obtained in Latin America, the Company may need to seek and obtain those services from people located outside of Latin America, which will require work permits and compliance with applicable laws and could result in delays and higher costs to the Company to conduct its operations in Latin America.

Expansion of Sales and Marketing Capabilities

The Company's ability to broaden its customer base and achieve broader market acceptance of its technologies, products and services will depend to a significant extent on the ability of its sales and marketing organizations to work together to drive the Company's sales pipeline and cultivate customer and partner relationships to drive revenue growth. The Company has invested in and plans to continue expanding its sales and marketing organizations, both domestically and internationally. Identifying, recruiting, and training sales personnel will require significant time, expense and attention. The Company also plans to dedicate significant resources to sales and marketing programs, including lead generation activities and brand awareness campaigns, such as search engine and email marketing, online banner and video advertising, learner events and webinars. If the Company is unable to hire, develop and retain talented sales or marketing personnel, if new sales or marketing personnel are unable to achieve desired productivity

levels in a reasonable period of time, or if the Company fails to select appropriate marketing channels and its sales and marketing programs are not effective, the Company's ability to broaden its customer base and achieve broader market acceptance of its technologies, products and services could be harmed. In addition, the investments the Company makes in its sales and marketing organization will occur in advance of experiencing benefits from such investments, making it difficult to determine in a timely manner if the Company is efficiently allocating its resources in these areas.

Corporate Culture

The Company believes that its corporate culture is a critical component of its success. As the Company develops the infrastructure of a public company and continues to grow, the Company may find it difficult to maintain these valuable aspects of its corporate culture. Failure to preserve its corporate culture could negatively impact the Company's future success, including its ability to attract and retain employees, encourage innovation and teamwork and effectively focus on and pursue its corporate objectives.

Cost of Compliance with Regulatory Requirements

The Company's business may become subject to increasing regulatory requirements and as these requirements proliferate, the Company may be required to change or adapt its products and services to comply. Changing regulatory requirements might render the Company's products and services obsolete or might block the Company from developing new products and services. This might in turn impose additional costs upon the Company to comply or to further develop its products and services. It might also make introduction of new products and services more costly or more time-consuming than currently anticipated and could even prevent the Company from introducing new products or services or cause the continuation of its existing products or services to become more costly. Accordingly, such regulatory requirements could have a material adverse effect on the Company's business, financial condition, and results of operations.

Retention of Key Employees

The Company's success depends on the continued employment of its senior management and other key employees. In addition, because the Company's future success is dependent on its ability to continue to enhance and introduce new technologies and features, the Company is heavily dependent on its ability to attract and retain qualified personnel with the requisite education, background, and industry experience. As its business grows, the Company's continued success will also depend, in part, on its ability to attract and retain qualified sales, marketing and operational personnel capable of supporting a larger and more diverse customer base. The loss of the services of a significant number of the Company's technology or sales personnel could be disruptive to its development efforts or customer relationships. In addition, if any of the Company's key employees joins a competitor or decides to otherwise compete with us, the Company may experience a material disruption of its operations and business strategy, which may cause it to lose customers or increase operating expenses and may divert the Company's attention as it seeks to recruit replacements for the departed employees.

Risks Related to Product Development

The Company reinvests a large percentage of its revenue in product development. The Company's investment in its current product development efforts may not provide a sufficient, timely return. The Company makes and will continue to make significant investments in software development and related product opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors including the degree of innovation of the products developed through the Company's development efforts, sufficient support from strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for product development. These expenditures may materially adversely affect the Company's operating results if they are not offset by revenue increases. The Company believes that it must continue to dedicate a significant amount of resources to its product development efforts in order to maintain its competitive position. However, significant revenue from new product and service investments may not be achieved for a number of years, if at all. Moreover, new products and services may not be profitable.

Brand Awareness

The Company believes that developing and maintaining widespread awareness of its brand in a cost-effective manner is critical to achieving widespread acceptance of its technologies, products and services and attracting new clients. The Company's marketing efforts are primarily directed at the development of new clients and increased penetration of existing clients. Brand promotion activities may not generate client awareness or increase revenues, and even if they do, any increase in revenues may not offset the expenses the Company incurs in building its brand. If the Company fails to successfully promote and maintain its brand, or incur substantial expenses, it may fail to attract or retain clients necessary to realize a sufficient return on the Company's brand-building efforts, or to achieve the widespread brand awareness that is critical for broad client adoption of the Company's services.

Claims of Intellectual Property Infringement

As the Company continues to develop and expand its services, the Company may become increasingly subject to infringement claims from third parties such as software providers or suppliers of data. Likewise, if the Company is unable to maintain adequate controls over how third-party software and data are used, the Company may be subject to claims of infringement. Any claims, whether with or without merit, could:

- be expensive and time consuming to defend;
- cause the Company to cease making, licensing or using technologies that incorporate the challenged intellectual property;
- require the Company to redesign its technologies;
- divert management's attention and resources; and
- require the Company to enter into royalty or licensing agreements in order to obtain the right to use necessary technology.

Any one or more of the foregoing outcomes could have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, the Company may be liable for damages for past infringement if a court determines that the Company's software or technologies infringe upon a third party's patent or other proprietary rights.

Errors, Failures, Vulnerabilities or Bugs in our Technology

Software developed for the Company's technology can contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced. Despite internal testing, the Company's technology may contain serious errors or defects that cause performance problems or service interruptions, security vulnerabilities or software bugs that the Company may be unable to successfully correct in a timely manner, or at all, which could result in:

- unexpected credits or refunds to the Company's clients, loss of clients and other potential liabilities;
- delays in client payments, increasing the Company's collection reserve and collection cycle;
- diversion of development resources and associated costs;
- harm to the Company's reputation and brand; and
- unanticipated litigation costs.

Adverse Economic and Market Conditions

The financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Financial developments unrelated to the Company or to its industry may materially adversely affect the Company over the course of time. Volatility in the market price of the Subordinate Voting Shares due to unrelated financial developments could hurt the Company's ability to raise capital for the financing of acquisitions or other reasons. A reduction in access to capital, combined with reduced economic activity, may materially adversely affect businesses and industries that collectively constitute a significant portion of the Company's customer base. As a result, these clients may need to reduce their purchases of the Company's products or services, or the Company may experience greater difficulty in receiving payment for the products or services that these clients purchase from it. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, financial condition and results of operation.

Many factors, including factors that are beyond the Company's control, may have a detrimental impact on its operating performance. These factors include, but are not limited to, general economic conditions, unemployment levels, interest rates, business conditions including changes in the financial markets, energy costs as well as events such as natural disasters, unforeseen public health crises (such as the COVID-19 pandemic), acts of war, terrorism and catastrophes. For example, the outbreak of COVID-19 in early 2020 may have a long-term adverse effect on our employees and customers. While the Company's employees may have the ability to work remotely, the extent to which COVID-19 may impact the Company's long-term business and results of operations remains uncertain.

There can be no assurance that economic conditions will remain favourable for the Company's business or that demand for its services by its clients will remain at current levels. Reduced demand for its services would negatively impact the Company's growth and revenue, and may inhibit its access to capital and negatively impact its profitability. Changes in economic, market and other conditions could also adversely affect the Company's ability to implement its strategy to look for opportunities to grow revenue in other jurisdictions, which could have an adverse effect on its business, financial condition and results of operations.

Additional Financing

The Company intends to continue making investments to support its growth and may require additional funds to respond to business challenges, including the need to develop new technologies or enhance its existing technologies or acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issuances of equity or convertible debt securities, its existing Shareholders could suffer significant dilution, and any new equity securities could have rights, preferences, and privileges superior to those of holders of the Subordinate Voting Shares. Any debt financing secured by the Company in the future could involve restrictive covenants relating to the Company's capital-raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on favourable terms, or at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory when it is required, the Company's ability to continue to support its growth and to respond to business challenges could be significantly impaired.

Compliance with Public Company Requirements

Most members of the Company's management team have limited or no experience managing a publicly-traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies in Canada. The management team may not successfully or efficiently manage the Company's transition to being a public company that is subject to significant regulatory oversight and reporting obligations under applicable securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from senior management and could divert their attention away from the day-to-day management of the Company's business, which could harm the Company's business, financial condition, and results of operations.

As a public company, we incur significant legal, accounting, and other expenses than we incurred as a private company. We are subject to the reporting requirements of the CSA and the rules and regulations of the TSXV. These

requirements have increased and will continue to increase our legal, accounting, and financial compliance costs and have made, and will continue to make, some activities more time-consuming and costly. These rules and regulations make it more expensive for us to obtain director and officer liability insurance on an ongoing basis, and we may in the future be required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our Board or as our executive officers. As a result of the foregoing, we expect a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact our financial performance and could cause our results of operations and financial condition to suffer.

Changes in Tax Laws or Interpretations

The Company is subject to income taxes in Canada and various jurisdictions outside of Canada. The Company's effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates. The Company's tax expense could also be impacted by changes in non-deductible expenses, changes in excess tax benefits of equity-based compensation, changes in the valuation of deferred tax assets and liabilities and the Company's ability to utilize them, the applicability of withholding taxes, effects from acquisitions and the evaluation of new information that results in a change to a tax position taken in a prior period.

The Company's tax position could also be impacted by changes in accounting principles, changes in Canadian federal, provincial or territorial tax laws, or other international tax laws applicable to corporate multinationals, other fundamental law changes currently being considered by many countries, including Canada and the United States, and changes in taxing jurisdictions' administrative interpretations, decisions, policies and positions. Any of the foregoing changes could have an adverse impact on the Company's results of operations, cash flows, and financial condition.

Changes to Accounting Principles

The accounting rules and regulations that the Company must comply with are complex and subject to interpretation by the Canada Accounting Standards Board (the "AcSB"), the CSA and various bodies formed to promulgate and interpret appropriate accounting principles. Recent actions and public comments from the AcSB and the CSA have focused on the integrity of financial reporting and internal controls over financial reporting. In addition, many companies' accounting policies and practices are subject to heightened scrutiny by regulators and the public. Further, the accounting rules and regulations are continually changing in ways that could materially impact our financial statements. We cannot predict the impact of future changes to accounting principles or our accounting policies on our financial statements going forward, which could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of the change. In addition, if we were to change our critical accounting estimates, including those related to the recognition of license revenue and other revenue sources, our results of operations could be significantly affected.

Judgements, Estimates and Assumptions Related to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of the Subordinate Voting Shares or the Warrants. Significant judgments, estimates, and assumptions used in preparing our consolidated financial statements include, or may in the future include, those related to revenue recognition, equity-based compensation expense, sales commissions costs, long-lived assets and accounting for income taxes including deferred tax assets and liabilities.

Risks Related to Ownership of our Securities

Volatility of Market Price of the Subordinate Voting Shares and the Warrants

The market price of the Subordinate Voting Shares and the Warrants may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Subordinate Voting Shares or Warrants to sell their securities at an advantageous price. Market price fluctuations in the Subordinate Voting Shares or Warrants may be due to the Company'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 Company 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 and the Warrants.

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 or the Warrants may decline even if the Company'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 Company's operations could be adversely impacted and the trading price of the Subordinate Voting Shares or the Warrants may be materially and adversely affected.

Concentrated Voting Control

Certain members of management, directly or indirectly, own or control approximately 84.8% of the Proportionate Voting Shares. The Proportionate Voting Shares have 100 votes per Proportionate Voting Share and the Subordinate Voting Shares 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 Company'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 Company'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 Company's share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of the Company'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 Company and actions may be taken that the Company's other Shareholders may not view as beneficial.

The Proportionate Voting Shares collectively represent approximately 34.4% of the voting rights attached to all of the Company's outstanding voting securities. For so long as the Company's management, either directly or through one or more affiliates, maintains a significant voting interest in the Company, such Shareholders will have the ability to exercise substantial influence with respect to the Company'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 Company.

Foreign Private Issuer Status

Because the Company is a "foreign private issuer" under the United States Securities Exchange Act of 1934 (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 Company may lose its foreign private issuer status if, as of the last business day of the Company's second fiscal quarter for any year, more than 50% of the Company'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 Company's ability to raise capital in private placements or Canadian prospectus offerings. In addition, loss of the Company's foreign private issuer status would likely result in increased reporting requirements and increased audit, legal and administration costs. Further, should the Company 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 Company.

The Company 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 Company 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 Company 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.

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, holders of 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, until December 15, 2023, after which date any unexercised Warrants will expire and have no further value. 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.

No Guarantee of Return on Investment

A holding of Subordinate Voting Shares or Warrants is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of the Subordinate Voting Shares or Warrants is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

Dilution

The Company expects to issue additional securities in the future that will result in dilution to all other Shareholders. The Company also expects to grant equity awards to employees, directors, and consultants under its equity incentive plans. As part of the Company's business strategy, it may acquire or make investments in complementary companies, products, or technologies, and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional Subordinate Voting Shares or other securities that are convertible or exchangeable into Subordinate Voting Shares may cause Shareholders to experience significant dilution of their ownership interests and the per share value of the Subordinate Voting Shares to decline.

The Company may also raise capital through equity financings in the future. Any additional capital raised through the sale of equity may dilute existing Shareholders' voting power and percentage ownership of the Subordinate Voting Shares and Shareholders could be asked in the future to approve the creation of new equity securities which could have rights, preferences and privileges superior to those of holders of the Subordinate Voting Shares. Capital raised through debt financing would require the Company to make periodic interest payments and may impose restrictive

covenants on the conduct of the Company's business. Furthermore, additional financings may not be available on terms favourable to the Company, or at all. A failure to obtain additional funding could prevent the Company from making expenditures that may be required to implement its growth strategy and grow or maintain its operations.

Analyst Reports

The trading market for the Subordinate Voting Shares and Warrants depends, in part, on the research and reports that securities or industry analysts publish about us or our business. The Company does not have any control over these analysts. If one or more of the analysts who cover the Company downgrade its stock or publish inaccurate or unfavorable research about its business, the price of the Subordinate Voting Shares and the Warrants would likely decline. In addition, if our results of operations fail to meet the forecast of analysts, the price of the Subordinate Voting Shares and the Warrants would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for the Subordinate Voting Shares and Warrants could decrease, which might cause the price and trading volume of the Subordinate Voting Shares and Warrants to decline.

Dividends

The Company does not intend to pay dividends to the holders of the Subordinate Voting Shares for the foreseeable future. The Company's ability to pay dividends on the Subordinate Voting Shares may be restricted by the terms of any future debt incurred or preferred securities issued by the Company or its subsidiaries or law. Payments of future dividends, if any, will be at the discretion of the Board after taking into account various factors, including the Company's business, financial condition, and results of operations, current and anticipated cash needs, plans for expansion and any legal or contractual limitation on our ability to pay dividends. As a result, any capital appreciation in the price of the Subordinate Voting Shares may be your only source of gain on your investment in the Subordinate Voting Shares.

Controlled Foreign Corporation

If a United States person is treated as owning (directly, indirectly, or constructively) at least 10% of the value or voting power of the Subordinate Voting Shares, such person may be treated as a "United States Shareholder" with respect to each "controlled foreign corporation" in our group. Because our group includes one or more U.S. subsidiaries, we expect that certain of our non-U.S. subsidiaries will be treated as controlled foreign corporations (regardless of whether or not we are treated as a controlled foreign corporation). A United States Shareholder of a controlled foreign corporation may be required to report annually and include in its U.S. taxable income its pro rata share of "Subpart F income," "global intangible low-taxed income," and investments in U.S. property by controlled foreign corporations, regardless of whether we make any distributions. An individual that is a United States Shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States Shareholder that is a U.S. corporation. Failure to comply with these reporting obligations may subject a United States Shareholder to significant monetary penalties and may prevent the statute of limitations with respect to such Shareholder's U.S. federal income tax return for the year for which reporting was due from starting. We cannot provide any assurances that we will assist investors in determining whether any of our non-U.S. subsidiaries is treated as a controlled foreign corporation or whether any investor is treated as a United States Shareholder with respect to any such controlled foreign corporation or furnish to any United States Shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. A United States investor should consult its advisors regarding the potential application of these rules to an investment in the Subordinate Voting Shares.

DIVIDENDS

The Company currently intends to retain any future earnings to fund the development and growth of its business and does not currently anticipate paying dividends on the Subordinate Voting Shares. Any determination to pay dividends in the future will be at the direction of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized and Issued Share Capital

The Company's authorized share capital 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 December 31, 2021, the following securities of the Company were issued and outstanding: (i) 36,100,353 Subordinate Voting Shares; (ii) 259,418 Proportionate Voting Shares convertible, subject to adjustment, into 25,941,800 Subordinate Voting Shares; (iii) 4,134,706 stock options to purchase 4,134,706 Subordinate Voting Shares; and (iv) 7,436,493 Warrants exercisable to purchase 7,436,493 Subordinate Voting Shares.

Subordinate Voting Shares and Proportionate Voting Shares

The following description of the Subordinate Voting Shares and the Proportionate Voting Shares summarizes certain provisions contained in the Company's articles of incorporation, as amended (the "**Articles**"), and by-laws. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Company's Articles and by-laws, which have been filed under the Company's profile on SEDAR at www.sedar.com.

General

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. As of December 31, 2021 the Subordinate Voting Shares represented approximately 58% of the voting rights attached to outstanding securities of the Company and the Proportionate Voting Shares represented approximately 42% of the voting rights attached to outstanding securities of the Company. If the Proportionate Voting Shares were converted on December 31, 2021, an aggregate of 62,042,153 Subordinate Voting Shares would be issued and outstanding and no Proportionate Voting Shares would be issued and outstanding. As of the date of this Annual Information Form, approximately 84.8% of the Proportionate Voting Shares are owned by management of the Company, and the remaining 15.2% are owned by non-management Shareholders.

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 Board has 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 Company is subject to the reporting requirements of Section 13 or 15(d) of 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 Company 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 Company 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 Shareholders will be entitled to receive notice of any meeting of Shareholders of the Company, 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

Shareholders are entitled to receive dividends payable in cash or property of the Company 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 Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company 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 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”.

Warrants

The following is a summary of certain of the rights, privileges, restrictions and conditions attaching to the Warrants. For a complete description of the Warrants, please refer to the Warrant Indenture, which has been filed on the Company's SEDAR profile, accessible at www.sedar.com.

The Warrants were issued under and are governed by the terms of the Warrant Indenture. The Company has appointed the principal transfer offices of the Warrant Agent in Toronto, Ontario as the location at which Warrants may be surrendered for exercise or transfer. A register of holders is maintained at the primary offices of the Warrant Agent in Toronto, Ontario.

Each Warrant entitles the holder to purchase one Warrant Share at an exercise price of C\$1.25 (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 December 15, 2023, 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 Company 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 Warrant Indenture provides 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, re-division 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.

The Warrant Indenture also provides for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or Exercise Price in any of the following additional events: (i) reclassifications of the Subordinate Voting Shares; (ii) consolidations, amalgamations, plans of arrangement or mergers of the Company 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 (iii) the transfer (other than to one of the Company’s subsidiaries) of the undertaking or assets of the Company 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.

During the period in which the Warrants are exercisable, the Company 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.

From time to time, the Company 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 (i) 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 (ii) 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.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences arising from and relating to the acquisition of the Debenture Units, the ownership and disposition of the Convertible Debentures and Debenture Unit Warrants acquired through the acquisition of the Debenture Units, the acquisition, ownership, and disposition of the Subordinate Voting Shares into which the Convertible Debentures may be converted (“**Conversion Shares**”) and the acquisition, ownership, and disposition of the Subordinate Voting Shares acquired through the exercise of the Debenture Unit Warrants (“**Debenture Warrant Shares**”), all as issuable pursuant to the Debenture Unit Offering undertaken pursuant to the Prospectus Supplement. For purposes of this discussion, as appropriate in the context, the Debenture Units, Convertible Debentures, Conversion Shares, Debenture Unit Warrants and Debenture Warrant Shares issuable in connection with the Debenture Unit Offering undertaken pursuant to the Prospectus Supplement may be referred to in this summary collectively as the “**Securities**” and individually as a “**Security**.” This summary does not discuss any tax consequences applicable to any other share or security of the Company other than those Securities issuable in connection with the Debenture Unit Offering pursuant to the Prospectus Supplement. This summary deals only with Securities that are held as “capital assets” (generally, property held for investment purposes)

within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") by holders who acquire the Debenture Units for cash upon original issuance at their "issue price" (the first price at which a substantial amount of the Debenture Units is sold to purchasers for cash (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler)). The Conversion Shares may be converted and Debenture Warrant Shares may be referred to in this summary collectively as "**Subordinate Voting Shares**" and individually as a "**Subordinate Voting Share**."

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder or prospective holder of the Securities, and no representations with respect to the income tax consequences to any holder or prospective holder are made. Consequently, holders and prospective holders of the Securities should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring such Securities, having regard to their particular circumstances.

This summary is based upon provisions of the Code, Treasury Regulations, rulings, judicial decisions and the income tax treaty between Canada and the United States, as amended ("**Canada-U.S. Tax Treaty**"), all as of the date hereof. Those authorities may be changed or reinterpreted, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. The Company has not sought, and does not expect to seek, an opinion from legal counsel or any rulings from the Internal Revenue Service ("**IRS**") regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the purchase, ownership or disposition of the Securities that are different from those discussed below. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

This summary does not represent a detailed description of the U.S. federal income tax consequences in light of a holder's particular circumstances and does not address the effects of any other U.S. federal tax laws (such as estate or gift taxes, the alternative minimum tax, or the Medicare net investment income tax) or any state, local or non-U.S. tax laws.

This summary does not discuss all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules, which includes (without limitation):

- a broker-dealer or trader in securities or currencies;
- a bank or other financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt entity, governmental organization, qualified retirement plan, individual retirement account, private foundation, or other tax-deferred account;
- an insurance company;
- a person holding any of the Securities as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a person that has elected mark-to-market accounting;
- a person who owns, or after the conversion of the Convertible Debentures or exercise of the Debenture Unit Warrants will own (in any case, directly, indirectly or by attribution), 10% or more, by voting power or value, of the outstanding shares of the Company;
- a person liable for the alternative minimum tax;
- a partnership or other pass-through entity for U.S. federal income tax purposes (or a partner or other investor in such an entity);
- an S corporation (or a shareholder thereof);
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Debenture Units being taken into account in an applicable financial statement;
- U.S. expatriates or former long-term residents of the U.S.;
- controlled foreign corporations;
- passive foreign investment companies;

- U.S. Holders (as defined below) that are subject to taxing jurisdictions other than, or in addition to, the United States;
- corporations organized outside the United States, any state thereof, or the District of Columbia that are nonetheless treated as U.S. taxpayers for U.S. federal income tax purposes;
- corporations that accumulate earnings to avoid U.S. federal income tax; or
- a person whose "functional currency" is not the U.S. dollar.

A "**U.S. Holder**" means a beneficial owner of the Securities acquired by such owner pursuant to the Offering that is, for U.S. federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.
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If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Securities, the tax treatment of a partner, member or other beneficial owner in such partnership will generally depend upon the status of the partner, member or other beneficial owner, the activities of the partnership and certain determinations made at the partner, member or other beneficial owner level. An investor that is a partner, member or other beneficial owner of a partnership holding the Securities is urged to consult the investor's tax advisors regarding the tax consequences of the ownership and disposition of the Securities.

A "**non-U.S. Holder**" is a beneficial holder of Securities that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any beneficial owner or prospective beneficial owner of Securities and no opinion or representation with respect to the U.S. federal income tax consequences to any such beneficial owner or prospective beneficial owner is given. In addition, except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Prospective investors should consult their own tax advisors as to the particular consequences to them under U.S. federal, state and local, and any applicable non-U.S. tax laws of the acquisition, ownership and disposition of the Securities.

U.S. Tax Classification of the Company

Pursuant to Section 7874(b) of the Code and the U.S. Treasury Regulations promulgated thereunder, notwithstanding that the Company is organized under Canadian law, solely for U.S. federal income tax purposes, the Company is classified as a U.S. domestic corporation. Accordingly, the Company will be subject to a number of significant and complicated U.S. federal income tax consequences as a result of being treated as a U.S. domestic corporation for U.S. federal income tax purposes and will be 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.

General Treatment of Debenture Units

Although there is no authority directly addressing the treatment, for U.S. federal income tax purposes, of instruments with terms substantially the same as the Debenture Units and, therefore, their treatment is not entirely clear, the acquisition by a U.S. Holder of both a Convertible Debenture and Debenture Unit Warrants comprising each Debenture Unit issuable pursuant to the Debenture Unit Offering should be treated as the acquisition of an "investment unit" within the meaning of Section 1273(c)(2) of the Code consisting of two components: one C\$1,000 denominated Convertible Debenture and 715 Debenture Unit Warrants that entitle the holder to purchase Debenture Warrant Shares. In accordance with this treatment, a U.S. Holder should be treated as if it held each component of

a Debenture Unit for U.S. federal income tax purposes. By acquiring a Debenture Unit, a U.S. Holder will be deemed to agree to treat: (i) a Debenture Unit as an investment unit composed of two separate instruments, being a C\$1,000 denominated Convertible Debenture and 715 Debenture Unit Warrants, and (ii) the Convertible Debentures as indebtedness, in each case for U.S. federal income tax purposes.

In accordance with applicable Treasury Regulations, the Offering Price (as defined below, for purposes of this summary) for each Debenture Unit will be allocated between the Convertible Debenture and the 715 Debenture Unit Warrants in proportion to their relative fair market values at the time the Debenture Unit is purchased. This allocation will establish a U.S. Holder's initial basis in the Convertible Debenture and in the 715 Debenture Unit Warrants comprising each Debenture Unit for U.S. federal income tax purposes. In general, the first price at which a substantial number of the Debenture Units are sold for money to the public, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of Agents, placement agents and wholesalers is the Offering Price of the Debenture Units (the "**Offering Price**"). For this purpose, the Company intends to allocate approximately C\$940.65 of the Offering Price for each Debenture Unit to the Convertible Debenture and approximately C\$59.35 of the Offering Price for each Debenture Unit to the 715 Debenture Unit Warrants (being C\$0.083 to each Debenture Unit Warrant). Each U.S. Holder will be bound by this allocation of the Offering Price for a Debenture Unit, unless the U.S. Holder explicitly discloses (on a statement attached to the U.S. Holder's timely filed U.S. federal income tax return for the taxable year that includes the acquisition date of the Debenture Unit) that the U.S. Holder is allocating the Offering Price between the Convertible Debenture and the 715 Debenture Unit Warrants comprising each Debenture Unit in a different manner.

The IRS will not be bound by the Company's allocation of the Offering Price for the Debenture Units, and the IRS or a U.S. court may not respect the allocation set forth above. A reallocation of the Offering Price between the Convertible Debenture and the 715 Debenture Unit Warrants that comprises each Debenture Unit would affect the adjusted issue price of the Convertible Debentures and, accordingly, the amount of interest income required to be accrued as original issue discount on such Convertible Debentures (as discussed below in "*Taxation of U.S. Holders—Taxation of Convertible Debentures—Stated Interest and OID on the Convertible Debentures*"). In the event of such a reallocation, a U.S. Holder might be determined, depending on the circumstances, to have underreported interest income on the Convertible Debentures for U.S. federal income tax purposes. The remainder of this discussion assumes that the Company's allocation of the Offering Price will be respected.

Each U.S. Holder should consult its own tax advisor regarding the allocation of the Offering Price for the Debenture Units between the Convertible Debenture and the 715 Debenture Unit Warrants that comprises each Debenture Unit.

Taxation of U.S. Holders

Taxation of the Convertible Debentures

(a) Characterization of the Convertible Debentures

In certain circumstances, the Company may be obligated to pay amounts in excess of the stated interest or principal on the Convertible Debentures or may pay amounts at times other than on the scheduled interest payment dates or the maturity date (see "*Description of the Securities Being Distributed—Optional Redemption*" in the Prospectus Supplement). These potential payments may implicate the provisions of Treasury Regulations relating to "contingent payment debt instruments" ("**CPDIs**"). Although the matter is not free from doubt, the Company intends to take the position that the possibility of the foregoing payments does not result in the Convertible Debentures being treated as CPDIs for U.S. federal income tax purposes, and this disclosure assumes that the Company's view is correct. The Company's position will be binding on all U.S. Holders except a U.S. Holder that discloses its differing position in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which the Convertible Debentures are acquired. However, the Company's position is not binding on the IRS and there can be no assurance that the IRS will agree with the Company's position. If the Company's position were successfully challenged by the IRS and the Convertible Debentures were treated as CPDIs for U.S. federal income tax purposes, a U.S. Holder could be required to accrue interest income on a Convertible Debenture at a rate equal to the "comparable yield" (which income may exceed the stated interest and OID (as defined below) otherwise recognized with respect to the Convertible Debenture), and to treat as ordinary income (rather than capital gain) any gain recognized on the sale, exchange, retirement, redemption or other taxable disposition of a Convertible Debenture.

U.S. Holders should consult their own tax advisors regarding how their tax consequences would differ if the CPDI rules were to apply to the Convertible Debentures. The remainder of this discussion assumes that the Convertible Debentures will not be treated as CPDIs for U.S. federal income tax purposes.

(b) Stated Interest and OID on the Convertible Debentures

Stated interest with respect to a Convertible Debenture generally will be taxable to a U.S. Holder as ordinary income when such interest is received or accrued by the U.S. Holder, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

A U.S. Holder using the cash method of accounting will be required to include in income the U.S. dollar value of the Canadian currency interest, translated at the spot rate of exchange on the date of receipt, whether or not converted into U.S. dollars. No foreign currency gain or loss will be recognized with respect to the receipt of such payment (other than foreign currency gain or loss realized on any subsequent disposition of the foreign currency so received, see “— *Additional Considerations—Foreign Currency*” below).

A U.S. Holder using the accrual method of accounting will accrue interest income on its Convertible Debentures in the foreign currency and translate the amount accrued into U.S. dollars based on:

- the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year; or
- at the U.S. Holder's election, at the spot rate of exchange on (1) the last day of the accrual period (and in the case of a partial accrual period, the spot rate on the last day of the taxable year) or (2) the date of receipt, if such date is within five business days of the last day of the accrual period.

The election described in the second bullet point above must be applied consistently by a U.S. Holder to all debt instruments from year to year and can be changed only with the consent of the IRS. If a U.S. Holder uses the accrual method of accounting, the U.S. Holder will recognize foreign currency gain or loss on the receipt of an interest payment if the spot rate of exchange on the date the payment is received differs from the rate applicable to a previous accrual of that interest income as determined above. Such foreign currency gain or loss generally will be treated as ordinary income or loss from U.S. sources.

For purposes of this discussion, the “spot exchange rate” generally means a rate that reflects a fair market rate of exchange available to the public for currency under a spot contract in a free market and involving representative amounts. The “average exchange rate” for an accrual period (or partial period) is the average of the spot exchange rates for each business day of such period or other average exchange rate for the period reasonably derived and consistently applied by a U.S. Holder.

Because the portion of the Offering Price for a Unit that is allocated to a Convertible Debenture (as discussed above) will be less than the Convertible Debenture's stated redemption price at maturity, a Convertible Debenture will be treated as issued with “original issue discount” within the meaning of Section 1273(a)(1) of the Code (“OID”). Subject to a *de minimis* rule, the amount of OID with respect to a Convertible Debenture generally will be equal to the excess of (a) the stated redemption price at maturity of the Convertible Debenture (i.e., the sum of all payments under the Convertible Debenture other than stated interest payable at a fixed rate at least annually) over (b) the issue price of the Convertible Debenture (i.e., the applicable portion of the Offering Price of a Debenture Unit allocated to the Convertible Debenture). Regardless of a U.S. Holder's method of tax accounting, a U.S. Holder will be required to accrue OID on a constant yield basis and include these accruals in gross income (as ordinary income) in advance of the receipt of cash attributable to that income. A U.S. Holder will not recognize any additional income upon the receipt of any cash attributable to OID previously accrued on the Convertible Debentures. The amount of OID allocable to an accrual period is equal to the excess, if any, of (1) the product of the “adjusted issue price” of the Convertible Debenture at the beginning of the accrual period and its yield to maturity (determined on the basis of a compounding assumption that reflects the length of the accrual period) over (2) the amount of any stated interest allocable to the accrual period. The “adjusted issue price” of a Convertible Debenture at the beginning of any accrual period generally is the sum of the issue price of the Convertible Debenture plus the amount of OID allocable to all prior accrual periods. The “yield to maturity” of a Convertible Debenture is the interest rate that, when used to compute

the present value of all payments to be made on the Convertible Debenture, produces an amount equal to the issue price of the Convertible Debenture. Under these rules, a U.S. Holder will generally have to include in income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder of a Convertible Debenture with OID may elect to include in gross income all interest (including stated interest) that accrues on the Convertible Debenture using the constant yield method. A holder must make this election for the taxable year in which the Convertible Debentures are acquired and may not revoke the election without the consent of the IRS. U.S. Holders should consult their own tax advisors regarding such election.

Interest (including OID) on the Convertible Debentures will not constitute foreign source income for U.S. foreign tax credit limitation purposes because the Company, even though organized as a Canadian corporation, will be treated as a U.S. corporation for U.S. federal income tax purposes, as described above under “—*U.S. Tax Classification of the Company*.” Therefore, a U.S. Holder may not be able to claim a U.S. foreign tax credit for any Canadian taxes unless the U.S. Holder has sufficient other foreign source income. See the discussion below under “—*Foreign Tax Credit Limitations*”.

The rules regarding OID are complex and the rules described above may not apply in all cases. Accordingly, U.S. Holders should consult their own tax advisors regarding their application.

(c) Conversion of the Convertible Debentures into Subordinate Voting Shares

A U.S. Holder will generally not recognize any gain or loss upon converting a Convertible Debenture solely into Subordinate Voting Shares, except with respect to cash received in lieu of fractional Subordinate Voting Shares and the fair market value of Subordinate Voting Shares attributable to accrued and unpaid interest, if any. The U.S. Holder's aggregate tax basis in the Subordinate Voting Shares received (other than Subordinate Voting Shares attributable to accrued interest, if any) will generally equal the U.S. Holder's tax basis in the Convertible Debenture that was converted (excluding the portion of the tax basis that is allocable to any fractional Subordinate Voting Share). The U.S. Holder's holding period in the Subordinate Voting Shares received (other than Subordinate Voting Shares attributable to accrued interest, if any) will include the holding period in the Convertible Debenture converted.

With respect to cash received in lieu of a fractional Subordinate Voting Share, a U.S. Holder will be treated as if the fractional share was issued and received and then immediately redeemed for cash. Accordingly, the U.S. Holder generally will recognize gain or loss equal to the difference between the amount of cash received and that portion of the U.S. Holder's tax basis in the converted Convertible Debenture (determined as discussed above) attributable to the fractional share.

The value of any Subordinate Voting Shares attributable to accrued and unpaid interest, if any, on the Convertible Debentures not yet included in income by a U.S. Holder will be taxed as ordinary income. The basis in any Subordinate Voting Shares attributable to accrued and unpaid interest, if any, will equal the fair market value of such Subordinate Voting Shares when received. The holding period in any Subordinate Voting Shares attributable to accrued and unpaid interest will begin on the day after the date of receipt.

(d) Sale, Exchange, Retirement, Redemption or other Taxable Disposition of Convertible Debentures

Upon the sale, retirement, redemption or other disposition of a Convertible Debenture, U.S. Holders will generally recognize capital gain or loss in an amount equal to the difference between (i) the U.S. dollar value of the amount of cash plus the fair market value of any property, including Subordinate Voting Shares, received (other than any amount received that is attributable to accrued but unpaid interest not previously included in income, which will be taxable as ordinary interest income) and (ii) such U.S. Holders' adjusted tax basis in the Convertible Debenture at the time of sale, exchange, retirement, redemption or other disposition. If the Company pays Subordinate Voting Shares to a U.S. Holder upon the retirement or redemption of a Convertible Debenture, such U.S. Holder's tax basis in such Subordinate Voting Shares will be equal to the fair market value of such Subordinate Voting Shares when received and the holding period for such Subordinate Voting Shares should begin on the day after the date of receipt.

A U.S. Holder's adjusted tax basis in a Convertible Debenture generally will be the amount that the U.S. Holder paid for the Convertible Debenture (as determined in “—*General Treatment of Debenture Units*” above), increased by any

OID previously included in income, and decreased by any payments (other than payments of qualified stated interest) the U.S. Holder received with respect to the Convertible Debenture.

Any capital gain or loss will be long-term capital gain or loss if at the time of the sale, exchange, retirement or other taxable disposition of the Convertible Debenture, the U.S. Holder has held the Convertible Debenture for more than one year. Long-term capital gain of non-corporate U.S. Holders, including individual U.S. Holders, is generally taxed at reduced rates. The gain or loss will generally be treated as U.S. source gain or loss. The deductibility of capital losses is subject to limitations.

(e) Constructive Distributions

A U.S. Holder of a Convertible Debenture may, in certain circumstances, be deemed to have received constructive distributions where the conversion rate of such Convertible Debenture is adjusted. Adjustments to the conversion price made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing the dilution of the interest of the beneficial owners of the debt instruments will generally not be deemed to result in a constructive distribution of stock. However, certain of the possible adjustments provided in the Convertible Debentures may not qualify as being made pursuant to a bona fide reasonable adjustment formula (as that term is used in applicable Treasury Regulations). If such adjustments are made, U.S. Holders may be deemed to have received constructive distributions. Any such constructive distributions will be treated as distributions to a shareholder with the tax consequences described below under "*Distributions on Subordinate Voting Shares*." In addition, in certain circumstances, the failure to make an adjustment of the conversion rate may result in a constructive distribution to U.S. Holders, which may be taxable, if as a result of such failure the proportionate interest of the U.S. Holders in the Company's assets or earnings and profits is increased.

Taxation of the Debenture Unit Warrants and Subordinate Voting Shares

(a) Exercise or Lapse of a Debenture Unit Warrant

A U.S. Holder will not recognize gain or loss upon the exercise of a Debenture Unit Warrant. The U.S. Holder's tax basis in a Debenture Warrant Share received upon exercise of the Debenture Unit Warrant generally will be an amount equal to the sum of the U.S. Holder's initial investment in the Debenture Unit Warrant (i.e., the portion of the U.S. Holder's purchase price for a Debenture Unit that is allocated to such Debenture Unit Warrant, as described above under "*General Treatment of Debenture Units*") and the exercise price of such Debenture Unit Warrant. It is unclear whether a U.S. Holder's holding period for the Debenture Warrant Share would commence on the date of exercise of the Debenture Unit Warrant or the day following the date of exercise of the Debenture Unit Warrant; however, in either case the holding period will not include the period during which the U.S. Holder held the Debenture Unit Warrant. If a Debenture Unit Warrant is allowed to lapse unexercised, a U.S. Holder generally will recognize a capital loss equal to such holder's tax basis in the Debenture Unit Warrant.

(b) Possible Constructive Distributions

The terms of each Debenture Unit Warrant provide for an adjustment to the number of Debenture Warrant Shares for which the Debenture Unit Warrant may be exercised or to the exercise price of the Debenture Unit Warrant in certain events (as discussed in "*Description of Securities Being Distributed — Warrants*" in the Prospectus Supplement). An adjustment which has the effect of preventing dilution is generally not a taxable event. Nevertheless, a U.S. Holder of Debenture Unit Warrants would be treated as receiving a constructive distribution from the Company if, for example, the adjustment increases the holder's proportionate interest in the Company's assets or earnings and profits (e.g., through an increase in the number of Debenture Warrant Shares that would be obtained upon exercise) as a result of a distribution of cash to the holders of the Company's Shares which is taxable to such U.S. Holders as described below under "*Distributions on Subordinate Voting Shares*". Such constructive distribution would be subject to tax as described under that section in the same manner as if such U.S. Holder received a cash distribution from the Company equal to the fair market value of such increased interest.

(c) Distributions on Subordinate Voting Shares

If the Company makes distributions with respect to a Subordinate Voting Share, the distributions generally will be treated as U.S. source dividends to a U.S. Holder of such Subordinate Voting Share to the extent of the Company's current and accumulated earnings and profits as determined under U.S. federal income tax principles at the end of the tax year in which the distribution occurs. To the extent the distributions exceed the Company's current and accumulated earnings and profits, the excess will be treated first as a tax-free return of capital to the extent of the U.S. Holder's adjusted tax basis in the Subordinate Voting Share, and thereafter as gain from the sale or exchange of that Subordinate Voting Share. U.S. Holders which are corporations generally will be entitled to claim the dividends-received deduction with respect to dividends paid on the Subordinate Voting Shares and such dividends will constitute qualified dividend income to individual U.S. Holders, subject in each case to applicable holding period and other restrictions.

Dividends on the Subordinate Voting Shares will not constitute foreign source income for U.S. foreign tax credit limitation purposes because the Company, even though organized as a Canadian corporation, will be treated as a U.S. corporation for U.S. federal income tax purposes, as described above under "*U.S. Tax Classification of the Company.*" Therefore, a U.S. Holder may not be able to claim a U.S. foreign tax credit for any Canadian tax unless the U.S. Holder has sufficient other foreign source income. See the discussion below under "*Foreign Tax Credit Limitations.*"

(d) Sale or Other Taxable Disposition of Warrant or Subordinate Voting Shares

Upon the sale or other taxable disposition of a Debenture Unit Warrant or Subordinate Voting Share, U.S. Holders generally will recognize capital gain or loss equal to the difference between the amount realized by such holders on the disposition and their adjusted tax basis in such Debenture Unit Warrant or Subordinate Voting Share. Such gain or loss generally will be long-term capital gain or loss if the U.S. Holder held such a Debenture Unit Warrant or Subordinate Voting Share for more than one year as of the time of disposition. Long-term capital gains of individuals are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Additional Considerations

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 interest (including OID) and dividends (including constructive dividends) paid on its Securities, as applicable. 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 interest (including OID) and dividends (including constructive dividends) received from the Corporation on the Securities, as applicable. 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

Except as otherwise discussed above, a U.S. Holder's tax basis in foreign currency received as interest on its Convertible Debentures or on the sale, exchange or other disposition of its Securities will generally equal the U.S. dollar value when interest is received or at the time of the sale, retirement or other disposition. If a U.S. Holder purchases foreign currency, the U.S. Holder generally will have a tax basis equal to the U.S. dollar value of such

foreign currency on the date of the purchase. If a U.S. Holder sells or disposes of foreign currency, such U.S. Holder will generally recognize gain or loss equal to the difference, if any, between the amount of U.S. dollars, or the fair market value in U.S. dollars of the other property, received in such sale or disposition and such U.S. Holder's tax basis in such foreign currency. If a U.S. Holder purchases a Convertible Debenture with previously owned foreign currency, the U.S. Holder will generally recognize a gain or loss equal to the difference, if any, between the U.S. Holder's tax basis in such foreign currency and the U.S. dollar fair market value of such Convertible Debenture on the date of purchase. Similar rules apply with respect to the exercise of Debenture Unit Warrants where the exercise price of such Debenture Unit Warrants is satisfied in foreign currency. Any such gain or loss generally will be ordinary income or loss and will be treated as U.S. source income for U.S. Holders. The conversion of U.S. dollars to a foreign currency and the immediate use of such foreign currency to purchase a Convertible Debenture or to exercise a Debenture Unit Warrant generally will not result in foreign currency gain or loss for a U.S. Holder.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to interest (including OID), dividends (including constructive dividends) paid to a U.S. Holder and to the proceeds of the sale or other disposition of the Securities, unless the U.S. Holder is an exempt recipient. Backup withholding may apply to such payments if the U.S. Holder fails to provide a taxpayer identification number (generally, on a properly completed and executed IRS Form W-9) or a certification of exempt status, or has been notified by the IRS that it is subject to backup withholding (and such notification has not been withdrawn). 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 the U.S. Holder's U.S. federal income tax liability, provided that the holder timely furnishes the required information to the IRS.

Taxation of Non-U.S. Holders

Taxation of the Convertible Debentures

(a) Stated Interest and OID on the Convertible Debentures

Subject to the discussions under "*Information Reporting and Backup Withholding*" and "*Foreign Account Tax Compliance*" below, stated interest and OID paid or accrued on a Convertible Debenture to any non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax provided the Company or the person otherwise responsible for withholding U.S. federal income tax from payments on the Convertible Debentures receives a required certification from the non-U.S. holder and the Holder is not:

- an actual or constructive owner of 10% or more of the total combined voting power of all of the Company's voting stock;
- a controlled foreign corporation related, actually or constructively, to the Company through stock ownership;
- a bank that acquired the Convertible Debentures in connection with an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; or
- receiving such interest payments (or accruing OID) as income effectively connected with the conduct by the non-U.S. Holder of a trade or business within the United States.

In order to satisfy the certification requirement, the non-U.S. Holder must provide a properly completed IRS Form W-8BEN or Form W-8BEN-E, as appropriate (or substitute Form W-8BEN or Form W-8BEN-E or the appropriate successor form of either) under penalties of perjury that provides the non-U.S. Holder's name and address and certifies that the non-U.S. Holder is not a U.S. person. Alternatively, in the case where a security clearing organization, bank, or other financial institution holds the Convertible Debentures in the ordinary course of its trade or business on behalf of the non-U.S. Holder, certification requires that the Company or the person who otherwise would be required to withhold U.S. federal income tax receive from the financial institution a certification under penalties of perjury that a properly completed Form W-8BEN or Form W-8BEN-E, as appropriate (or substitute Form W-8BEN or Form W-8BEN-E or the appropriate successor form for either) has been received by it from the non-U.S. Holder, and a copy

of such form is furnished to the Company or the person who otherwise would be required to withhold U.S. federal income tax.

A non-U.S. Holder that does not qualify for exemption from withholding under the preceding paragraphs generally will be subject to withholding of U.S. federal income tax, currently at the rate of 30%, or a lower applicable treaty rate, on interest payments or OID accrued on the Convertible Debentures that are not effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States.

If interest payments or OID accrued on a Convertible Debenture are effectively connected with the conduct by a non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or a fixed base maintained by the non-U.S. Holder in the United States), such payments or accruals will be subject to U.S. federal income tax on a net basis at the rates applicable to U.S. persons generally. If the non-U.S. Holder is a corporation for U.S. federal income tax purposes, such payments or accruals also may be subject to a 30% branch profits tax. If payments of interest or accruals of OID are subject to U.S. federal income tax on a net basis in accordance with the rules described in the preceding two sentences, such payments will not be subject to U.S. withholding tax so long as the non-U.S. Holder provides the Company, or the person who otherwise would be required to withhold U.S. federal income tax, with the appropriate certification.

In order to claim a tax treaty benefit or exemption from withholding with respect to income that is effectively connected with the conduct of a trade or business in the United States by a non-U.S. Holder, the non-U.S. Holder must provide a properly executed Form W-8BEN, Form W-8BEN-E or Form W-8ECI (or a suitable substitute or successor form or such other form as the IRS may prescribe). Under Treasury Regulations, a non-U.S. Holder may under certain circumstances be required to obtain a U.S. taxpayer identification number and make certain certifications to the Company or the person who otherwise would be required to withhold U.S. federal income tax.

Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties, which may provide for a lower rate of withholding tax, exemption from or reduction of branch profits tax or other rules different from those described above.

Sale, Exchange, Redemption or Other Taxable Disposition of the Convertible Debentures

Subject to the discussions under “*Information Reporting and Backup Withholding*” and “*Foreign Account Tax Compliance*” below, a non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on gain realized on the sale, exchange, redemption or other taxable disposition of a Convertible Debenture unless:

- the non-U.S. Holder is an individual present in the United States for 183 days or more in the year of such sale, exchange, redemption or other taxable disposition and certain other conditions are met, in which case such gain will be subject to U.S. federal income tax at a rate of 30% (or a lower rate under an applicable income tax treaty); or
- the gain is effectively connected with the non-U.S. Holder’s conduct of a trade or business in the United States (and, if a treaty applies, the income is attributable to a permanent establishment or fixed base maintained by the non-U.S. Holder in the United States), in which case such gain generally will be subject to U.S. federal income tax at rates generally applicable to U.S. persons, and, if the non-U.S. Holder is a foreign corporation, such gain may also be subject to the branch profits tax at a rate of 30% (or a lower rate under an applicable income tax treaty).

To the extent the amount realized on a sale, exchange, redemption or other taxable disposition of the Convertible Debentures is attributable to accrued and unpaid interest on the Convertible Debentures, such amount generally will be subject to, or exempt from, tax to the same extent as described above under “*Taxation of Non-U.S. Holders—Stated Interest and OID on the Convertible Debentures.*”

Taxation of the Debenture Unit Warrants and Subordinate Voting Shares

Exercise or Lapse of a Debenture Unit Warrant

The U.S. federal income tax treatment of a non-U.S. Holder's exercise of a Debenture Unit Warrant, or the lapse of a Debenture Unit Warrant held by a non-U.S. Holder, generally will correspond to the U.S. federal income tax treatment of the exercise or lapse of a Debenture Unit Warrant by a U.S. Holder, as described under "*Taxation of U.S. Holders—Taxation of the Warrants and Subordinate Voting Shares—Exercise or Lapse of a Warrant*" above.

Distributions on Subordinate Voting Shares

If the Company makes distributions with respect to a Subordinate Voting Share, the distributions generally will be treated as dividends to a non-U.S. Holder of a Subordinate Voting Share to the extent of the Company's current and accumulated earnings and profits as determined under U.S. federal income tax principles at the end of the tax year in which the distribution occurs. To the extent the distributions exceed the Company's current and accumulated earnings and profits, the excess will be treated first as a tax-free return of capital to the extent of the non-U.S. Holder's adjusted tax basis in the Subordinate Voting Share, and thereafter as gain from the sale or exchange of that Subordinate Voting Share as discussed below under "*Gain on Sale, Taxable Exchange or Other Taxable Disposition of Warrants and Subordinate Voting Shares*".

Subject to the discussions below under "*Information Reporting and Backup Withholding*" and under "*Foreign Account Tax Compliance*", 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 Company 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.

Gain on Sale, Taxable Exchange or Other Taxable Disposition of Debenture Unit Warrants and Subordinate Voting Shares

Subject to the discussions below under "*Taxation of Non-U.S. Holders—Information Reporting and Backup Withholding*," and "*Taxation of Non-U.S. Holders—Foreign Account Tax Compliance Act*", a non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax in respect of gain recognized on a sale, taxable exchange or other taxable disposition of a Debenture Unit Warrant or a Subordinate Voting Share, unless:

- the gain is effectively connected with the conduct of a trade or business by the non-U.S. Holder within the United States (and, if an applicable tax treaty so requires, is attributable to a U.S. permanent establishment or fixed base maintained by 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 disposition and certain other conditions are met; or
- the Company is or has been a “United States real property holding corporation” for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. Holder held the Subordinate Voting Share, and, in the case where the Company’s shares are regularly traded on an established securities market, the non-U.S. Holder has owned, directly or constructively, more than 5% of the Company’s shares at any time within the shorter of the five-year period preceding the disposition or such non-U.S. Holder’s holding period for the Subordinate Voting Shares. There can be no assurance that Subordinate Voting Shares will be treated as regularly traded on an established securities market for this purpose.

Gain described in the first bullet point above will be subject to tax at generally applicable U.S. federal income tax rates. Any gains described in the first bullet point above of a non-U.S. Holder that is a foreign corporation may also be subject to an additional “branch profits tax” at a 30% rate (or lower applicable treaty rate). Gain described in the second bullet point above generally will be subject to a flat 30% U.S. federal income tax. Non-U.S. Holders are urged to consult their tax advisors regarding possible eligibility for benefits under income tax treaties and the availability of U.S. source capital losses to offset gain described in the second bullet point.

If the third bullet point above applies to a non-U.S. Holder, gain recognized by such holder on the sale, taxable exchange or other disposition of Debenture Unit Warrants or Subordinate Voting Shares will be subject to tax at generally applicable U.S. federal income tax rates. In addition, a buyer of Debenture Unit Warrants or Subordinate Voting Shares from such holder may be required to withhold U.S. income tax at a rate of 15% of the amount realized upon such disposition. Currently, the Company is not, and does not anticipate becoming, a United States real property holding corporation. Non-U.S. Holders are urged to consult their own tax advisors regarding the application of these rules.

Information Reporting and Backup Withholding

Generally, the Company must report to the IRS and to the non-U.S. Holder the amount of OID accrued or interest or dividends paid, or the proceeds from the sale or other disposition of the Securities, as applicable, to such holder and the amount of tax, if any, withheld with respect to those payments or proceeds. Copies of the information returns and any withholding may also be made available to the tax authorities in the country in which the non-U.S. Holder resides under the provisions of an applicable income tax treaty, tax information exchange agreement or other arrangement. A non-U.S. Holder may be subject to backup withholding of tax on accrual of OID, payments of interest and, depending on the circumstances, the proceeds of a sale, exchange, redemption or other taxable disposition unless the non-U.S. Holder complies with certain certification requirements to establish that it is not a U.S. person or it is otherwise establishes an exemption backup withholding. The certification procedures required to claim an exemption from withholding of tax on interest (including OID) described above under “*Taxation of Non-U.S. Holders—Stated Interest and OID on the Convertible Debentures*” generally will satisfy the certification requirements necessary to avoid backup withholding as well.

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 the non-U.S. Holder’s U.S. federal income tax liability, provided that the holder timely furnishes the required information to the IRS.

Foreign Account Tax Compliance

Under Sections 1471 through 1474 of the Code and related IRS guidance concerning foreign account tax compliance rules (commonly referred to as “**FATCA**”), a 30% U.S. withholding tax is imposed on certain payments (which includes accrual of OID, interest payments on the Convertible Debentures and dividend distributions on the Subordinate Voting Shares) paid to (i) a “foreign financial institution” (as specifically defined in the Code), whether

such foreign financial institution is the beneficial owner or an intermediary, unless such foreign financial institution agrees to verify, report and disclose the holders of each “United States account” (as specifically defined in the Code) and meets certain other specified requirements or (ii) a “non-financial foreign entity” (as specifically defined in the Code), whether such non-financial foreign entity is the beneficial owner or an intermediary, unless such non-financial foreign entity provides a certification that the beneficial owner of the payment does not have any substantial U.S. owners or provides the name, address and taxpayer identification number of each substantial U.S. owner and certain other specified requirements are met. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. Foreign entities located in jurisdictions that have entered into an intergovernmental agreement with the United States governing FATCA may be subject to different rules. FATCA withholding also potentially applies to payments of gross proceeds from the sale or other disposition of the Securities. Proposed U.S. Treasury Regulations, however, would eliminate FATCA withholding on such payments (other than the amount of such payments which is treated as the payment of interest), and the U.S. Treasury Department has indicated that taxpayers may rely on this aspect of the proposed U.S. Treasury Regulations until final U.S. Treasury 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.

If an interest payment (or accrual of OID) is both subject to withholding under FATCA and subject to the withholding tax discussed above under “*Taxation of Non-U.S. Holders — Taxation of the Convertible Debentures — Stated Interest and OID on the Convertible Debentures*”, the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. Each non-U.S. Holder is encouraged to consult with its own tax advisor regarding the implications of FATCA on their investment in the Securities.

MARKET FOR SECURITIES

The Subordinate Voting Shares are listed and posted for trading on the TSXV under the symbol “NOW”. The Warrants are listed and posted for trading on the TSXV under the symbol “NOW.WT”. The following table sets forth information relating to the trading of the Subordinate Voting Shares and the Warrants on the TSXV since they commenced trading on July 5, 2021 and December 15, 2021, respectively.

Month	High (C\$)	Low (C\$)	Volume
<i>Subordinate Voting Shares</i>			
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 2021	1.27	0.86	4,091,879
<i>Warrants</i>			
December 15-31, 2021	0.35	0.04	515,594

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table sets out information on the escrowed securities of the Company and the securities of the Company that are subject to a contractual restriction on transfer:

Class of Shares	Number of Securities Held in Escrow or Subject to a Contractual Restriction on Transfer⁽¹⁾	Percentage of Class⁽²⁾
Subordinate Voting Shares	3,834,573	9.00%
Proportionate Voting Shares	191,317	85.54%
Options	2,491,493	51.23%

Notes:

- (1) Held in escrow by TSX Trust Company, as escrow agent (the “**Escrow Agent**”), pursuant to escrow agreements entered into by the Company and the Escrow Agent in connection with the closing of the QT. Includes: (i) Subordinate Voting Shares issued to certain former directors and officers of G2G in exchange for common shares of G2G that were subject to a continuing escrow in connection with G2G’s initial public offering (the “**CPC Escrow Shares**”); (ii) Subordinate Voting Shares, Proportionate Voting Shares and Options held or acquired by Principals (as such term is defined in Section 1.2 of TSXV Policy 1.1 – *Interpretation*) of the Company prior to or in connection with the QT (the “**Surplus Securities**”); and (iii) Subordinate Voting Shares and Proportionate Voting Shares held by non-Principal Shareholders, which are subject to seed share resale restrictions (“**SSRRs**”) pursuant to TSXV Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* (the “**Value Shares**”). 25% of the CPC Escrow Shares were released from escrow on the Listing Date, additional 25% were released on each of January 5, 2022 and July 5, 2022, and an additional 25% will be released on January 5, 2023. 5% of the Surplus Securities were released from escrow on the Listing Date, an additional 5% were released on January 5, 2022, an additional 10% were released on July 5, 2022, an additional 10% will be released on January 5, 2023, an additional 15% will be released on each of July 5, 2023 and January 5, 2024 and an additional 40% will be released on July 5, 2024. 10% of the Value Shares were released from SSRRs on the Listing Date, an additional 15% were released on January 5, 2022 and July 5, 2022 and an additional 15% will be released from SSRRs every 6 months thereafter for a period of 36 months from the Listing Date.
- (2) This percentage is calculated based on the number of outstanding securities as at the date of this Annual Information Form.

DIRECTORS AND EXECUTIVE OFFICERS

Pursuant to the Articles, the Board shall consist of a minimum of one and a maximum of ten directors. The directors of the Company shall hold office until the next annual meeting of Shareholders or until their resignation or removal or until their respective successors have been duly elected or appointed.

Name, Occupation and Security Holdings

The following table sets out certain information with respect to the directors and executive officers of the Company as at the date of this Annual Information Form:

Name and Residence	Position with the Company	Director/Officer Since	Principal Occupation(s) for the Last Five Years
Daren Trousdell <i>Florida, USA</i>	Director, Chairman and Chief Executive Officer	June 28, 2021	Start-up Investor and Advisor, Executive, Clip Money Inc. (2018 – Present); TWDV Ventures LLC. (2010 – 2018)
Scott Nirenberski⁽¹⁾⁽²⁾ <i>Ontario, Canada</i>	Director	June 28, 2021	Chief Financial Officer, MCI One Health Technologies Inc. (2020 – Present); Chief Operating Officer, Globalive Technology Inc. (2018 – 2020); Consultant and Advisor, Proteus Capital Management, LLC (2014 – 2017)
Elaine Kunda⁽¹⁾⁽²⁾ <i>Ontario, Canada</i>	Director	June 28, 2021	Founder and Managing Partner, Disruption Ventures (2018 – Present); Consultant, Elaine Kunda (2012 – 2018)

Darrell MacMullin ⁽¹⁾⁽²⁾ <i>Ontario, Canada</i>	Director	June 28, 2021	Senior Vice President of Product and Platform, Mastercard (2021 – Present); Chief Commercial Officer, SecureKey Technologies Inc. (2017 – 2021); Chief Executive Officer, Goldmoney Inc. (2015 – 2017)
John Adamovich ⁽³⁾ <i>Florida, USA</i>	Director	June 28, 2021	Director of Voxx International (2016 – Present); Director and Chief Financial Officer, NowVertical Group Inc. (2020-2021);
Teri Anderson <i>Nova Scotia, Canada</i>	Chief Financial Officer	January 1, 2022	VP Finance, NowVertical Group Inc (2021 – 2022); President, T.L. Anderson Inc. (2021); Chief Financial Officer, Affinio Inc. (2017 – 2021); President, T. L. Anderson Inc. (1999 – 2017)
Sasha Grujicic <i>Ontario, Canada</i>	Chief Operating Officer	January 1, 2022	Founder, Complicated Things (2019 – Present); Chief Strategy and Digital Officer, Dentsu Aegis Network (2009 – 2019)
Andre Garber <i>Ontario, Canada</i>	Executive Vice President, Corporate Development and Legal Affairs	June 28, 2021	Corporate Lawyer, Partner, Fasken Martineau DuMoulin LLP (2018 – 2021); Director, Dentons Canada Startup Program, Dentons Canada LLP (2013 – 2018)
Cody Shankman <i>District of Columbia, USA</i>	Executive Vice President, Chief Marketing Officer	September 2, 2021	Director, Bully Bulpit Interactive (2019 – 2021); Director of Client Partnership, Signafire (2017 – 2019); Account Manager, BBDO (2015 – 2017)

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Governance, Human Resources and Compensation Committee.
- (3) Resigned as Chief Financial Officer of the Company effective December 31, 2021.

As of December 31, 2021, as a group, the directors and executive officers of the Company owned, controlled or directed, directly or indirectly, 7,163,616 Subordinate Voting Shares and 215,442 Proportionate Voting Shares, representing approximately 46.27% of the voting power attached to the Company's voting shares. The foregoing does not take into account Subordinate Voting Shares to be issued upon the potential exercise of options or restricted share units.

Directors

Daren Trousdell, Chief Executive Officer, Director and Chairman of the Board

Mr. Trousdell is a serial technology entrepreneur with over 20 years of experience starting, growing and exiting great companies. Mr. Trousdell also has extensive global M&A experience on both the buy and sell side, including deal sourcing, execution and integration, with many successful transactions ranging in value from \$5 million to over \$400 million. Mr. Trousdell also co-founded Clip Money Inc., a transformational fintech payments platform. Previously,

Mr. Trousdell founded and sold Mindblossom, a leading digital media and technology agency, to Dentsu Aegis Network, subsequently leading North American Client Strategy and Corporate Development for the group.

John Adamovich, Director

Mr. Adamovich has over 40 years of financial and management experience, and a wealth of expertise in corporate finance, corporate governance, mergers and acquisitions and risk management compliance. Mr. Adamovich was elected to the Board of Directors of Voxx International Corp. in 2016 and currently serves as Chair of the company's Audit Committee and as a member of its Compensation Committee, Affiliate Transaction Committee and Nominating and Governance Committee. Most recently, Mr. Adamovich served as Chief Financial Officer of Aeroflex Holding Corp., a NYSE-listed aerospace and test and measurement company focused on wireless communications. Prior to his time with Aeroflex, Mr. Adamovich served as Executive Vice President and Chief Financial Officer of Rainbow Media Enterprises, a subsidiary of Cablevision Systems Corporation, where he oversaw finance functions for the company's direct broadcast satellite business, three national cable television networks and a regional movie chain. Previously, he served as Group Vice President and Chief Financial Officer and Treasurer of NYSE-listed Pall Corporation, a leading manufacturer of filtration, separation and purification solutions. Earlier in his career, Mr. Adamovich held various roles with KPMG over 23 years, ultimately as an SEC Reviewing Partner and Professional Practice Partner. He also served on the board of Delta Financial Corporation. Mr. Adamovich received a BS in accounting and honorary doctorate in commercial science from St. John's University and is a member of the American Institute of CPAs and the New York State Society of CPAs.

Scott Nirenberski, Director

Mr. Nirenberski has over 20 years of experience investing in the technology sector in the San Francisco Bay Area. He began his career in corporate finance and planning at Intel and subsequently held research analyst positions with Montgomery Securities, Deutsche Bank and Credit Suisse First Boston. Mr. Nirenberski ran technology research teams for multi-billion dollar hedge funds Pequot Capital and Seasons Capital. He co-founded Mosaic Asset Management, a San Francisco based \$280 million TMT hedge fund. Most recently Mr. Nirenberski held the Chief Operating Officer position at Globalive Technology, a publicly-traded software development company. Mr. Nirenberski is currently the Chief Financial Officer of MCI Onehealth Technologies Inc. Mr. Nirenberski has a B.Sc. (Hon) from the University of Toronto, an MBA from Carnegie Mellon University, and is a CFA holder.

Elaine Kunda, Director

A serial entrepreneur, Ms. Kunda has successfully built teams and realigned business strategies for over 15 years. Ms. Kunda recently launched Disruption Ventures, a venture capital fund that invests in companies founded and managed by women. This was a natural progression for Ms. Kunda, as she has spent the past 6 years consulting and advising start-ups and early stage companies, helping them reach their goals and access financing. Prior to consulting, she was CEO of B5Media. The company was sold to Alloy Digital in April 2012. Ms. Kunda was also the CEO of Ziplocal, which was sold to Canpages in 2009. Ms. Kunda spent over six years at Toronto.com, Canada's top online regional portal and started her online career in Business Development at Grey Advertising in 1998. A recognized expert in the digital media space, Ms. Kunda has spoken at premier events such as Exceptional Women in Publishing, McMaster Professional Development Day, DigiDay's Digital Publishing Summit, Internet Week New York and the 2011 Marketing to Women Conference. Ms. Kunda is a founding advisor to the G(irls)20, which works to encourage G8 and G20 leaders to prioritize the political empowerment and economic freedom of females worldwide. The organization's summit brings together female candidates from each G20 country to debate social issues and devise economic innovations. Ms. Kunda is also an Associate for CDL Montreal and a Mentor for NEXT AI.

Darrell MacMullin, Director

Mr. MacMullin is a serial entrepreneur and a business transformation specialist. He brings more than 20 years of financial technology leadership and business management experience. He is currently Senior Vice President of Products and Platforms at Mastercard in Canada, where he leads and is accountable for the product teams, strategy, P&L, and roadmap execution for all product and platform business lines (Consumer Cards, B2B, Digital, New Payment Platforms, Cyber Intelligence, Crypto and Open Banking). Prior to Mastercard, Mr. MacMullin was Chief Commercial officer for SecureKey Technologies, where he led the operations for product, design, marketing, project

management, and technical delivery to enable next-generation privacy-enhancing digital identity and blockchain authentication networks with government and banks for conveniently connecting people to critical online services. Before SecureKey, Mr. MacMullin was the CEO of Goldmoney Network, a financial technology company operating a gold-based savings and payments network based on blockchain/distributed ledger, and he also served as the Head of PayPal for its first 8 years in Canada.

Executive Officers

Daren Trousdell, Chief Executive Officer, Chairman of the Board and Director

See Mr. Trousdell's biography in this section under the heading "Directors".

Teri Anderson, Chief Financial Officer

Ms. Anderson is a senior finance executive with over 25 years experience in various industries, including information technology, forestry and mining, with both private and publicly-traded companies. Ms. Anderson's areas of expertise include financing, scaling for growth, financial and operational management, and financial reporting. Prior to her current role with NowVertical, she served as the Chief Financial Officer of Affinio Inc. and the former CFO of several publicly-traded mineral exploration companies. Ms. Anderson holds an MBA from Dalhousie University and is a member of CPA Canada and CPA Nova Scotia.

Sasha Grujicic, Chief Operating Officer

Mr. Grujicic is responsible for guiding and building upon NowVertical's mergers and acquisitions vision, managing the day-to-day operations of the Company and driving commercialization throughout the organization. Mr. Grujicic is a highly respected and well-known member of the computing, technology, and business communities. He most recently served as Chief Strategy Officer for IQBit, an advanced quantum computing company, working to tackle some of the world's most complex problems using a revolutionary set of quantum and classical technologies. Mr. Grujicic previously served as Chief Strategy & Digital Officer at Dentsu Aegis Network, where he oversaw corporate planning, group-level product and service development, M&A evaluation, client and new business development, financial analysis, and people management of its digital business. Mr. Grujicic also serves as a board member of the Quantum Strategy Institute.

Andre Garber, Executive Vice President, Corporate Development and Legal Affairs

Mr. Garber leads the NowVertical mergers and acquisitions program and supervises legal matters. Mr. Garber was recently a partner and co-chair of the Emerging Companies Group in the Toronto office of Fasken Martineau DuMoulin LLP. Prior his time at Fasken, Mr. Garber founded the Dentons Canada Startup Program and was a strategic advisor to the Dentons venture capital fund, investing in legal technology companies. Mr. Garber is an active participant in Canada's start-up community, advising and investing in various high growth technology companies. Mr. Garber has worked with companies from the world's top technology accelerators including Y Combinator, Entrepreneur First and Techstars. Mr. Garber is also a member of the C100.

Cody Shankman, Executive Vice President, Chief Marketing Officer

Mr. Shankman leads NowVertical's marketing, brand and sales operations. He is a seasoned marketer with experience delivering award-winning campaigns for Fortune 500 brands and political campaigns at major agencies including Bully Pulpit Interactive, BBDO, and Blue State. Former clients include FedEx, Walmart, Meta (Facebook), Royal Caribbean Cruise Lines, and Google, where he specialized in new and emerging media adoption, technology marketing and sales enablement, and enterprise brand-building.

Audit Committee Information

The Company's current Audit Committee consists of Scott Nirenberski (Chair), Elaine Kunda and Darrell MacMullin, each of whom is and must at all times be financially literate. Scott Nirenberski, Elaine Kunda and Darrell MacMullin

are considered independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). The relevant education and experience of each member of the Audit Committee is described as part of their respective biographies above under “Directors and Executive Officers – Directors”. The Board has adopted a written Charter for the Audit Committee, which sets out the Audit Committee’s responsibility in reviewing and approving the financial statements of the Company and public disclosure documents containing financial information and reporting on such review to the Board, ensuring that adequate procedures are in place for the reviewing of NowVertical’s public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors. The text of the Charter of the Audit Committee is appended hereto as Appendix A.

The members of the Audit Committee will be appointed annually by the Board, and each member of the Audit Committee will serve at the request of the Board until the member resigns, is removed, or ceases to be a member of the Board.

All non-audit services to be provided by the Company’s external auditor are required to be pre-approved by the Audit Committee.

External Independent Registered Public Accounting Firm Service Fees

The Company’s Independent Registered Public Accounting Firm for the most recently completed financial year was Grant Thornton LLP.

The fees billed to the Company by its Independent Registered Public Accounting Firm for the fiscal year ended December 31, 2021 were as follows:

Category of Fees	Year Ended December 31, 2021
Audit fees⁽¹⁾	US\$540,460
Audit-related fees	Nil
Tax compliance and preparation⁽²⁾	US\$90,604
All other fees	Nil

Notes:

- (1) The aggregate of fees billed for (i) annual audit services relating to the audit of the Company and (ii) assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements.
- (2) The aggregate fees billed for professional services rendered for tax compliance and tax preparation, including the preparation of corporate tax returns.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company:

- (a) no director or executive officer of the Company (or a personal holding company of such person) is, as at the date of this Annual Information Form or was within the last 10 years, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued: (i) while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, trustee, chief executive officer or chief financial officer; and
- (b) no director or executive officer of the Company, or Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, (i) is, as at the date of

this Annual Information Form or has been within the last 10 years, a director, trustee or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (ii) has in the last 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets; (iii) has been 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 (iv) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the knowledge of NowVertical, there are no existing or potentially material conflicts of interest between NowVertical or a subsidiary of NowVertical and any director or officer of NowVertical or of a subsidiary of NowVertical, other than as described elsewhere in this Annual Information Form.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is from time to time involved in legal proceedings of a nature considered normal to its business. The Company believes that none of the litigation in which the Company is currently involved, or has been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to its consolidated financial condition or results of operations.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, there are no material interests, direct or indirect, of any of the Company's directors or executive officers, any Shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of the Company's outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is TSX Trust Company located at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1.

MATERIAL CONTRACTS

The following are the only material agreements of the Company entered into within the last financial year or still in effect, other than contracts entered into in the ordinary course of business:

- the Definitive Agreement, as described in G2G's filing statement dated June 18, 2021;
- the CPC Escrow Agreement, as described in G2G's filing statement dated June 18, 2021;
- the Agency Agreement, as described in the Company's short form prospectus dated December 7, 2021; and
- the Warrant Indenture, as described in the Company's short form prospectus dated December 7, 2021.

Copies of the foregoing documents are available under the Company's profile on SEDAR at www.sedar.com.

INTEREST OF EXPERTS

Grant Thornton LLP has audited the consolidated financial statements of the Company as at December 31, 2021 and for the year then ended. Grant Thornton LLP is independent with respect to the Company in the context of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

To the knowledge of the Company, none of the experts so named (or any of the designated professionals thereof) held securities representing more than 1% of all issued and outstanding Subordinate Voting Shares as at the date of the statement, report or valuation in question.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found at SEDAR, which can be accessed at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, will be contained in the Company's information circular for its upcoming annual meeting of Shareholders. Additional financial information is provided in the Company's financial statements and management's discussion and analysis for the financial year ending December 31, 2021.

GLOSSARY OF TERMS

- “**1934 Act**” has the meaning ascribed to it under “Risk Factors – Risks Related to Ownership of our Securities”;
- “**Affinio**” has the meaning ascribed to it under “General Development of the Business”;
- “**Agency Agreement**” means the agency agreement dated December 7, 2021, between the Company and Echelon;
- “**Allegiant Defense**” has the meaning ascribed to it under “General Development of the Business”;
- “**Annual Information Form**” has the meaning ascribed to it under “Introduction”;
- “**Articles**” has the meaning ascribed to it under “Description of Capital Structure – Subordinate Voting Shares and Proportionate Voting Shares”;
- “**Audit Committee**” means the Audit Committee of the Board;
- “**Board**” means the board of directors of the Company;
- “**Canada-US Tax Treaty**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;
- “**Company**” means NowVertical Group Inc., its subsidiaries or its predecessors, as the context requires;
- “**Concurrent Placement**” has the meaning ascribed to it under “General Development of the Business”;
- “**Conversion Shares**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;
- “**Conversion Ratio**” has the meaning ascribed to it under “Description of Capital Structure – Subordinate Voting Shares and Proportionate Voting Shares”;
- “**Convertible Debentures**” has the meaning ascribed to it under “General Development of the Business”;
- “**CoreBI**” has the meaning ascribed to it under “General Development of the Business”;
- “**COVID-19**” means the novel coronavirus named COVID-19;
- “**CPC Escrow Shares**” has the meaning ascribed to it under “Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer”;
- “**CPDIs**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;
- “**CSA**” means the Canadian Securities Administrators;
- “**Debenture Units**” has the meaning ascribed to it under “General Development of the Business”;
- “**Debenture Unit Offering**” has the meaning ascribed to it under “General Development of the Business”;
- “**Debenture Unit Warrant**” has the meaning ascribed to it under “General Development of the Business”;
- “**Debenture Warrant Shares**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;
- “**DFAR**” has the meaning ascribed to it under “Description of the Business – Regulatory Environment”;
- “**Echelon**” means Echelon Wealth Partners Inc.;

“**Escrow Agent**” has the meaning ascribed to it under “Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer”;

“**Exercise Price**” has the meaning ascribed to it under “Description of Capital Structure – Warrants”;

“**Exonar**” has the meaning ascribed to it under “General Development of the Business”;

“**Facility**” has the meaning ascribed to it under “General Development of the Business”;

“**FAR**” has the meaning ascribed to it under “Description of the Business – Regulatory Environment”;

“**FATCA**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;

“**Finco**” has the meaning ascribed to it under “General Development of the Business”;

“**FPI Condition**” has the meaning ascribed to it under “Description of Capital Structure – Subordinate Voting Shares and Proportionate Voting Shares”;

“**IFRS**” means the International Financial Reporting Standards, as issued by the International Accounting Standards Board”;

“**Integra**” has the meaning ascribed to it under “General Development of the Business”;

“**IRS**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;

“**Marketing Agreement**” has the meaning ascribed to it under “General Development of the Business”;

“**NI 52-110**” has the meaning ascribed to it under “Directors and Executive Officers – Audit Committee Information”;

“**non-U.S. holder**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;

“**NowVertical**” means NowVertical Group Inc., its subsidiaries or its predecessors, as the context requires;

“**NowVertical US**” has the meaning ascribed to it under “General Development of the Business”;

“**OBCA**” means the *Business Corporations Act* (Ontario) (the “**OBCA**”);

“**OID**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;

“**Offering Price**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;

“**PII**” has the meaning ascribed to it under “Risk Factors – Risks Related to our Business and Industry”;

“**PIPEDA**” has the meaning ascribed to it under “Description of the Business – Regulatory Environment”;

“**Private Placement**” has the meaning ascribed to it under “General Development of the Business”;

“**Proportionate Voting Shares**” means the Class B proportionate voting shares in the capital of the Company;

“**Prospectus Supplement**” has the meaning ascribed to it under “General Development of the Business”;d

“**PVS Offer**” has the meaning ascribed to it under “Description of Capital Structure – Subordinate Voting Shares and Proportionate Voting Shares”;

“**QT**” has the meaning ascribed to it under “Corporate Structure – Name, Address and Incorporation”

“**Resonant**” has the meaning ascribed to it under “General Development of the Business”;

“**SaaS**” means software-as-a-service;

“**Signafire**” has the meaning ascribed to it under “General Development of the Business”;

“**Seafront**” has the meaning ascribed to it under “General Development of the Business”;

“**Securities**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;

“**Shareholders**” means the holders of Shares;

“**Shares**” means, collectively, the Subordinate Voting Shares and the Proportionate Voting Shares;

“**SSRRs**” has the meaning ascribed to it under “Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer”;

“**Subordinate Voting Shares**” means the Class A subordinate voting shares in the capital of the Company;

“**Subscription Receipt Agreement**” has the meaning ascribed to it under “General Development of the Business”;

“**Subscription Receipts**” has the meaning ascribed to it under “General Development of the Business”;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended;

“**TSXV**” means the TSX Venture Exchange;

“**U.S. Tax Code**” means the Internal Revenue Code of 1986, as amended;

“**Unit Offering**” has the meaning ascribed to it under “General Development of the Business”;

“**Units**” has the meaning ascribed to it under “General Development of the Business”;

“**U.S. Holder**” has the meaning ascribed to it under “Certain U.S. Federal Income Tax Considerations”;

“**Value Shares**” has the meaning ascribed to it under “Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer”;

“**VI**” means vertical intelligence;

“**Warrant**” has the meaning ascribed to it under “General Development of the Business”;

“**Warrant Agent**” has the meaning ascribed to it under “General Development of the Business”;

“**Warrant Indenture**” has the meaning ascribed to it under “General Development of the Business”; and

“**Warrant Share**” has the meaning ascribed to it under “General Development of the Business”.

APPENDIX A

NOWVERTICAL GROUP INC. CHARTER OF THE AUDIT COMMITTEE (the “Charter”)

1. General

A. Purpose

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of NowVertical Group Inc. (the “**Company**”). The members of the Committee and the chair of the Committee (the “**Chair**”) are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the Company’s financial controls and reporting and monitoring whether the Company complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

2. Composition

- (1) The Committee should be comprised of a minimum of three directors and a maximum of five directors.
- (2) The Committee must be constituted as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time (“**NI 52-110**”).
- (3) All members of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.
- (4) No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Company or any of its related parties or subsidiaries.
- (5) All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements).
- (6) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

3. Limitations on Committee’s Duties

In contributing to the Committee’s discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management of the Company as to the non-audit services provided to the Company by the external auditor, (iv) financial statements of the Company represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Company in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. Meetings

The Committee should meet not less than four times annually. The Committee should meet within 45 days following the end of the first three financial quarters of the Company and shall meet within 90 days following the end of the fiscal year of the Company. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine. The Committee shall keep minutes of each meeting of the Committee. A copy of the minutes shall be provided to each member of the Committee.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor shall be entitled to request that the Chair call a meeting.

The Committee may ask members of management and employees of the Company (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee shall have full access to information of the Company (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Company with management, employees, the external auditor and others as they consider appropriate.

The Committee or its Chair should meet at least once per year with management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the review and approval of the Company's interim financial statements.

The Committee shall determine any desired agenda items.

5. Committee Activities

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

A. Disclosure

- (1) Review, approve and recommend for Board approval the Company's interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related management's discussion and analysis and press release.
- (2) Review, approve and recommend for Board approval the Company's annual financial statements, including any certification, report, opinion or review rendered by the external auditor, the annual information form, and the related management's discussion and analysis and press release.
- (3) Review and approve any other press releases that contain material financial information and such other financial information of the Company provided to the public or any governmental body as the Committee requires.
- (4) Satisfy itself that adequate procedures have been put in place by management for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and the related management's discussion and analysis.

- (5) Review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Company and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.
- (6) Receive periodically management reports assessing the adequacy and effectiveness of the Company's disclosure controls and procedures.

B. Internal Control

- (1) Review management's process to identify and manage the significant risks associated with the activities of the Company.
- (2) Review the effectiveness of the internal control systems for monitoring compliance with laws and regulations.
- (3) Have the authority to communicate directly with the internal auditor, if applicable.
- (4) Receive periodical management reports assessing the adequacy and effectiveness of the Company's internal control systems.
- (5) Assess the overall effectiveness of the internal control and risk management frameworks through discussions with management and the external auditors and assess whether recommendations made by the external auditors have been implemented by management.

C. Relationship with the External Auditor

- (1) Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
- (2) Have the authority to communicate directly with the external auditor and arrange for the external auditor to be available to the Committee and the Board as needed.
- (3) Advise the external auditor that it is required to report to the Committee, and not to management.
- (4) Monitor the relationship between management and the external auditor, including reviewing any management letters or other reports of the external auditor, discussing any material differences of opinion between management and the external auditor and resolving disagreements between the external auditor and management.
- (5) Review and discuss with the external auditor all critical accounting policies and practices to be used in the Company's financial statements, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the external auditor.
- (6) Review any major issues regarding accounting principles and financial statement presentation with the external auditor and management, including any significant changes in the Company's selection or application of accounting principles and any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
- (7) If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.
- (8) Review and discuss on an annual basis with the external auditor all significant relationships they have with the Company, management or employees that might interfere with the independence of the external auditor.

- (9) Pre-approve all non-audit services to be provided by the external auditor, or delegate such pre-approval of non-audit services to the Chair of the Committee; provided that the Chair shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.
- (10) Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
- (11) Periodically consult with the external auditor out of the presence of management about (a) any significant risks or exposures facing the Company, (b) internal controls and other steps that management has taken to control such risks, and (c) the fullness and accuracy of the financial statements of the Company, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- (12) Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Company.

D. Audit Process

- (1) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
- (2) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (3) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
- (4) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.
- (5) Review with the external auditor and management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- (6) Review the system in place to seek to ensure that the financial statements, management's discussion and analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

E. Financial Reporting Process

- (1) Review the integrity of the Company's financial reporting processes, both internal and external, in consultation with the external auditor.
- (2) Monitor and review the effectiveness of the Company's internal audit function, including ensuring that any internal auditors have adequate monetary and other resources to complete their work and appropriate standing within the Company and, if the Company has no internal auditors, consider, on an annual basis, whether the Company requires internal auditors, report to the Board on the internal auditors' performance and make related recommendations to the Board.
- (3) Review all material balance sheet issues, material contingent obligations and material related party transactions.

- (4) Review with management and the external auditor the Company's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

F. Other

- (1) Inform the Board of matters that may significantly impact on the financial condition or affairs of the business.
- (2) Review the public disclosure regarding the Committee required from time to time by NI 52-110.
- (3) Review in advance, and approve, the hiring and appointment of the Company's Chief Financial Officer and any other senior officers responsible for financial reporting.
- (4) Establish and oversee the effectiveness of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing under the Company's whistleblower policy.
- (5) Perform any other activities as the Committee or the Board deems necessary or appropriate.

6. Independent Advice

In discharging its mandate, the Committee shall have the authority to retain, at the expense of the Company, special advisors as the Committee determines to be necessary to permit it to carry out its duties.

7. Annual Evaluation

At least annually, the Committee shall, in a manner it determines to be appropriate:

- (1) Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.
- (2) Review and assess the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee believes to be appropriate.

8. No Rights Created

This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this Charter should comply with all applicable law and the Company's constating documents, this Charter does not create any legally binding obligations on the Committee, the Board, any director or the Company.