

**FORM 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

1 Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Subordinate voting shares (**Subordinate Voting Shares**) of VerticalScope Holdings Inc. (**VerticalScope** or the **Company**):

111 Peter Street
Suite 901
Toronto, ON M5V 2H1

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

2 Identity of the Acquiror

2.1 State the name and address of the acquiror.

NordStar Capital LP (**NordStar**), indirectly through its wholly-owned subsidiaries VS Holdings 1 Ltd., VS Holdings 2 Ltd., VS Holdings 3 Ltd., VS Holdings 4 Ltd., VS Holdings 5 Ltd., VS Holdings 6 Ltd., VS Holdings 7 Ltd., VS Holdings 8 Ltd., VS Holdings 9 Ltd. and VS Holdings 10 Ltd.
One Yonge Street
5th Floor
Toronto, ON M5E 1E6

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

In connection with VerticalScope's initial public offering of Subordinate Voting Shares (the **Offering**), VerticalScope completed a series of transactions (the **Pre-Closing Reorganization**) pursuant to which, among other things, it filed articles of amendment on June 18, 2021 to (i) change the then existing 2,957,265 Class A common shares into 2,957,265 Multiple Voting Shares, (ii) change the then existing 11,000,187 Class B common shares into 11,000,187 Subordinate Voting Shares, and (iii) delete the Class A common shares, Class B common shares and Class A preferred shares of the Company.

NordStar acquired, indirectly through certain of its wholly-owned subsidiaries, 7,860,505 Subordinate Voting Shares on June 18, 2021 upon the change of its Class B common shares pursuant to the Pre-Closing Reorganization.

A press release announcing the closing of the Offering and including the required early warning disclosure of NordStar was disseminated by the Company on June 21, 2021.

2.3 State the names of any joint actors.

Paul Rivett, the Chair of the board of directors of VerticalScope and a co-owner of NordStar, may be considered to be acting jointly or in concert with NordStar, as may be any entities controlled by NordStar or Mr. Rivett.

3 Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

Immediately before giving effect to the Pre-Closing Reorganization, NordStar beneficially owned or exercised control or direction over 7,860,505 Class B common shares, representing 71.5% of the Class B common shares, approximately 55.8% of the total issued and outstanding shares and approximately 55.8% of the total voting power.

Immediately after giving effect to the Pre-Closing Reorganization and to the Offering, NordStar beneficially owned or exercised control or direction over 7,860,505 Subordinate Voting Shares, representing approximately 46.7% of the outstanding Subordinate Voting Shares, approximately 39.7% of the total issued and outstanding shares and approximately 16.9% of the total voting power.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See Items 2.2 and 3.1 above.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Items 2.3 and 3.1 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

4 Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See Item 2.2 above.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 2.2 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

See Item 2.2 above.

5 Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

NordStar acquired, indirectly through its wholly-owned subsidiaries, its Subordinate Voting Shares pursuant to the Pre-Closing Reorganization for investment purposes. NordStar may further purchase, hold, trade, dispose or otherwise deal in the securities of VerticalScope, in such manner as it deems appropriate, subject to applicable laws and the terms and conditions of VerticalScope's articles, and of the lock-up agreement and investor rights agreement entered into by NordStar and its subsidiaries, each as described in VerticalScope's supplemented PREP prospectus dated June 14, 2021 (the **Prospectus**). A copy of the Prospectus is available under the Company's profile on SEDAR at www.sedar.com.

6 Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Lock-up Agreement. In connection with the Offering, certain of NordStar's wholly-owned subsidiaries entered into lock-up agreements dated June 21, 2021, pursuant to which they agreed not to directly or indirectly, without the prior written consent of the lead underwriters, on behalf of the underwriters for the Offering, as applicable: (a) offer, sell, contract to sell, issue, grant or sell any option, right or warrant to purchase, or otherwise lend, transfer or dispose of

shares of the Company, financial instruments or securities convertible into or exercisable or exchangeable for shares of the Company, (b) make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement that transfers to another person, in whole or in part, any of the economic consequences of ownership of shares of the Company, whether any such transaction is to be settled by delivery of shares, other securities, cash or otherwise, or (c) announce any intention to do any of the foregoing for a period commencing on the closing of the Offering (the **Closing Date**) and ending 12 months after the Closing Date. However, each such NordStar subsidiary will have the right to sell, grant, secure, pledge or otherwise transfer, dispose of or monetize (i) up to half of its Subordinate Voting Shares or other equity securities of the Company 180 days after the Closing Date; (ii) up to three quarters of its Subordinate Voting Shares or other equity securities of the Company nine months after the Closing Date; and (iii) any and all of their Subordinate Voting Shares or other equity securities of the Company 12 months after the Closing Date. A summary description of the material terms of the lock-up agreement is included in the Prospectus under “*Lock-Up Agreements*”.

Investor Rights Agreement. In connection with the Offering, NordStar also entered into an investor rights agreement with the Company and the other Principal Shareholders of the Company, dated June 21, 2021, with respect to certain shareholder rights, including director nomination rights and registration rights. Among other things, as long as NordStar’s subsidiaries (collectively) own (i) Subordinate Voting Shares representing at least 15% of the issued and outstanding Multiple Voting Shares and Subordinate Voting Shares (on a non-diluted basis), NordStar will have the right to designate two director nominees to the Board, one of whom must be independent within the meaning of NI 52-110; and (ii) Subordinate Voting Shares representing at least 7.5% (but less than 15%) of the issued and outstanding Multiple Voting Shares and Subordinate Voting Shares (on a non-diluted basis), NordStar will have the right to designate one director nominee to the Board. One of the NordStar nominees must be Paul Rivett, other than in certain specified circumstances, in which case the NordStar is entitled to designate another nominee. NordStar is also entitled to have Mr. Rivett serve as Chair of the Board under the Investor Rights Agreement until the earliest to occur of the fifth anniversary of the Closing Date and certain other specified events. A summary description of the material terms of the investor rights agreement is included in the Prospectus under “*Investor Rights Agreement*”. A copy of the investor rights agreement is also available under the Company’s profile on SEDAR at www.sedar.com.

7 Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

8 Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

9 Certification

I, as the acquiror, certify, or I as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED the 22nd day of June, 2021.

**NORDSTAR CAPITAL LP, BY ITS GENERAL
PARTNER, NORDSTAR CAPITAL INC.**

Per: “Paul Rivett”

Paul Rivett

Chairman