



ANNUAL INFORMATION FORM
for the year ended December 31, 2022

Dated: March 31, 2023

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EXPLANATORY NOTES

As used in this Annual Information Form (“**Annual Information Form**” or “**AIF**”), unless otherwise indicated or the context requires otherwise, all references to the “**Company**”, “**VerticalScope**”, “**we**”, “**us**” or “**our**” refer to VerticalScope Holdings Inc. together with our subsidiaries and predecessors, including VerticalScope Inc. (“**VerticalScope OpCo**”) through which we conduct our activities, and references to “**VerticalScope HoldCo**” refer to VerticalScope Holdings Inc. alone. All financial information in this Annual Information Form is reported in United States dollars, unless otherwise stated. Certain defined terms used herein have the meanings given to them under “*Glossary of Defined Terms*” at the end of this Annual Information Form.

The information contained herein is dated as of March 31, 2023 unless otherwise stated.

TRADEMARKS AND TRADE NAMES

This Annual Information Form includes certain trademarks, trade names and material subject to copyright, such as “VerticalScope”, which are protected under applicable intellectual property laws and are the property of VerticalScope. Solely for convenience, our trademarks, trade names and copyrighted material referred to in this Annual Information Form may appear without the [™], [®] or [©] symbols, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks, trade names and copyrights to the fullest extent under applicable law.

IFRS AND NON-IFRS MEASURES

Our financial statements included in this Annual Information Form have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”).

The information presented in this Annual Information Form includes non-IFRS financial measures and industry metrics. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Free Cash Flow Conversion Rate. This Annual Information Form also makes reference to Average Revenue Per User (“**ARPU**”), Impressions and Monthly Active Users (“**MAU**”), which are operating metrics used in our industry. These non-IFRS measures and operating metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and industry operating metrics in the evaluation of issuers. Our management also uses non-IFRS measures and industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts, to confirm compliance with covenants under the Credit Agreement and to determine components of management compensation. We believe Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Free Cash Flow Conversion Rate and operating metrics are important supplemental measures of our performance, primarily because they and similar measures are used widely among others in our industry as a means of evaluating a company’s underlying operating performance. However, the performance measures we use may be calculated in a different manner than similar performance measures used by other companies.

Non-IFRS Measures

“**Adjusted EBITDA**” is calculated as net income (loss) excluding interest, income tax expense (recovery), and depreciation and amortization, or EBITDA, adjusted for share-based compensation, share performance related bonuses, unrealized gains or losses from changes in fair value of derivative financial instruments, severance, contingent consideration liabilities measured at fair value through profit and loss, gain or loss on sale of assets, gain or loss on sale of investments, foreign exchange loss (gain), impairment and other charges that include direct and incremental business acquisition related costs and costs directly incurred in connection with the IPO (as defined below) that are not deducted from the equity proceeds.

“**Adjusted EBITDA Margin**” measures Adjusted EBITDA as a percentage of revenue.

“**Free Cash Flow**” means Adjusted EBITDA less capital expenditures and income taxes paid during the period. “**Free Cash Flow Conversion Rate**” means Free Cash Flow divided by Adjusted EBITDA.

See our audited consolidated financial statements and notes for Fiscal 2022 and Management’s Discussion and Analysis for Fiscal 2022 for the reconciliation of such non-IFRS measures presented by the Company to the most directly comparable IFRS measure.

Industry Metrics

“**ARPU**” means our average revenue over a given period divided by the average MAU over the same period.

“**CPM**” means the cost paid for one thousand Impressions of an advertisement.

“**MAU**” means the number of individuals who have visited our communities within a calendar month, based on data as measured by Google Analytics. It is calculated as the sum of the monthly users of each of our communities. To calculate average MAU in a given period, we sum the total MAU for each month in that period, divided by the number of months in that period.

FORWARD-LOOKING INFORMATION

This Annual Information Form contains “forward-looking information” within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. This forward-looking information is identified by the use of terms and phrases such as “may”, “would”, “should”, “could”, “might”, “will”, “achieve”, “occur”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “target”, “opportunity”, “strategy”, “scheduled”, “outlook”, “forecast”, “projection”, “likely”, “predict”, “indicate” or “prospect”, the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

In particular, and without limiting the generality of the foregoing, forward-looking information in this Annual Information Form includes statements relating to: changes in the capital market conditions and in economic, political and industry conditions and legislative, administrative and regulatory developments; our business plans and strategies, including expectations regarding the retention and growth of our user base, customers, expansion of product offerings, brand, performance, and the ability to execute our monetization and growth strategies; expectations regarding our revenue, revenue generation potential, expenses and other operating results; our ability to maintain and grow good business relationships with our clients, agents, partners and licensors; our ability to raise sufficient debt or equity financing on commercially reasonable terms to support our business growth; our ability to grow and retain users, user engagement and average revenue per user; our ability to deliver modern user experiences, generate high quality content, and deliver modern infrastructure and performance; our ability to access multiple, third-party advertising and e-commerce networks; our ability to migrate communities to our platform; our ability to identify and complete acquisitions under acceptable terms and successfully integrate the acquired communities with our existing communities; expectations regarding industry trends and technology and the size and growth rates of addressable markets; our ability to protect our technology and intellectual property rights; our ability to maintain consistent service, free from disruptions, outages, defects and other performance or quality issues; the estimated addressable market opportunity for our communities, services and platform; expectations regarding privacy and data management practices; the adequacy of our insurance policies and our ability to maintain same; the materiality and expected results of ongoing or future litigation; our competitive position within the industry in which we operate; our intention to expand our team, our reliance on key personnel and our ability to identify, recruit and retain skilled personnel, including expectations relating to our compensation process and program; expectations regarding future dividend payments and future director and executive compensation levels and plans; our estimated near-term and medium term acquisition pipeline and the anticipated Adjusted EBITDA contributions of such acquisitions; expectations regarding the long-term ownership

equity position of our founder and Chief Executive Officer; conflicts of interest in relation to the Company's officers and directors; changes in trends in our industry or macroeconomic conditions, including the impact of the ongoing Russian invasion of Ukraine and the COVID-19 pandemic; the impact of climate change; seasonality and the impact on customer budgets and consumer spending; and the market price for the Subordinate Voting Shares.

Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond our control, that could cause actual results, level of activity, performance or achievements to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, those described in greater detail under "*Risk Factors*" in this Annual Information Form.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

Forward-looking information is based on management's beliefs and assumptions and on information currently available to management. Although the forward-looking information contained in this Annual Information Form is based upon what we believe are reasonable assumptions, investors are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information contained herein. All of the forward-looking information contained in this Annual Information Form is expressly qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in "*Risk Factors*" should be considered carefully by readers. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this Annual Information Form is provided as of the date of this Annual Information Form, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

CORPORATE STRUCTURE

Name, Address and Incorporation

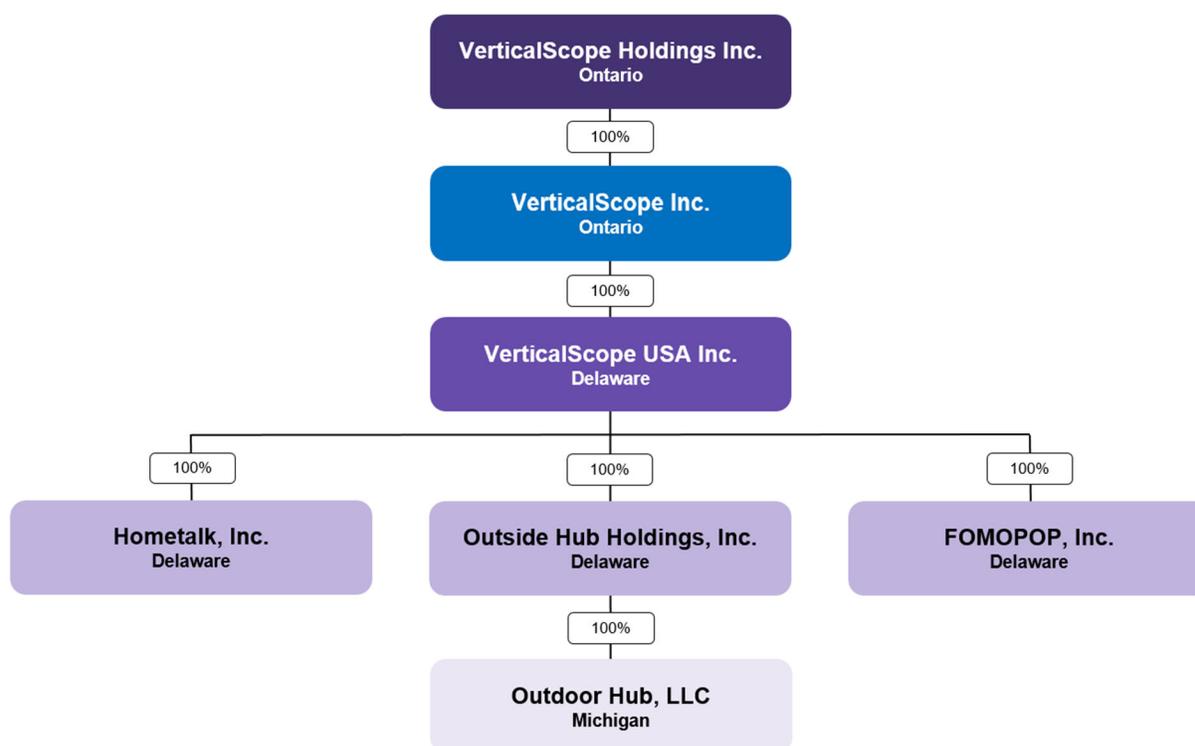
VerticalScope Holdings Inc. was incorporated on November 19, 2012 under the OBCA. VerticalScope Inc., a subsidiary of VerticalScope HoldCo, was formed by the amalgamation of VerticalScope Inc. (incorporated on July 5, 1999) and TrustedPros Inc. on January 1, 2019 under the OBCA.

On June 11, 2021, prior to closing of our initial public offering (the "**IPO**"), we implemented a number of pre-closing capital changes (the "**Pre-Closing Reorganization**"). We filed articles of amendment to create and authorize an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of Preferred Shares, issuable in series. In addition, holders of Class A Common Shares, other than RDL Ventures, exchanged all of their Class A Common Shares for Class B Common Shares on a one-for-one basis in accordance with share exchange agreements entered into by the Company and such holders of Class A Common Shares. On June 18, 2021, our articles were further amended to change the then existing 2,957,265 Class A Common Shares into 2,957,265 Multiple Voting Shares, change the then existing 11,000,187 Class B Common Shares into 11,000,187 Subordinate Voting Shares, and delete the Class A Preferred Shares, Class A Common Shares and the Class B Common Shares. See "*Description of Share Capital*" for more information about our current share capital.

Our headquarters and registered office is located at 111 Peter Street, Suite 600, Toronto, Ontario M5V 2H1, Canada.

Intercorporate Relationships

The following chart identifies VerticalScope HoldCo's material subsidiaries (including place of incorporation or formation) as of the date of the Annual Information Form. All material subsidiaries are owned, directly or indirectly, by VerticalScope HoldCo.



GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year Business Development History

Below is a summary of key general developments of our business over the last three completed financial years.

Fiscal Year 2020

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In response, many governments implemented preventive or protective measures such as temporary closures of businesses, quarantines or shelter-in-place orders. The resulting commercial disruption had a negative impact on our direct and programmatic advertising revenue throughout 2020, and this impact continued in respect of certain of our digital advertising customers in 2021. Due to the economic hardships presented by the COVID-19 pandemic, we received benefits from the Canada Emergency Wage Subsidy (“CEWS”) and the CARES Act for a Paycheck Protection Program loan (the “PPP Loan”), and right-sized our workforce in Canada. In contrast, our revenue from e-commerce activities realized significant growth in 2020 and in the first quarter of 2021, which growth was accelerated by the lockdown measures imposed by governments in the U.S. and Canada as consumer behaviour accelerated towards making online purchases.

As we had embraced a “work from anywhere” model prior to the onset of the COVID-19 pandemic, striking a balance between in-office and remote work, most of our workforce was able to shift to working entirely remotely without a significant impact on productivity.

On July 31, 2020, Wide Open Spaces, Inc. was acquired by Publisher's Clearing House LLC. In connection with this acquisition, we sold our minority interest in Wide Open Spaces, Inc., comprised of 1,474,175 Series AA Preferred Shares to Publisher's Clearing House LLC for gross proceeds of \$1,010,046.

On August 5, 2020, Torstar Corporation, a former shareholder, was acquired by Nordstar Capital LP. On September 25, 2020, Paul Rivett, then co-owner of Nordstar Capital LP and Chairman and Co-Proprietor of Torstar Corporation, was appointed to our Board of Directors, and replaced John Boynton who retired from our Board of Directors at that time.

During the year ended December 31, 2020, we completed an acquisition for aggregate cash consideration of approximately \$221,000, and sold community domains for an aggregate of approximately \$453,000.

Fiscal Year 2021

On June 21, 2021, the Company completed its IPO, following which the Subordinate Voting Shares began trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “FORA”. At the closing of the IPO, the Company issued 5,685,000 Subordinate Voting Shares at a price of C\$22.00 per Subordinate Voting Share for total gross proceeds of C\$125,070,000.

On July 6, 2021, the Company also closed the full exercise of the over-allotment option granted in connection with the IPO, issuing an additional 852,750 Subordinate Voting Shares for additional gross proceeds of C\$18,760,500 to the Company.

On June 24, 2021, the Company announced that it had entered into an amended and restated credit agreement (the “**A&R Credit Agreement**”), amending and restating the Company’s then existing credit agreement (the “**Pre-existing Credit Agreement**”) with Capital One, National Association, as sole lead arranger, sole bookrunner and administrative agent, and HSBC Bank Canada, National Bank of Canada and Royal Bank of Canada, as co-syndication agents. The multi-tranche term loans under the Pre-existing Credit Agreement were restated into a single term loan tranche with a principal amount of \$50 million and the revolving loan commitments under the Pre-existing Credit Agreement were increased to \$75 million. The Credit Facilities mature on June 24, 2026.

On June 24, 2021, the Company announced the completion of the acquisition of Paddling.com, a leading paddlesports enthusiast community.

On October 19, 2021, the Company announced the completion of the acquisition of ProBoards.com. Proboards, founded by California-based technology entrepreneur Patrick Clinger, is a platform that allows users to create and operate their own online communities for free. The platform now supports hundreds of individual communities covering a wide range of subjects and represents an exciting new growth driver for VerticalScope.

On November 9, 2021, the Company announced that certain of our subsidiaries had entered into agreements to acquire Hometalk Inc. (“**Hometalk**”), Fomopop, Inc. (“**The Streamable**”) and Threadloom, Inc. (“**Threadloom**”), and each of the foregoing transactions has since closed. The purchase price paid in cash on closing for Hometalk and Fomopop combined, net of cash remaining in the businesses, totaled \$63.5 million with the potential for up to an additional \$30 million in cash payable over a two-year period if certain performance thresholds are achieved. The consideration paid on closing for Threadloom of approximately \$15 million included the issuance of 648,441 Subordinate Voting Shares and an additional \$1 million in cash was paid as retention consideration. The Threadloom acquisition also includes contingent retention consideration of up to an additional \$2 million in cash payable following the first anniversary of the closing and up to an additional \$7 million in Subordinate Voting Shares issuable following the second anniversary of the closing subject to certain conditions being met.

In 2021, the Company completed a total of 21 acquisitions, including the above noted Paddling.com, ProBoards.com, Hometalk Inc., Fomopop, Inc. and Threadloom, Inc., for a total consideration of \$110.1M excluding contingent consideration.

Fiscal Year 2022

On January 14, 2022, the Company filed a final short form base shelf prospectus (the “**Base Shelf Prospectus**”). The Base Shelf Prospectus qualified the distribution of Subordinate Voting Shares, Preferred Shares, debt securities, warrants, subscription receipts, and units (for up to an aggregate offering price of C\$500,000,000, in one or more transactions during the 25-month period that the Base Shelf Prospectus, including any amendments thereto, remains effective. One or more prospectus supplements will be provided containing the specific terms of any offering of such securities.

On August 12, 2022, the Company announced that it had received approval from the TSX for the commencement of a normal course issuer bid (“NCIB”). Pursuant to the NCIB, the Company may purchase up to 918,143 Subordinate Voting Shares, representing approximately 5% of the outstanding Subordinate Voting Shares as of August 10, 2022. The Company is authorized to make purchases under the NCIB during the period from August 16, 2022 to August 15, 2023 in accordance with, and subject to, the requirements of the TSX and applicable securities laws. In connection with the NCIB, the Company has entered into an automatic repurchase plan with its designated broker to allow for purchases of its Subordinate Voting Shares during certain pre-determined black-out periods, subject to certain parameters. Outside of these pre-determined black-out periods, Subordinate Voting Shares will be repurchased in accordance with management’s discretion, subject to applicable law.

During the year ended December 31, 2022, the Company repurchased and cancelled 100,200 Subordinate Voting Shares under the NCIB.

In 2022, VerticalScope completed a total of 14 acquisitions, for aggregate cash consideration of \$4,408,000.

Developments Since Fiscal Year 2023

On January 6, 2023, VerticalScope paid the year 1 contingent consideration payable to the former shareholders of Fomopop, Inc. in a total amount of \$15,000,000 as a result of Fomopop, Inc. having achieved the required performance thresholds.

On February 1, 2023, VerticalScope announced a reduction in its workforce to align the Company’s talent with its most important growth initiatives, reduce expenses, and position itself to navigate the economic environment going forward.

On February 9, 2023, VerticalScope announced certain Board changes in connection with the settlement of a dispute between shareholders of NordStar Group and changes in NordStar Group’s shareholdings in the Company. Paul Rivett, formerly a NordStar Group nominee, and Marina Glogovac resigned from the Board. Philip Evershed was appointed to the Board as the replacement NordStar Group nominee, in accordance with the Investor Rights Agreement. Rob Laidlaw was appointed Chair of the Board and Wayne Bigby was appointed as Lead Independent Director.

On March 31, 2023, VerticalScope entered into an amendment to its purchase agreement with the former shareholders of Fomopop, Inc. to extend the measurement period of the year 2 potential contingent cash consideration payable if certain performance thresholds are achieved by up to 12 months and will be entering into related transition services and consulting agreements with the former shareholders of Fomopop, Inc. effective April 1, 2023.

Significant Acquisitions

The Company did not complete any significant acquisition during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102 – Continuous Disclosure Requirements.

DESCRIPTION OF THE BUSINESS

We are a technology company that has built and operates an innovative cloud-based digital enthusiast community platform serving registered community members across our online communities. We focus on hyper-specific subjects that engender strong affinity from online communities of enthusiasts, super fans, experts, pros, hobbyists and armchair analysts. Our brands include dedicated communities for watch geeks, audio nerds, motorheads, fitness-obsessed, mountain bikers, DIYers, deal junkies and enthusiasts of hundreds of additional topics. We maintain separate brands for each of our communities.

We have built our business through a combination of acquisitions and organic initiatives. We believe that adding communities to our platform through asset-focused acquisitions is an efficient use of capital as it allows us to grow the number of MAU we reach while providing acquired communities with improved technology, user experience and monetization capabilities. We have a successful history of acquiring and integrating communities to expand our footprint, and we believe that acquisitions will be an important driver of our future growth.

Our community members are subject matter experts who create rich content, including product reviews, explainers, comparisons, how to guides, fan fiction, essays, topic focused memes and buying guides. Our most engaged members are often motivated by being recognized as thought leaders within their communities. Our “power users” create unique,

compelling content and often assume leadership roles in our communities as moderators and administrators. Our “mods and admins” organize topic threads, ensure that conversations remain on-topic and contribute to building positive cultures within our communities. We have built specialized software tools that leverage machine learning to enable our team to manage communities more efficiently, identify spam and address problematic posts.

Our Business Model

We have one reporting segment and two main sources of revenue: digital advertising and e-commerce. The digital advertising stream includes revenue generated from (i) direct advertising campaigns, (ii) custom content solutions, and (iii) programmatic advertising. The revenue for the digital advertising stream in the Fiscal 2022 was \$55.1M and in the Fiscal 2021 was \$44.0M. The e-commerce revenue stream includes revenue generated from (i) commissions, (ii) referral payments, and (iii) subscriptions. The revenue for the e-commerce stream in the Fiscal 2022 was \$25.4M and in the Fiscal 2021 was \$21.8M.

Digital Advertising

The Company operates in multiple countries, principally in the U.S. and Canada. In 2022, we served over 540 direct advertisers in the U.S. and Canada. Our direct advertising efforts focus mainly on larger brands seeking to reach a national base of consumers.

Geared Content Studios, our in-house production studio, provides custom content and video solutions specializing in reaching enthusiasts and in-market shoppers.

Programmatic advertising includes the monetization of impressions that are not sold by the higher-priced direct sales channel through RTB. Programmatic advertising is driven by connections with the largest ad exchanges and supply-side platforms in North America. Programmatic advertising also includes revenue generated through our private marketplace and Programmatic Guaranteed advertising – an invitation-only auction for premium impression sales with agreed upon price floors. Private marketplace and programmatic guaranteed advertising combine the relationship of direct advertising with the technology of RTB.

E-commerce

We receive a commission from sales attributable to traffic we send to partners, with rates of up to 15% of transaction value. Sales are influenced by product reviews from our network of staff and freelance writers and by broader community discussion, which includes user-generated product links posted in our communities. Commissions are generated from over 100 partners and networks on our communities.

Subscription-related e-commerce revenue is generated from three sources: (i) a native commerce product that enables merchants to maintain a presence on our communities and engage in commercial conversations with our users, (ii) a business directory product that connects consumers with service providers, and (iii) paid user memberships, which account for an immaterial portion of our current e-commerce revenue.

Our Fora Software Platform, New Features and Products

We built our Fora platform over three years and started migrating our forum communities to the platform in May 2019. Our Fora platform enables us to operate, develop and scale our extensive network of communities as if they were a single entity. Since launching the Fora platform, we have launched new features and functionality. We plan to continue to launch new features and products to improve our user experience, launch new mobile experiences, and enhance our marketplace and community commerce and product discovery capabilities.

Industry Overview & Trends

Topic-focused communities provide a valuable alternative to traditional social media platforms. They provide a venue where your status can be earned by the knowledge and energy you bring to the conversation. They are an outlet where individuals can share their passions with the needed privacy to separate those interests from their daily lives and local social networks. We are seeing continued growth in MAU, with a 12.8% increase for the year ended December 31, 2022 compared to the same period in the prior year. We provide a unique and separate experience compared to Reddit. We bring our

individual communities to the forefront, instead of emphasizing the VerticalScope brand. We believe this approach allows our members to engage more actively in the topics they love, separating their interests from a broader online persona and promoting safety and security from online backlash. When our members are sharing information about their watches, cars, sailboats and other high-value categories, it is within a like-minded community instead of one's broader social network. As a result, we have seen strong membership and engagement versus similar communities that are part of broader social networks.

Digital advertising has robust momentum as consumers continue to migrate online. A focus on efficient audience targeting and ROAS continue to drive increases in mobile and social media advertising. As the industry continues to evolve, data transparency, advertising personalization and consumer privacy are being monitored by advertisers, platforms, consumers and regulators. In an uncertain privacy regime, first party and contextual audience data is increasingly more valuable to improve advertising efficiency. Towards the end of 2022, digital advertising momentum slowed as the combination of inflation, higher interest rates and general economic uncertainty caused many advertisers to be more cautious with spending.

As e-commerce continues to scale, social networks are uniquely positioned to shorten the distance between discovery and purchase. Shoppers conduct significant product research online and are increasingly turning to social networks and communities for independent product validation. Through platform-specific solutions, software integrations and commerce partnerships, social networks are bringing transactions onto their platforms, helping to minimize typical e-commerce barriers including vendor trust, cart abandonment and payments. Meta, Instagram and Snap have all launched shoppable advertising and Pinterest continues to expand its shoppable pins partnership with Shopify, further enabling direct e-commerce. E-commerce consumer spending accelerated rapidly during the COVID-19 pandemic, however the pace of growth was significantly moderated in the period of reopening throughout 2022 and early 2023.

Seasonality

Our platform can see changes in traffic, specifically over quarterly periods, as a result of expected changes, such as regular seasonal patterns.

Digital advertising expenditures by customers and e-commerce spending tend to be impacted by seasonality and as a result, our quarterly digital advertising revenue and e-commerce revenue are also impacted by seasonality. Typically, advertising budgets are set annually and digital advertising revenue is lowest in the first quarter, and peaks in the fourth quarter as advertisers and agencies look to utilize their budgets in full and consumer spending increases during the holiday season. E-commerce revenue faces similar seasonality. As a result, we believe the best indicator for performance is year-over-year comparisons. The typical seasonal trend was moderated in 2022 as advertising and e-commerce spending in the fourth quarter of 2022 was negatively impacted by inflation, higher interest rates and general economic uncertainty.

For other factors that may cause our financial results to fluctuate, see "*Risk Factors*".

Competition

In general, we compete for consumer attention with larger, more established platforms such as Reddit, Meta (including Instagram), YouTube, Snap and Twitter.

While we do not believe that any specific competitor offers the distinct value proposition and capabilities that we offer at scale, we primarily compete with other community aggregators and independent communities in the market for digital advertising and e-commerce.

We also compete with a number of companies for acquisition opportunities such as IAC, Red Ventures, Future plc and Enthusiast Gaming. These companies tend to be focused on specific categories and do not offer a unified community platform such as Fora.

Social Media

Our two principal social media competitors are Reddit and Facebook Groups. These competitors have broad reach and presence, but our communities offer dedicated spaces for hyper-specific content. In addition, our members use pseudonyms, whereas certain social media platforms like Facebook require IRL or "in real life" identities. Pseudonyms allow members

to share freely without public scrutiny of their IRL identity and reduce political posturing, social pressure, noise and distraction.

Independent Communities

We also face competition from a number of smaller, independent communities. Most of these communities are maintained as a part-time effort by an enthusiast founder with limited resources. These communities typically started as part of their founder’s personal interests and may not have the technical and operational capabilities found in our communities. The founders of these communities often lack the operational savviness and relationships with advertisers to efficiently monetize their audiences. Our communities provide a better user experience and regular software updates, in addition to better moderation and quality control. As such, we do not view independent communities as a significant competitive threat.

Employees

As of the date of this AIF, we employed 212 employees, of which 108 were based in Canada, 67 were based in the U.S., 30 were based in Israel, 4 were based in Estonia and 3 were based in the Cayman Islands. We also engage consultants and/or subcontractors as needed to support our operations. None of our employees are unionized or represented by a labor organization or are party to a collective bargaining agreement.

Specialized Skill and Knowledge

Specialized skill and knowledge is necessary to capitalize on significant trends in the technology, digital advertising and e-commerce industry. Our success is dependent on the ability and experience of a number of key personnel who have substantial experience with our operations, our rapidly changing industry and the markets in which we offer our services. The capabilities of our executives, data scientists, engineers, software developers, product managers, sales personnel and other key employees are in high demand from market competitors. We mitigate this risk by offering competitive salary, benefits and individual growth. While competitive conditions exist in the industry, we have been able to locate and retain employees and consultants with such skills and believe we will continue to be able to do so in the foreseeable future.

Our Facilities and Locations

All of our premises are leased. We are headquartered in Toronto, Ontario and have offices in the U.S., Israel, and the Cayman Islands. We believe that our current facilities are adequate to meet our ongoing needs for the near and mid- term and that, if we require additional space, we will be able to obtain additional facilities on commercially reasonable terms. The following table outlines the facilities we currently lease.

Location	Area	Lease Expiration Date	Use
Toronto, Ontario, Canada	8,769⁽¹⁾ sqft	September 30, 2025	Office Space
Bingham Farms, Michigan, U.S.A.	1,445 sqft	January 31, 2025	Office Space
Mountain View, California, U.S.A.	1,156 sqft	August 11, 2023	Office Space
Jerusalem, Israel	732 m2	January 31, 2027	Office Space
Camana Bay, Cayman Islands	885 sqft	February 8, 2028	Office Space

(1) This figure does not include leases in respect of 33,419 sqft of offices in the same building which we have subleased to third parties for periods up to September 29, 2027.

Our Intellectual Property

Our intellectual property rights are important to our business. We rely on a combination of intellectual property laws,

confidentiality procedures and contractual provisions to protect our communities, services and platform in jurisdictions in which we conduct our business.

Any significant impairment of, or third-party claims against, our intellectual property rights could harm our business or our ability to compete. We are subject to risks related to our intellectual property. For more information, see “*Risk Factors*”.

Research and Development

Research and development expenses consist primarily of employee-related expenses, contractor and consultant fees and corporate overhead allocations for the design, development and management of our communities and platform. We continue to focus our research and development efforts on adding new features and solutions, and increasing the functionality and enhancing the ease of use of our communities and platform. While we expect research and development expenses to increase in absolute dollars as we continue to increase the functionality of our Fora platform, we expect our research and development expenses to decline as a percentage of total revenue.

Foreign Operations

Our head office is in Toronto, Ontario, Canada and we have offices in the U.S., Israel, Estonia (remote) and the Cayman Islands. These offices employ managerial, sales and marketing and support personnel, as well as technical engineers who provide IT services and solutions.

For Fiscal 2022, based on MAU, approximately 60% of our revenues were transacted in the United States, approximately 9% of our revenues were transacted in Canada, approximately 8% of our revenues were transacted in United Kingdom, and the remaining approximately 23% of our revenues were transacted in over 50 other jurisdictions. For more details, see note 21 to the Company’s annual consolidated financial statements for FY 2022.

Regulatory Environment and Industry Standards

We operate in a complex legal and regulatory environment and are subject to a number of federal, state, provincial and foreign laws and regulations that affect companies conducting business on the internet. Our business, and the communities, services and platform that we offer are subject to a variety of laws and regulations in Canada, the U.S., Israel, Europe, the Cayman Islands and other jurisdictions in which we operate. We are subject to risks relating to the regulatory environment in which we operate. For more information, see “*Risk Factors*”.

Privacy and Data Protection Laws and Regulations

We receive from, store and process for, our users and customers, certain data, including personal data. We also collect, use, store and disclose personal data belonging to our employees. As we expand our network of communities, users and customers, including in new jurisdictions, we may be subject to additional laws, directives and regulations, as well as contractual obligations, relating to the collection, use, retention, security, disclosure, transfer, destruction, de-identification and other processing of such personal data in the jurisdictions in which we operate or our users and customers reside. Additionally, some jurisdictions require us to use industry-standard or reasonable measures to safeguard personal or confidential information. Many of these laws also impose obligations to provide notification of security breaches to affected individuals, consumer reporting agencies, businesses or governmental agencies

We are subject to Canada’s *Personal Information Protection and Electronic Documents Act* (“**PIPEDA**”), and the analogous provincial laws, which similarly impose data privacy and security obligations on our processing of personal data. In December 2019, the federal government began drafting a new bill to reform PIPEDA providing expressly for the establishment of new rights related to privacy, such as personal data portability, the ability to remove, delete and erase personal data and the ability to withdraw consent to the exchange or sale of personal data. Bill C-11, also known as the *Digital Charter Implementation Act, 2020*, would repeal parts of PIPEDA and replace them with a new legislative regime governing the collection, use, and disclosure of personal data for commercial activity in Canada. As the core of this regime, the *Consumer Privacy Protection Act* would be enacted to maintain, modernize, and extend existing rules and to impose new rules on private sector organizations for the protection of personal data. The *Consumer Privacy Protection Act* would also continue and enhance the role of the Privacy Commissioner of Canada in overseeing compliance with these measures by businesses. The *Personal Information and Data Protection Tribunal Act* would be

enacted to create a tribunal to hear appeals of orders issued by the Privacy Commissioner of Canada and apply a new administrative monetary penalty regime created under the *Consumer Privacy Protection Act*. Provisions of PIPEDA governing electronic alternatives to paper records would be retained under the new title of the *Electronic Documents Act*. While Bill C-11 has been tabled, it is unclear when it is coming into force and is subject to further review and amendments.

We are also subject to *Québec's Act respecting the protection of personal information in the private sector* (the "**Private Sector Act**"). In Québec, Bill 64, an act to modernize legislative provisions as regards the protection of personal data ("**Bill 64**"), introduced major amendments to the Private Sector Act, including new obligations on Québec businesses and a significant increase in the powers of its supervisory authority. Bill 64 was adopted on September 23, 2021, and the amendments will come into effect gradually over the next three years. Once in effect, the Québec privacy regime also becomes more onerous for companies, as new provisions introduce fines of either up to C\$25,000,000 or 4% of worldwide turnover for the preceding fiscal year, whichever sum is greater.

Canada's anti-spam legislation ("**CASL**") is the federal law dealing with spam and other electronic threats. It is meant to protect Canadians while ensuring that businesses can continue to compete in the global marketplace. The Office of the Privacy Commissioner of Canada ("**OPC**") shares responsibility for enforcing CASL with the Canadian Radio-television and Telecommunications Commission and the federal Competition Bureau. CASL applies to a commercial electronic message that is sent to an electronic address.

In the U.S., federal and various state government bodies and agencies have adopted or are considering adopting laws and regulations limiting or otherwise regarding the collection, processing, storing and security of personal data. For example, in June 2018, California passed the *California Consumer Privacy Act* ("**CCPA**"), which became effective on January 1, 2020 and imposes stringent data privacy and data protection requirements for the data of California residents. Enforcement of the CCPA by the California Attorney General began on July 1, 2020. Among other requirements, the CCPA requires companies subject to such laws to provide new disclosures to California consumers and afford such consumers new data protection rights, including the ability to opt-out of certain sales of personal data. The CCPA also provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data that may increase the likelihood of, and risks associated with, data breach litigation.

Furthermore, in the U.S., the *Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003* ("**CAN-SPAM**") applies to companies that send unsolicited commercial email. CAN-SPAM bans false or misleading header information and prohibits deceptive subject lines. It also requires that unsolicited commercial email be identified as advertising and provide recipients with a method for opting out of receiving any such email in the future. In addition, CAN-SPAM directs the Federal Trade Commission ("**FTC**") to issue rules establishing the criteria for determining the primary purpose of a commercial email. Privacy laws inspired by the CCPA have also been introduced in a number of other U.S. states. For example, the *California Privacy Rights Act* is a state-wide data privacy bill passed into law in the General Election 2020, which takes effect on January 1, 2023 and becomes fully enforceable on July 1, 2023 – with a lookback period from January 1, 2022. Other states, including Nevada, Virginia, Florida, New Hampshire, Washington State, and Illinois also released their respective takes on what residents' bolstered privacy rights and businesses' corresponding obligations should look like.

The European Parliament and the Council of the European Union in 2016 adopted the European Union's *General Data Protection Regulations* ("**GDPR**"), which came into effect in May 2018, superseding the European Union Data Protection Directive, and imposing more stringent data privacy and data protection requirements. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater. Further, the U.K. enacted the *Data Protection Act 2018* ("**DPA**") in May 2018 which supplements the GDPR and has publicly announced that it will continue to regulate the protection of personal data in the same way post-Brexit. Transfer of personal data from the European Union to the U.K. falls under an adequacy decision made by the European Commission on June 28, 2021. The decision recognizes that the U.K. provides adequate protection for personal data transfer from the European Union to the U.K. We also note the potential coming into force of the *Regulation on Privacy and Electronic Communications* ("**ePR**") which will replace the current ePrivacy Directive 2002/58/EC and which will regulate the use of electronic marketing and tracking technologies and may have an impact on our operations.

The regulatory framework in Canada, the U.S. and Europe, and in many other jurisdictions, in respect of cybersecurity and the protection of data and privacy is constantly evolving and is likely to remain uncertain for the foreseeable future. Certain aspects of the interpretation and application of such laws and regulations are also ambiguous. We are subject to

risks relating to protection of personal data and privacy. For more information, see “*Risk Factors*”.

Unfair or Deceptive Acts or Practices

We and our partners are subject to U.S. and Canadian federal, state and provincial laws prohibiting unfair or deceptive trade practices enforced by various regulatory agencies, including, in the U.S., the FTC and U.S. state attorneys general, in Canada, the Competition Bureau, and in Europe, the European Commission. These agencies and regulators may take actions that affect the activities of certain of our customers, and in some cases may subject us to investigations or enforcement actions if we are deemed to have aided and abetted or otherwise facilitated illegal or improper activities.

RISK FACTORS

In addition to all other information set out in this Annual Information Form, as well as our Management’s Discussion and Analysis for Fiscal 2022 and our audited financial statements and related notes thereto for Fiscal 2022, the following specific factors could materially adversely affect us and/or our business, financial condition and results of operations. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may also become important factors that affect our future business, financial condition and results of operations. The occurrence of any of these risks could materially and adversely affect our business, prospects, financial condition, results of operations or cash flow. This Annual Information Form also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors including the risks described below. See “Forward Looking Information”.

Risks Relating to Our Business and Industry

We generate a significant portion of our revenue from digital advertising, and reduced advertising spending by our customers, a loss of partners, or new and existing technologies that block advertisements online and/or affect our ability to customize advertisements could adversely affect our business.

We generate revenue through digital advertising and e-commerce transactions, with the majority of our revenue being generated from digital advertising. Our success in generating digital advertising revenue is dependent on the volume, quality, and attractiveness of our communities to our users, as well as the breadth, depth and strength of our third-party advertising networks and supply-side platforms. We rely on customers to purchase Impressions from our communities for future revenue. Our contracts that help drive digital advertising revenue generally do not include long-term obligations requiring customers to purchase our Impressions. Our customers may not continue to do business with us if we do not create more value (such as new sales leads, increased brand awareness or more effective monetization) than their available alternatives. As a result, we may have limited visibility as to our future digital advertising revenue streams. We cannot ensure our digital advertising revenue generating sources will continue to operate or that we will be able to replace, in a timely or effective manner, departing customers with new sources that generate comparable revenue. Any non-renewal, renegotiation, cancellation or deferral of significant advertising contracts that in the aggregate account for a significant amount of revenue, could have a material adverse effect on our prospects, business, financial condition or results of operations.

Changes to our advertising policies and data privacy practices, as well as changes to other companies’ advertising and/or data privacy practices, may affect the digital advertising services that we are able to provide, which could harm our business. In addition, technologies have been developed that make customized advertisements more difficult or that block the display of advertisements altogether, and certain providers of online services have integrated technologies that could potentially impair the availability and functionality of third-party advertising. Failing to provide superior value or deliver advertisements effectively and competitively could adversely affect our business, financial condition, results of operations and ability to execute on our growth strategies.

In addition, advertising expenditures by customers tend to be impacted by seasonality, reflecting overall economic conditions and budgeting and consumer spending patterns, and as a result, our digital advertising revenue and e-commerce revenue are also impacted by seasonality.

Our ability to retain or attract users and customers may require us to engage increasingly in targeted advertising efforts that may not result in additional sales. If our efforts to expand our user and customer bases are not successful, our business, financial condition, and results of operations may be adversely affected.

We rely on third-party service providers, including third-party licenses, for many aspects of our platform and our business, and any failure to maintain these relationships could harm our business. If we are unable to obtain or fail to comply with the required licenses to operate our business or experience disputes with licensors or disruptions to our business relationships with our licensors, we could fail to obtain or lose license rights that are critical to our business.

Our platform relies on third-party licensed software. We have entered into license agreements with third parties and may need to obtain additional licenses from our existing licensors and others to advance or allow commercialization of our communities, services and platform. Our existing licensors may terminate our license agreements in certain situations or they may become insolvent or bankrupt. In addition, we may be unable to obtain any additional licenses at a reasonable cost or on reasonable terms, if at all. If any of the foregoing events occur, we may be required to expend significant time and resources to redesign our communities, services and platform, or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected communities, services and platform, which could disrupt and adversely affect our business.

Disputes may arise regarding intellectual property or technology, including software, data and content, that is subject to a licensing agreement, including the scope of rights granted under the license agreement, ownership of customizations, improvements, derivative works and other interpretation-related issues. In addition, the agreements under which we currently license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement. If these events were to occur, we may lose the right to continue to use and exploit such licensed intellectual property or technology in connection with our communities, services and platform, which could have a material adverse effect on our business, financial condition and results of operations.

We also rely on other third-party service providers. If any of these providers experience difficulty meeting our requirements or standards, become unavailable due to extended outages or interruptions, temporarily or permanently cease operations, increase their fees, or terminate their relationship with us it could adversely affect our operations, which in turn, could adversely affect our business, financial condition or results of operations until we replace such providers. There is no assurance that we will be successful in identifying high-quality service providers, negotiating cost-effective relationships or effectively managing these relationships.

We rely on search engines, advertising on the internet and social networking sites to attract a meaningful portion of our users. If we are not able to generate traffic to our websites through search engines, advertising on the internet and social networking sites, our ability to attract new users may be impaired.

Most of our users find our websites and communities through internet search engines, such as Google and Bing, and on social networking sites, such as Facebook and Reddit. The prominence of our content in response to internet searches is a critical factor in attracting potential users and customers to our websites, communities and services, and it could significantly be impacted by changes in algorithms across such third-party search engines and social platforms over which we have no control. If we are listed less prominently or fail to appear in search results for any reason, visits to our websites and communities could decline significantly, and we may not be able to replace this traffic.

Our ability to maintain and increase the number of users directed to our websites and communities from third-party search engines is not within our control. Search engines, such as Google, revise their algorithms from time to time in an attempt to optimize their search results. If search engines modify their algorithms, our websites and communities may appear less prominently or not at all in search results, which could result in reduced traffic to our websites and communities. Some of our websites have experienced declines in traffic and user growth as a result of these changes in the past, and we anticipate fluctuations as a result of such actions in the future.

To offset the impact on our user growth, we may need to pursue other growth strategies, such as paid marketing or other initiatives that drive user acquisition, which may cost more and be less effective. Competitors may in the future bid on the search terms that we use to drive traffic to our websites and communities. Such actions could also increase our marketing costs and result in decreased traffic to our websites and communities. In addition, search engines or social networking sites may change their advertising policies from time to time. If any change to these policies delays or prevents us from advertising through these channels, it could result in reduced traffic to our websites and communities.

As well, new search engines or social networking sites may develop, particularly in specific jurisdictions, that reduce traffic on existing search engines and social networking sites and if we are not able to achieve awareness through advertising or otherwise, we may not achieve significant traffic to our websites and communities through these new platforms. If we are unable to continue to successfully promote and maintain user traffic on our websites and communities, or if we incur excessive expenses to do so, our business and operating results could be adversely affected.

If we do not develop successful new products or improve existing ones, our business will suffer. We may also invest in new lines of business that could fail to attract or retain users or generate revenue.

Our ability to engage, retain, and increase our user base and to increase our revenue will depend heavily on our ability to successfully create new products, both independently and together with third parties. We may introduce significant changes to our existing products or develop and introduce new and unproven products and services, including technologies with which we have little or no prior development or operating experience. These new products and updates may fail to increase the engagement of our users, advertisers, or partners, may subject us to increased regulatory requirements or scrutiny, and may even result in short-term or long-term decreases in such engagement by disrupting existing user, advertiser, or partner behavior or by introducing performance and quality issues. In February 2023, we announced a strategic reprioritization in which we substantially reduced or eliminated, and may continue to reduce or eliminate, investments not directly connected to our top priorities of community growth and revenue growth. Product innovation is inherently volatile, and if new or enhanced products fail to engage our users, advertisers, or partners, or if we fail to give our users meaningful reasons to return to our platform, we may fail to attract or retain users or to generate sufficient revenue, operating margin, or other value to justify our investments, any of which may seriously harm our business in the short-term, long-term, or both.

We intend to make investments in our business. If we are unable to generate adequate revenue growth and manage our expenses, we may incur significant losses and may not achieve or maintain profitability.

We expect to continue to make expenditures to expand our business in the future. We plan to increase our investment in research and development as we continue to introduce new communities, services and products and to extend the functionality of our platform, including costs and expenses related to the expansion of our Fora platform and the development of our mobile application. We also intend to invest in maintaining our high level of customer service and support, which we consider critical for our continued success. We also expect to incur additional general and administrative expenses as a result of our growth. In order to support the continued growth of our business and to comply with continuously changing security and operational requirements, we plan to continue investing in our hosting and network infrastructure. We also plan to continue to selectively pursue acquisition opportunities, which may require that we invest in additional resources and incur various expenses and fees of financial advisors, tax advisors and external counsel. These increased expenditures will make it harder for us to achieve or maintain historical levels of profitability and we cannot predict whether we will achieve or maintain profitability in the near term or at all. Historically, our costs have increased each year due to these factors and we expect to continue to incur increasing costs to support our anticipated future growth. If we are unable to generate adequate revenue growth and manage our expenses, we may continue to incur significant losses and may not achieve or maintain profitability.

As with the investment in our Fora platform, we may make decisions that would reduce our short-term operating results if we believe those decisions will improve the experiences of our users and customers and if we believe such decisions will improve our operating results over the long-term. These decisions may not be consistent with the expectations of investors and may not produce the long-term benefits that we expect, in which case our business may be materially and adversely affected.

We may be unable to identify and complete acquisitions or form partnerships or joint ventures under acceptable terms. Any future acquisitions, partnerships or joint ventures that we make or enter into may not produce our anticipated benefits, including Adjusted EBITDA results, and could disrupt our business and harm our financial condition.

Acquisitions, partnerships and joint ventures are an integral part of our growth strategy. We evaluate potential strategic acquisitions of, and partnerships or joint ventures with, websites providing content, platforms or services that are complementary or supplementary to our existing communities, services and platform, and other assets that expand the services that we can offer our users and customers. However, we may not be successful in identifying acquisition,

partnership and joint venture targets, or we may use estimates and judgments to evaluate the operations and future revenue of a target that turn out to be inaccurate. In addition, we may not be able to successfully fund, finance or integrate a particular website, community, service or technology that we acquire or with which we invest or form a partnership or joint venture, and we may not achieve the anticipated benefits, including Adjusted EBITDA results, of such project or investment, or we may lose users or customers as a result. We may make acquisitions and investments without being certain that they will result in communities, services or technologies that will be attractive to or accepted by existing or prospective users or customers. Additionally, even if we are able to acquire, integrate and develop new communities, services and platforms, we cannot ensure that they will achieve market acceptance. If we are unable to successfully enhance our existing communities, services and platform to meet evolving user or customer requirements, increase and expand our user base, or if our efforts to increase the usage of our communities, services and platform are more expensive than we expect, then our business, results of operations and financial condition would be adversely affected.

There are various risks associated with the acquisition of communities, technologies, websites and related assets, including:

- difficulty acquiring user and community acceptance as the new owner of such community, which could result in a loss of users and members;
- difficulty enforcing our indemnities or other rights under the purchase agreement should a seller breach their obligations thereunder, including a breach of their non-compete obligations or a representation and warranty;
- unforeseen or unknown costs or liabilities;
- diversion of management time and focus from operating our business;
- use of resources that are needed in other areas of our business;
- possibility of adverse tax consequences;
- implementation or remediation of controls, procedures and policies of the acquired company;
- difficulty integrating the accounting systems and operations of the acquired company;
- difficulty integrating, supporting or enhancing acquired communities, services, processes and platforms, including difficulty in transitioning acquired solutions developed with different source code architectures to our integrated platform and difficulty in supporting feature development across our full suite of house-built and acquired solutions;
- coordination of product, engineering and selling and marketing functions, including difficulties and additional expenses associated with supporting legacy services and products and hosting infrastructure of the acquired company, as applicable, difficulties associated with supporting new communities or services, difficulty converting the users or customers of the acquired company onto our platform and difficulties associated with contract terms, including disparities in the revenue or licensing model of the acquired company;
- retention and integration of employees from the acquired company and preservation of our corporate culture;
- assumption of consulting arrangements from the acquired company;
- adverse effects to our existing business relationships with partners as a result of the acquisition or investment;
- unknown or unforeseen deficiencies with any proprietary technology or data of the acquired company;
- litigation or other claims arising in connection with the acquired company or investment;
- in the case of foreign acquisitions, the need to integrate operations across different cultures and to address the particular economic, currency, political and regulatory risks associated with specific countries; and

- other outstanding or unforeseen legal, regulatory, contractual, employee or other issues.

As a result of any of the foregoing, we may spend time and money on projects that do not increase our Adjusted EBITDA, revenue or profitability.

Furthermore, the integration of any acquisition, partnership or joint venture may divert management's time and resources from our existing business, disrupt our operations, and lead to unforeseen costs. Certain acquisitions, partnerships and joint ventures we may in the future make may prevent us from competing for certain customers or in certain markets or communities and may lead to a loss of customers to the extent we acquire businesses with non-competes or exclusivity provisions in their agreements with customers.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquire goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations.

We may not be able to identify acquisition or investment opportunities that meet our strategic objectives, or to the extent such opportunities are identified, we may not be able to negotiate terms with respect to the acquisition or investment that are acceptable to us. Furthermore, any increase to capital gains tax rates in the U.S. could make owners of targets reluctant to sell or impact valuation expectations. Moreover, our competitors may be willing or able to pay more than us for acquisitions, which may cause us to lose certain acquisitions that we would otherwise desire to complete. Even if we successfully compete for a certain acquisition, partnership or joint venture, we may finance the project with cash on hand, equity or debt, or a combination thereof, which could decrease our cash reserves, dilute our shareholders or significantly increase our level of indebtedness or place other restrictions on our operations. We cannot provide assurances that any acquisition, partnership or joint venture we make will not have a material adverse effect on our business, financial condition and results of operations.

Our digital advertising revenue is dependent on targeting and measurement tools that incorporate data signals from user activity on websites and services that we do not control, and changes to the regulatory environment and third-party systems and browsers may impact the availability of such signals, which could adversely affect our digital advertising revenue.

Most advertisers, including our customers, rely on tools that measure the effectiveness of their advertisement campaigns in order to allocate their advertising spending among various forums, websites and platforms. If we are unable to measure the effectiveness of digital advertising on our communities or to convince customers that our communities and services should be part of their advertising budget, our ability to increase the demand and pricing of our digital advertising products and maintain or scale our revenue may be limited. Our tools may be less developed than those of other platforms with which we compete for advertising spending. Therefore, our ability to develop and offer tools that accurately measure the effectiveness of a campaign on our communities and through our services is critical to our ability to attract new customers and retain, and increase spending from, our existing customers.

We rely on data signals from user activity on websites that we do not control in order to deliver relevant and effective advertisements to our users. Our digital advertising revenue is dependent on targeting and measurement tools that incorporate these signals, and any changes in our ability to use such signals will adversely affect our business. For example, cookies are common tools used by thousands of websites and mobile applications to, among other things, store or gather information, market to consumers and enhance the user experience. However, many jurisdictions have adopted regulations governing the use of cookies, and the use thereof is becoming the subject of increasing scrutiny. Legislative and regulatory developments and guidance, such as PIPEDA (and any successor data protection laws), the GDPR and the CCPA, have impacted, and we expect will continue to impact, our ability to use such signals in our advertisement products or place certain cookies on a user's computer. In particular, we have seen an increasing number of users opt out of certain types of advertisement targeting users in Europe and California following adoption of the GDPR and the CCPA, respectively. Moreover, other U.S. states, the Canadian federal government and several provinces are in the process of or contemplating modernizing their data protection and privacy laws, which may lead to further restrictions. Regulatory guidance or decisions or new legislation may require us to make additional changes to our products in the future that further reduce our ability to use these signals.

Any other restriction, whether by law, regulation, policy (including third-party policies) or otherwise, on our ability to

collect and share data that our users find useful, our ability to use or benefit from tracking and measurement technologies, including cookies, or that further reduce our ability to measure the effectiveness of digital advertising on our communities would impede our ability to attract, grow and retain customers. Users, customers and other third parties that provide data that help us deliver personalized, relevant digital advertising may restrict or stop sharing this data. If they stop sharing this data with us, it may not be possible for us to collect this data through our communities, services and platform or from another source.

Furthermore, the targeting and measurement tools we utilize enable us to target advertisements by a number of factors. There can be no assurance that the targeting and measurement tools we utilize will not be enhanced or rendered obsolete by advances in technology, or that we will be able to utilize the targeting and measurement tools necessary to remain competitive. This could have an adverse effect on our business, operations or financial condition. Moreover, the targeting and measurement tools we utilize are highly technical and complex and may now or in the future contain undetected errors, bugs, or vulnerabilities which may result in unsuccessful digital advertising campaigns. Any unsuccessful digital advertising campaigns could result in damage to our reputation, loss of users, loss of customers, loss of revenue, or liability for damages, any of which could adversely affect our business and financial results.

We rely heavily on our ability to collect and share data and metrics for our customers to help new and existing customers understand the performance of digital advertising campaigns. If customers do not perceive our metrics to be accurate representations of our user base and user engagement, or if we or our customers discover inaccuracies in our metrics, they may be less willing to allocate their budgets or resources to our communities, which could harm our business, revenue and financial results.

If we fail to keep up with technological advancements, including the emergence of artificial-intelligence, our business, results of operations and financial condition may be materially and adversely affected.

Our business operates in an industry that is subject to rapid technological advancement and changing consumer needs. Our success will depend on our ability to keep up with the latest technological innovations such as generative artificial intelligence (e.g. ChatGPT) and the commercialization of those innovations. If we fail to do so successfully, the demand for our products and services may decline and the market for our communities may be altered in unpredictable ways. The use of generative artificial intelligence tools may also impact the use of search engines and consumer web browsing behaviour which could lead to reduction in the volume of traffic and posting that occurs in our communities. Also, such technologies could transform our competitors' marketing strategies, software development, engineering efforts, or customer support tools. Such factors could have material adverse effects on our business, results of operations and financial conditions.

Problematic content on our communities, including unsafe content and other violations of our guidelines could affect the quality of our services, which could damage our reputation and deter our current and potential users from using our communities and services.

We, like others in the industry, face and may in the future face violations of our content guidelines across our communities, including sophisticated attempts by bad actors to disrupt or manipulate our hosting and digital advertising systems to fraudulently generate revenue, to display false, misleading or undesirable content, or to otherwise generate traffic that does not represent genuine user interest or intent. While we invest in security safeguards and other efforts to promote high-quality and relevant results and to detect and prevent low-quality content and invalid traffic, we may be unable to adequately detect and prevent such abuses or promote high-quality content, particularly during times of a natural disaster or pandemic (including COVID-19).

We also endeavor to keep divisive, disturbing or unsafe content from our communities. Through our employees and community moderators and administrators and community management programs, we monitor, delete or hide certain types of content, which could result in decreased user growth, retention or engagement. We apply significant judgement in making these determinations and may be unsuccessful in our efforts to remove such content in a manner that is (or is perceived to be) consistently applied and on a timely basis or at all, which could also result in decreased user growth, retention or engagement.

We also face other challenges with respect to our communities, including violations of our content guidelines involving incidents such as activities that threaten the safety and/or well-being of our users or personnel, both online or offline, and the spreading of disinformation, among other challenges.

If we fail to either detect and prevent an increase in problematic content or effectively promote high-quality content, it could hurt our reputation for delivering relevant information or reduce use of our communities and services, harming our financial condition and operating results. It may also subject us to litigation and regulatory inquiries, which could result in monetary penalties and damages, divert management's time and attention, and lead to enhanced regulatory oversight. Furthermore, posting customer advertisements near problematic content may result in a breach of our agreement with such customer and the customer may terminate its relationship with us or seek damages for breach of contract, which could damage our reputation and adversely affect our business, financial condition and results of operations.

Issues with the quality and reliability of our communities, services, platform and information technology systems could adversely impact our ability to attract and retain users and customers and, consequently, our business.

Our users and customers expect a consistent level of quality from our communities, services and platform. If the reliability or functionality of our communities, services or platform is compromised or if we fail to quickly detect and remediate any performance issues, we could experience significant processing or reporting errors. This, in turn, could lead us to lose existing users and customers, and we may find it harder to attract new users and customers.

In addition, the operation of our business is highly dependent on information technology systems, including those provided by certain third-party suppliers. We depend on our payroll, transaction, financial, accounting and other data processing systems. An inability to maintain and enhance our existing information technology systems or obtain new systems to accommodate additional customer growth or to support new products and services could also have a material adverse impact on our ability to acquire new customers, retain existing customers, produce accurate and timely billing, generate revenue growth and manage operating expenses, or comply with regulatory requirements, all of which could materially adversely impact our financial results and position.

We could suffer disruptions, outages, defects, and other performance and quality problems with the cloud infrastructure on which we rely.

Our operations depend entirely on the virtual cloud infrastructure hosted by our third-party service providers, as well as the information stored in these virtual data centers. Any incident affecting the infrastructures of our third-party cloud service providers that may be caused by power loss, telecommunications failures, unauthorized intrusion, computer viruses, disabling devices, natural disasters, war, criminal acts, military actions, terrorist attacks, and other similar events beyond our control could negatively affect the availability and reliability of our operations. A prolonged service disruption of our third-party cloud service providers affecting our operations for any of the foregoing reasons or the unplanned or unanticipated termination of our relationship with any one of our third-party cloud service providers could cause business disruption, which in turn may damage our reputation, expose us to or enhance legal liabilities or cause us to lose current or potential users. We may also incur significant costs for using alternative service providers, equipment or taking other actions in preparation for, or in reaction to, any such termination. Any precipitated transition of the cloud services currently provided by Google to another service provider would be difficult to implement and would cause us to incur significant time and expense.

In addition, Google may take actions beyond our control that could adversely harm our business, including:

- discontinuing or limiting our access to its cloud platform;
- increasing pricing terms;
- terminating or seeking to terminate our contractual relationship altogether; or
- establishing more favourable relationships or pricing terms with one or more of our competitors.

Google has broad discretion to change and interpret its terms of service and other policies with respect to us, and those actions may be unfavourable to us. They may also alter how we are able to process data on their cloud platforms. If Google makes changes or interpretations that are unfavourable to us, our business could be materially adversely affected.

Our business depends on our communities, services and platform to be available without disruption. We have experienced, and may in the future experience, disruptions, outages, defects, and other performance and quality problems

with our communities, services and platform. We have also experienced, and may in the future experience, disruptions, outages, defects, and other performance and quality problems with the cloud infrastructure on which our communities, services and platform rely. These problems may be caused by a variety of factors, including introductions of new functionality, migrations to new versions of our technologies, vulnerabilities and defects in proprietary and open source software, human error or misconduct, capacity constraints, design limitations, as well as from cybersecurity incidents, data breaches, unauthorized access, malware and viruses, ransomware, denial or degradation of service attacks, or other incidents.

Any disruptions, outages, defects, and other security performance and quality problems with our communities, services and platform or with the cloud and internet infrastructure on which they rely, or any material change in our contractual and other business relationships with our cloud providers, could result in reduced use of our communities, services and platform, increased expenses, including significant, unplanned capital investments and/or service credit obligations, and harm to our brands and reputation, any of which could have a material adverse effect on our business, financial condition, and results of operations.

If we fail to recruit, train and retain qualified or key personnel, our business, financial condition and results of operations may be adversely affected.

The success of our business strategy is dependent upon the ability and experience of a number of key personnel who have substantial experience with our operations, our rapidly changing industry and the markets in which we offer our services. Many of our key personnel have worked for us for a significant amount of time or were recruited by us specifically due to their industry experience. The loss of the services of one or a combination of our senior executives and key managers could have a material adverse effect on our business, financial condition and results of operations.

Our business functions at the intersection of rapidly changing technological, social, economic and regulatory developments that require a wide-ranging set of expertise and intellectual capital. In order for us to successfully compete and grow, we must attract, recruit, develop and retain the necessary personnel who can provide the needed expertise across the entire spectrum of our intellectual capital needs. Competition for executives, data scientists, engineers, software developers, sales personnel, and other key employees in our industry, and specifically in research and development, is intense, and we may not succeed in recruiting and retaining existing and additional personnel or we may fail to effectively replace departing personnel with qualified or effective successors.

New hires require significant training and may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. As we continue to grow rapidly, a large percentage of our employees will have relatively little experience working with us and our business model. If our new and existing personnel are unable to achieve desired productivity levels in a reasonable period of time, our growth and results of operations could be negatively impacted. In addition, we are extremely selective in our hiring process which requires significant investment of time and resources from internal stakeholders and management. At times, we have experienced, and we may continue to experience, difficulty in hiring personnel who meet the demands of our selection process and with appropriate qualifications, experience, or expertise, and we may not be able to fill positions as quickly as desired.

Many of the companies with which we compete for experienced personnel have greater resources than we have, and some of these companies may offer more attractive compensation packages. Particularly in the technology industry, job candidates and existing employees carefully consider the value of the equity-based awards they receive in connection with their employment. If equity-based awards are not offered, if the perceived value of our equity-based awards declines, or if the mix of equity and cash compensation that we offer is unattractive, it may adversely affect our ability to recruit and retain highly skilled employees. Decreases in the exchange rate between the Canadian dollar relative to the U.S. dollar and other currencies could make it more difficult for us to offer compensation packages to new employees that are competitive with packages in the U.S. or elsewhere and could increase our costs of hiring and retaining qualified personnel, especially as our workforce becomes increasingly global. Job candidates may also be threatened with legal action under agreements with their existing employers if we attempt to hire them, which could impact hiring and result in a diversion of our time and resources. Additionally, laws and regulations, such as restrictive immigration laws, or export control laws, may limit our ability to recruit internationally. We must also continue to retain and motivate existing employees through our compensation practices, company culture, and career development opportunities. Our compensation arrangements, notably our equity-based award programs, may not always be successful in attracting new

employees and retaining and motivating our existing employees and we may be required to grant additional awards or offer alternative forms of compensation to attract and retain highly skilled personnel. As we continue to mature or if our stock price declines, the incentives to attract, retain, and motivate employees provided by our equity-based awards or by future arrangements may not be as effective as in the past, and if we issue significant equity to attract additional employees or to retain our existing employees, we would incur substantial additional equity-based compensation expense and the ownership of our existing shareholders would be further diluted. In addition, we may face more limited availability to issue grants under our Omnibus Incentive Plan. Our ability to attract, retain, and motivate employees may also be adversely affected by stock price volatility.

We believe that an important contributor to our success has been our corporate culture, which we believe fosters innovation, teamwork and passion for our users and customers, and a focus on attractive design and technologically advanced and well-crafted communities. As we continue to grow and develop the infrastructure of a public company, we must effectively integrate, develop and motivate our existing and new employees, most of whom are working remotely. In addition, we must preserve our ability to execute quickly in further developing our communities, services and platform and implementing new features and initiatives. As a result, we may find it difficult to maintain our corporate culture, which could limit our ability to innovate and operate effectively. Any failure to preserve our culture could also negatively affect our ability to recruit and retain personnel, to continue to perform at current levels or to execute on our business strategy effectively and efficiently. Additionally, while most of our operations can be performed remotely, there is no guarantee that we will be as productive while working remotely over the long term or that we will be able to fully scale our operations to support effective global remote work.

Failure to retain or attract key personnel could have a material adverse effect on our business, financial condition and results of operations. Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability.

From time to time, we implement organizational changes to pursue greater efficiency and realign our business and strategic priorities. As our organization continues to evolve, and we are required to implement and adapt organizational management structures, we may find it difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative offerings. This could negatively affect our business performance.

Our business relies on content providers, users and community moderators and administrators.

Our business is reliant on content providers, users and community moderators and administrators. The size of our user base and our users' level of engagement are key to our success. In addition, our success is partially dependent on our ability to attract and retain quality content providers, users and community moderators and administrators. There can be no assurance that these relationships will be maintained or that new ones will be successfully formed. A breach or disruption in these relationships or failure to attract and retain such third parties could be detrimental to our business, financial condition or results of operations.

Our success in generating digital advertising revenue is dependent on the volume, quality, and attractiveness of our communities to our users, as well as the breadth, depth and strength of our third-party advertising networks and supply-side platforms. Our business model is focused on the growth and engagement of our user base, and our financial performance will be significantly affected by our success in adding, retaining, and engaging active users of our communities, services and platform. We anticipate our MAU growth rate will generally decline over time as the size of our active user base increases, and we expect that the size of our active user base will fluctuate or decline in one or more markets or communities from time to time, particularly in markets or communities where we have achieved higher penetration rates. If users do not perceive the content on our communities as interesting, unique, useful, reliable and trustworthy, we may not be able to attract or retain additional users, which could adversely affect our business. We would also be unable to grow our user base as is currently anticipated if a significant number of our current users stopped using our communities. There are a variety of reasons why users would discontinue using our communities, including competitive alternatives and shifts in consumer preference, and there can be no assurance that we will be able to successfully retain, and subsequently grow, our existing user base.

Any number of factors can negatively affect user retention, growth and engagement, including if:

- users feel that their experience is diminished as a result of the decisions we make with respect to the frequency, prominence, format, size and quality of advertisements we display;

- users have difficulty installing or updating mobile applications or otherwise accessing our communities or services on mobile devices as a result of actions by us or third parties on which we rely to make our communities and services available;
- user behaviour on any of our communities changes, including decreases in the quality and frequency of content shared through our communities;
- there is decreased user sentiment due to questions about trustworthiness of our user data practices, concerns about the quality or usefulness of content made available through our communities, or concerns related to privacy, safety, security, well-being or other factors;
- we are unable to manage and prioritize information to ensure users are presented with content that is appropriate, interesting, useful and relevant to them;
- we are unable to obtain or attract engaging third-party or user-generated content, or community moderators and administrators;
- there is decreased engagement with our communities and services, or failure to accept our terms of service as part of the privacy-focused changes that we have implemented or may implement in the future, whether voluntarily, in compliance with laws, regulations, regulatory actions or otherwise;
- technical or other problems prevent us from delivering our services in a rapid and reliable manner or otherwise affect the user experience, such as security breaches or failure to prevent or limit spam or similar content;
- we adopt terms, policies or procedures related to areas such as sharing, content, user data or advertising, or take actions to enforce our policies, that are perceived negatively by our users, customers or the general public;
- initiatives designed to attract, retain and engage users are unsuccessful or discontinued, whether as a result of actions by us, third parties or otherwise;
- there is decreased engagement with our communities and services as a result of internet shutdowns, military conflict, such as the ongoing Russian invasion of Ukraine, or other actions by governments that affect the accessibility of our products in their countries;
- we fail to expand and upgrade our personnel, technology systems and infrastructure to accommodate new or changing requirements in a timely manner; or
- we are the subject of adverse media reports or other negative publicity, including as a result of our or third parties' user data practices.

From time to time, certain of these factors have negatively affected user retention, growth and engagement to varying degrees. Any significant decrease in user retention, growth, or engagement could render our communities, services and platform less attractive to our users and customers, which could have a material and adverse impact on our revenue, business, financial condition and results of operations. If our MAU growth rate slows, we will become increasingly dependent on our ability to maintain or increase levels of user engagement and monetization in order to drive revenue growth.

We may not be able to successfully implement our growth strategy on a timely basis or at all.

Our future growth, profitability and cash flows depend upon our ability to successfully implement our growth strategy, which, in turn, is dependent upon a number of factors, including our ability to:

- retain and expand our user, content provider, community moderator and administrator, customer and partner bases;
- enhance our user experience to drive user discovery and engagement, and accelerate growth;

- pursue future acquisitions;
- identify, develop and introduce new communities and services;
- enhance our platform, including through the launch of new features;
- expand digital advertising and e-commerce within communities;
- leverage consumer behaviour and preferences in our communities;
- support growth of existing communities, customers and partners;
- develop and expand our research and development, sales and marketing capabilities; and
- drive additional sales to existing customers.

There can be no assurance that we can successfully achieve any or all of the above initiatives in the manner or time period that we expect. Further, achieving these objectives will require investments that may result in short-term costs without generating any current revenue and therefore may be dilutive to our earnings. We cannot provide any assurance that we will realize, in full or in part, the anticipated benefits we expect our strategy will achieve or the benefits may be less significant than anticipated. The failure to realize those benefits, in full or in part, could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to secure financing on favourable terms, or at all, to meet our future capital needs

We have funded our operations since inception primarily through operating cash flow, limited equity financings and the Credit Facilities. We do not know if our operations will generate sufficient cash flow to fund our operations, implement our business strategies or finance our capital expenditure programs or other investment requirements in future. We may therefore require additional capital to respond to business opportunities, refinancing needs, acquisitions or unforeseen circumstances and we may not be able to secure additional debt or equity financing or refinancing on favorable terms, in a timely manner, or at all. Our ability to secure any additional debt financing may also be subject to restrictions contained in the Credit Facilities or the agreements and instruments governing any future indebtedness.

We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans, operating performance, and condition of the capital markets at the time we seek financing. Future sales and issuances of any of our securities or rights to purchase any of our securities could result in substantial dilution to our existing stockholders. We may issue Subordinate Voting Shares, Preferred Shares, convertible securities, and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. Those securities may have rights, preferences or privileges senior to those of the Subordinate Voting Shares.

We cannot provide assurance that additional financing will be available to us on favourable terms when required, or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, or at all, when we require it, our ability to continue to support our business growth, development efforts and to respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected.

Our ability to secure financing on favourable terms, or at all, may also depend on factors that are outside of our control. For example, certain lenders may have policies that prohibit lending to companies in our industry.

An increase in borrowing rates on our debt exposes us to interest expense risk, which could impact our debt service costs.

The borrowing rate under our Credit Facilities is variable and bears interest at a LIBOR plus a margin determined by our net leverage ratio. An increase in borrowing rates would result in higher interest expense, which would adversely impact our financial condition. Furthermore, any adverse credit market conditions could limit our ability to refinance our outstanding indebtedness.

Changes in laws or regulations relating to privacy and data protection, any actual or perceived failure by us to comply with such laws and regulations, or contractual or other obligation relating to privacy and data protection could adversely affect our business.

We receive from, store and process for, our users and customers, certain data, including personal data. We also collect, use, store and disclose personal data belonging to our employees. Personal data collected by us may be accessible by our employees, consultants, service providers, community moderators and administrators. As we expand our network of users and customers, including in new jurisdictions, we may be subject to additional laws, directives and regulations, as well as contractual obligations, relating to the collection, use, retention, security, disclosure, transfer, destruction, de-identification and other processing of such personal data in the jurisdictions in which we or our users reside and customers operate. The regulatory framework for privacy, data protection and data transfers worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Applicable privacy laws and court decisions could also impact our ability to transfer personal data internationally.

While we have certain policies and procedures in place relating to privacy, cybersecurity and anti-spam legislation, we cannot provide assurances that our employees, contractors or other third-party service providers will consistently and completely comply with such personal data access or use policies and procedures and with applicable laws, at all times. We publicly post applicable privacy policies and terms of service on our various communities. Although we endeavour to comply with our published policies, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies that provide promises and assurances about privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair, inconsistent, or misrepresentative of our actual practices. Any failure, real or perceived, by us to comply with our posted privacy policies, terms of service or with any regulatory requirements, certifications or orders or other privacy or consumer protection-related laws and regulations applicable to us could cause current and potential users and customers to reduce their use of our communities, services and platform, and could materially and adversely affect our business. In many jurisdictions, enforcement actions and consequences for noncompliance are rising and can be significant.

Laws and regulations in many jurisdictions apply broadly to the collection, processing and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses, dates of birth and, in some jurisdictions, IP addresses and information from cookies or other similar tracking technologies.

In Canada, we are subject to PIPEDA, and the analogous provincial laws, which similarly impose data privacy and security obligations on our processing of personal data. For example, commencing in 2017, RateMDs, one of our communities, was the subject of an investigation by the OPC initiated by a complainant who wanted her information removed from the RateMDs' website. The OPC's 2019-2020 Annual Report to Parliament included a summary of its investigation into RateMDs' compliance with PIPEDA. RateMDs cooperated with the OPC during its investigation. RateMDs subsequently implemented the OPC's recommendations that were deemed to be satisfactory and the matter was closed. The OPC encouraged RateMDs to explore alternative mechanisms to ensure the accuracy of the reviews on its site. More recently, the federal government has undertaken a process to draft and implement a new bill to reform PIPEDA providing expressly for the establishment of new rights related to privacy. In Québec, we are also subject to the Private Sector Act, which has been updated through amendments introduced by Bill 64. The amendments will come into effect gradually over the next three years and will create new obligations for Québec businesses while significantly increasing the powers of the Government of Québec's privacy regulator.

In the U.S., for example, the CCPA requires companies subject to such laws to provide new disclosures to California consumers and afford such consumers new data protection rights, including the ability to opt-out of certain sales of personal data. The effects of the CCPA are potentially far-reaching and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. Furthermore, in the U.S., CAN-SPAM applies to companies that send unsolicited commercial email. CAN-SPAM bans false or misleading header information and prohibits deceptive subject lines, among other things. Privacy laws inspired by the CCPA have also been introduced in a number of other U.S. states, including the *California Privacy Rights Act* in California.

The European Parliament and the Council of the European Union in 2016 adopted the European Union's GDPR, which imposes more stringent data privacy and data protection requirements than its predecessor regulations. We also note the potential coming into force of the ePR which will replace the current *ePrivacy Directive 2002/58/EC* and which will regulate the use of electronic marketing and tracking technologies and may have an impact on our operations.

Complying with the CCPA, PIPEDA, the Private Sector Act, the GDPR, CASL, CAN-SPAM or other laws, regulations or other obligations relating to privacy, data protection, data transfers, data localization, or information security may cause us to incur substantial compliance and operational costs or require us to modify our data practices. We may also be subject to data residency requirements that may require us to incur costs to hire and maintain local employees in particular jurisdictions. Non-compliance could result in proceedings against us by governmental entities or others, could result in substantial fines or other liability, and may otherwise adversely affect our business, financial condition and results of operations, including that such proceedings may require us to make additional changes to our business practices.

Additionally, some statutory requirements in Canada, the U.S. and abroad include obligations for companies to notify individuals of security breaches involving particular types of personal data, which could result from breaches experienced by us or our service providers. For example, laws in all 50 U.S. states require businesses to provide notice to users or customers whose personal data has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. U.S. states are also frequently amending existing laws, requiring attention to frequently changing regulatory requirements. The GDPR also contains data breach notification requirements. Any actual or perceived cybersecurity incident could harm our reputation and brand, expose us to potential legal liability (including litigation and regulatory investigations) or require us to expend significant resources on data security and in responding to any such actual or perceived breach. We note specifically the increase in recent years in the number of class action litigation following cybersecurity incidents and we expect this trend to continue for the foreseeable future. Any contractual protections we may have from our service providers or under our insurance policies may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections.

In addition to government regulation, privacy advocates and industry groups have proposed and may in the future propose self-regulatory standards and voluntary codes from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply, or facilitate our users' and customers' compliance, with such standards. We expect that there will continue to be new proposed laws and regulations and guidance concerning privacy, data protection and information security, and we cannot yet determine the impact such future laws, regulations, standards and guidance may have on our reputation, business and operations. New laws, amendments to or re-interpretations of existing laws, regulations, industry standards, guidance, contractual obligations, user and customer expectations and other obligations may require us to incur additional costs or restrict our business operations. As the interpretation and application of laws, standards, contractual obligations and other obligations relating to privacy and data protection are still uncertain, it is possible that these obligations may be interpreted and applied in a manner that varies by jurisdiction and/or that is inconsistent with our data privacy policies and procedures. If so, we may face multiple fines, lawsuits, regulatory investigations, imprisonment of company officials and public censure, other claims and penalties, significant costs for remediation and damage to our reputation. We could also be required to fundamentally change our business activities and practices, which could adversely affect our business. We may be unable to make such changes and modifications in a timely fashion or commercially reasonable manner, or at all. Any inability to adequately address privacy, data protection, or information security-related concerns, even if unfounded, or to successfully negotiate related contractual terms with customers, or to comply with applicable laws, regulations, policies, standards and guidance relating to privacy, data protection and information security, including those with which we elect to comply, could result in additional cost and liability to us, harm our reputation and brand, damage our relationship with important providers and adversely affect our business, financial condition and results of operations.

Accidental or unauthorized access to or disclosure, loss, destruction or modification of data, through cybersecurity incidents, computer viruses or otherwise, human error, natural or man-made disasters, or disruption of our technologies could expose us to liability, protracted and costly litigation and damage to our reputation.

In connection with the communities, services and platform we provide to our users and customers, we collect, store, process and transmit the personal data of our users and customers, including but not limited to, names, email addresses, dates of birth, location details, device information and IP addresses.

Cybersecurity incidents are increasing in frequency and evolving in nature and include, but are not limited to, installation of malicious software, ransomware, viruses, social engineering (including phishing attacks), denial of service or other attacks, employee theft or misuse, unauthorized access to data and other incidents. Threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental or unidentified technological failure(s), vulnerabilities or exploits. Concerns about security increase when we transmit information (including personal

data). Electronic transmissions can be subject to attack, interception, loss or corruption. In addition, computer viruses and malware can be distributed and spread rapidly over the internet and could infiltrate our systems or those of our users, customers, service providers and other third parties with whom we interact. In the past, our and our third-party service providers' systems have been the subject of cybersecurity attacks. Any cybersecurity incidents impacting our systems or those of our third-party service providers could lead to material disruptions in systems, accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of confidential or otherwise protected information (including personal data), and the corruption of data.

An increasing number of organizations, including technology companies, government institutions and other large organizations, have disclosed breaches of their information technology systems and data, some of which have involved sophisticated and highly targeted attacks, including on portions of their websites or infrastructure. Given the unpredictability of the timing, nature and scope of information technology disruptions, there can be no assurance that any security procedures and controls that we or our service providers have implemented or will implement will be sufficient to prevent cybersecurity incidents from occurring in the future. Furthermore, because there are many different security breach techniques and such techniques continue to evolve and are generally not detected until after an incident has occurred, we may be unable to anticipate attempted breaches or other cybersecurity incidents, react in a timely manner, determine conclusively the nature or scope of an incident, or implement adequate preventive measures. Our security safeguards have not always been successful in preventing and may not prevent future unauthorized access or protect us against theft or use of sensitive data (including personal data) or against other cybersecurity incidents.

We rely on third-party service providers to host our users' and customers' data; their failure to handle and protect such data appropriately or the disruption of their services, for any reason, may have a material impact on our business or damage our reputation. The accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data of our users or customers by our third-party service providers could result in significant fines, penalties, orders, sanctions and proceedings or actions against us by the governmental bodies and other regulatory authorities, end users or third parties, which could have a material adverse effect on our business, financial condition and results of operations. Any such proceeding or action, and any related indemnification obligation, could damage our reputation, force us to incur significant expenses in defense of these proceedings, distract our management, increase our costs of doing business or result in the imposition of financial liability. There is also a risk that foreign authorities may access personal data of our users and customers where such information is stored by our third-party service providers established in jurisdictions that authorize such authority access, potentially irrespective of the location of such data.

Failure to select third-party service providers that have robust cybersecurity and privacy capabilities may also jeopardize our ability to attract new users and customers, who may factor their assessment of risks associated with such third-party service providers in their decision to engage with or retain us.

Any accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data, cybersecurity incidents that we or our service providers have in the past experienced, and in the future could experience, or the perception that one has occurred or may occur, could harm our reputation, reduce the demand for our communities, services and platform, and disrupt normal business operations. In addition, it may require us to spend material resources to investigate or correct the incident and to prevent future security incidents, expose us to uninsured liability, increase our risk of regulatory scrutiny, expose us to legal liabilities, including litigation, regulatory enforcement, indemnity obligations, damages or other remedies for contract breach, and cause us to incur significant costs, any of which could materially adversely affect our business, financial condition and results of operations. Moreover, there could be public announcements regarding any such incidents and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could have a material adverse effect on the price of the Subordinate Voting Shares. In addition, our remediation efforts may not be successful. While no security incidents in the past have had a material adverse effect on our business, financial condition or results of operations, we cannot predict the impact of any such future events. These risks may increase as we continue to grow and collect, process, store and transmit increasingly large amounts of data, including personal data.

Claims by others that we have infringed their proprietary technology or other IP Rights could harm our business.

Our success depends, in part, on our ability to develop and commercialize our communities, services and platform without infringing, misappropriating or otherwise violating the IP Rights of third parties. The software industry is characterized by the existence of a large number of patents, trademarks and copyrights and by frequent litigation based

on allegations by third parties of infringement, misappropriation or other violations of their IP Rights. We may receive communications from third parties claiming that we, including the content included in our communities by users, have infringed on the IP Rights of others. A third party could allege that the names of certain of our communities infringe their IP Rights. While we believe our community naming practices do not lead to confusion, if any such claim were to be successful, the consequences on our business would be significant if it were to apply to our communities more generally. We are currently involved in such a dispute and may, in the future, be sued by third parties for alleged infringement of their IP rights. We may also be subject to claims by third parties for breach of copyright, trademark, license usage or other IP Rights. The outcome of any litigation is inherently uncertain and our business may not be able to withstand any such third-party claims. Any intellectual property claims, with or without merit, could be time-consuming and expensive to resolve, could divert management attention from executing our business plan and could require us to change our technology, change our business practices and/or pay monetary damages, or enter into short or long-term royalty or licensing agreements which may not be available in the future at the same terms or at all. Furthermore, if we are unsuccessful in defending against third-party claims, the decision may affect the communities to which such infringement claims relate to and serve as precedent for the plaintiff and other third parties in relation to our other communities.

We may also be subject to adverse publicity or reputational harm, even if claims against us are later shown to be unfounded or unsubstantiated. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of the Subordinate Voting Shares. The award of damages, including material royalty payments, or the entry of an injunction against the development, marketing or operation of some or all of our communities, services and platform, or our entry into any license or settlement agreement in connection with such claims could affect our ability to compete with third parties and have a material adverse effect on our business, financial condition and results of operations.

The costs and effects of pending and future litigation, investigations or similar matters, or adverse facts and developments related thereto, could materially affect our business, financial position and results of operations. Our insurance may not be sufficient to cover all claims.

We are, and may be in the future, party to legal, arbitration and administrative investigations, inspections and proceedings arising in the ordinary course of our business or from extraordinary corporate, tax or regulatory events that involve us or our associated participants, particularly with respect to civil, tax and labour claims. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses.

Our indemnities and insurance policies, including policies for data security, privacy liability and cyber-attacks, may not adequately cover risks to which we are exposed and may not be adequate for all liabilities actually incurred or indemnification claims against us. Any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. A significant claim not covered by our insurance, in full or in part, may result in significant expenditures by us. Furthermore, there is no guarantee that we will be successful in defending ourselves in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any pending or future litigation or investigation significantly exceed our indemnity rights, they could have a material adverse effect on our business, financial condition, results of operations and the price of the Subordinate Voting Shares. Further, even if we adequately address issues raised by an investigation conducted by an agency or successfully defend our case in an administrative proceeding or court action, we may have to set aside significant financial and management resources to respond and settle issues raised by such proceedings, which could adversely affect our business.

Moreover, we may not be able to maintain insurance policies in the future at reasonable costs, on acceptable terms or at all, which may adversely affect our business. The successful assertion of one or more significant claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business, financial condition and results of operations.

If we are unable to successfully obtain, maintain, protect, enforce or otherwise manage our intellectual property and proprietary rights, we may incur significant expenses and our business may be adversely affected.

Our success depends, in part, on obtaining, maintaining, protecting and enforcing relevant intellectual property and proprietary rights, which may include patent, copyright, trademark and domain name registrations (collectively, "IP

Rights”). We cannot ensure that our means of obtaining, maintaining and enforcing our IP Rights in Canada, the U.S. or abroad will be adequate to protect such rights against infringement, misappropriation or other violation. We may not receive protection for future applications relating to IP Rights owned by or licensed to us, and the scope of protection granted under any issued or registered IP Rights may not be sufficiently broad to protect our communities, services, platform, systems, brands, trademarks or information.

We currently have registered and unregistered trademarks in Canada and the U.S. Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we may need to build name recognition among potential users and customers in our markets of interest. At times, competitors may adopt trademarks or trade names similar to ours or those of our communities, thereby impeding our ability to build brand identity and possibly leading to market confusion. Further, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trade names that incorporate variations of our trademarks, trade names or other marks used by us. If we are unable to successfully register and defend our trademarks and trade names and/or establish name recognition based on our trademarks and trade names, then our business may be adversely affected.

Also, because of the rapid pace of technological change in our industry, aspects of our business and our communities, services and platform rely on technologies and other forms of intellectual property developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms or at all, and we may not be able to replace such licenses and technologies from alternative providers on reasonable terms or at all. Moreover, the laws of certain jurisdictions may not protect IP Rights to the same extent as the laws of Canada or the U.S. If we cannot adequately obtain, maintain, protect or enforce our IP Rights, third parties may be able to compete more successfully against us or develop and commercialize substantially identical communities, services or platforms, which could have a material adverse effect on our business, financial condition or results of operations.

Third parties may challenge, invalidate, circumvent, infringe or misappropriate our IP Rights, and such IP Rights may be lost or no longer sufficient to permit us to take advantage of current market trends or to otherwise provide competitive advantages, which could result in costly redesign efforts, discontinuance of certain service offerings or other competitive harm. Others, including our competitors, may independently offer similar communities, services and platforms, duplicate our offering or design around our communities, services and platform, and in such cases, we may not be able to assert our IP Rights against such parties.

We rely heavily on trade secrets and proprietary know-how to protect our communities, services and platform and their development and commercialization, and rely in part on confidentiality agreements and IP Rights ownership and assignment agreements with suppliers and other partners, employees, independent contractors and consultants. However, we cannot guarantee that we have entered into such agreements with each party that has or may have developed intellectual property for us or had access to our trade secrets. Moreover, these agreements may be breached, and we may not have or be able to enforce adequate remedies for any such breach. There is also no guarantee that these agreements or other precautions will provide sufficient protection against any unauthorized access, use or misuse, misappropriation, counterfeiting, cloning, reverse engineering or disclosure of any of our trade secrets, proprietary know-how and any other information or technology. Trade secrets can be difficult to protect and some courts are unwilling or less willing to protect trade secrets as compared to other forms of intellectual property.

We might be required to spend significant resources to monitor and protect our IP Rights. Defending against unauthorized access, use or misuse, misappropriation, counterfeiting, cloning, reverse engineering or disclosure of our technology, trade secrets, proprietary know-how and other IP Rights and technology may result in lengthy and expensive litigation or other proceedings with uncertain outcomes and cause significant disruption to our business and operations. Any litigation, whether or not it is resolved in our favour, could result in significant expense to us and divert the efforts of our technical personnel and management. If we are unable to obtain, maintain, protect or effectively enforce our IP Rights, it could impact the design, development and commercialization of our communities, services and platform and have a material adverse effect on our business, financial condition or results of operations.

Our use of open source software could negatively affect our ability to commercialize our communities, services and platform and subject us to possible litigation.

Our communities, services and platform incorporate and are dependent, to some extent, on the use and development of third-party open source software and we intend to continue our use and development of open source software in the

future. Such open source software is generally licensed by its authors or other third parties under so-called “open source” licenses and is typically freely accessible, usable and modifiable.

Pursuant to such open source licenses, we may be subject to certain conditions that we make available source code for modifications or derivative works we create based upon, incorporating or using the open source software, that we license such modifications or derivative works under the terms of the particular open source license or that we grant other licenses to our intellectual property. Certain components of our technologies incorporate software that is licensed under an open source license, which would require release of proprietary code if such technologies were released or distributed to third parties.

If an author or other third party that uses or distributes such open source software were to allege that we had not complied with the conditions of one or more of these open source licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the offering and commercialization of our communities, services and platform that contain or are dependent upon such open source software and required to comply with the foregoing conditions. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our technologies. As there is little or no legal precedent or judicial interpretation governing the interpretation of many of the terms of certain of these open source licenses, the potential impact of these terms on our business is uncertain and may result in unanticipated obligations regarding our communities, services and platform.

In addition to risks related to license requirements, use of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties, controls on the origin or development of the software or remedies against the licensors, nor are there any guarantees of any updates to the open source software being released, which means that some open source software can be more susceptible to cybersecurity attacks than commercially available software. Many of the risks associated with usage of open source software cannot be eliminated and could adversely affect our business.

It is possible that we may not be aware of all instances where open source software has been incorporated into our proprietary software or used in connection with our communities, services and platform or our corresponding obligations under open source licenses. We do not have open source software usage policies or monitoring procedures in place. We rely on multiple software programmers to design our proprietary software and we cannot be certain that our programmers have not incorporated open source software into our proprietary software that we intend to maintain as confidential or that they will not do so in the future. To the extent that we have failed to comply with our obligations under particular licenses for open source software, we may lose the right to continue to use and exploit such open source software in connection with our communities, services and platform, which could harm our competitive advantage, and disrupt and adversely affect our business.

We are subject to risks associated with information disseminated through our communities, services and platform.

Online communities, forums and platforms, such as ours, may be subject to claims relating to information disseminated through their services, including claims alleging defamation, libel, breach of contract, invasion of privacy, negligence, copyright or trademark infringement. The laws relating to the liability of online services companies for information disseminated through their services are subject to frequent challenges in jurisdictions in which we operate. Any liabilities incurred as a result of these matters could require us to incur additional costs and harm our reputation and our business. The laws relating to the liability of online service providers for others’ activities on their services continue to evolve.

Our potential liability to third parties for the user-generated content on our communities may increase. If we become liable for information provided by our users on our communities or through our services in any jurisdiction in which we operate, we could be directly harmed and we may be forced to implement new measures to reduce our exposure to this liability, including expending substantial resources or discontinuing certain service offerings, which could adversely affect our business, financial condition, results of operations and ability to execute on our growth strategies.

Our operational metrics and other estimates, including estimates about our growth, are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics could harm our business, revenue and financial results.

We regularly review operating metrics, including the number of our active users (through MAU), registered members, revenue per user (through ARPU), the number of times advertisements and content are displayed to users (through Impressions), cost paid for view of an advertisement (through CPM), user engagement with our communities through content posts and other measures to evaluate growth trends, measure our performance and make strategic decisions. These metrics are calculated using internal company data and third-party data, such as Google Analytics for MAU, have not been validated by an independent third party, are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. While these metrics are based on what we currently believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring how our communities and services are used across large populations globally. Our metrics calculations may be inaccurate, and we may not be able to identify those inaccuracies. In the past, we have relied on other metrics that measure different activities, as indicators of user growth and engagement. We have in the past implemented, and may from time to time in the future implement, new methodologies for calculating these metrics which may result in the metrics from prior periods changing, decreasing or not being comparable to prior periods. Our metrics may also differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or data used.

Our operational metrics may also be impacted by our information quality efforts, which are our overall efforts to reduce malicious activity on our communities, including of false, spam and malicious automation accounts in existence on our communities. We regularly deactivate false, spam and malicious automation accounts that violate our terms of service, and exclude these users from the calculation of our operational metrics; however, we will not succeed in identifying and removing all false, spam and malicious accounts from our communities and platform. In addition, users are not prohibited from having more than one account on our communities, and we treat multiple accounts held by a single person as multiple users for purposes of calculating our active users and related operating metrics.

Furthermore, the ability to forecast future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. Readers should consider our future prospects in light of the challenges and uncertainties that we face, including the fact that it may not be possible to discern fully the trends that affect us. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by companies in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from expectations, our growth rates may slow, and our business and financial condition could suffer.

Our brands, including the distinct brands of our communities, are integral to our success. If we fail to effectively maintain, promote and enhance our brands, our business and competitive advantage may be harmed.

We believe that maintaining, promoting and enhancing our brands, particularly the distinct brands of our communities, is critical to expanding our business. Maintaining and enhancing our brands will depend largely on our ability to continue to provide high-quality, well-designed, useful, reliable and innovative offerings, which we may not do successfully.

Errors, defects, data breaches, disruptions or other performance problems with our communities, services and platform, including through third-party applications, and content posted by our users, may harm our reputation and brands. We may introduce new technologies or terms of service that our users or customers do not like, which may negatively affect our brands.

Any unfavorable media coverage or negative publicity about our industry, our Company or any of our communities, including, for example, publicity relating to the quality and reliability of our communities, services and platform, our privacy and security practices, our product changes, litigation, regulatory activity, the actions of our users or customers, the content posted by our users, the actions taken by users on our communities, or the subject matter of the underlying communities, could seriously harm our reputation. Such negative publicity could also adversely affect the size, demographics, engagement, and loyalty of our users and result in decreased traffic and revenue, which could seriously harm our business. Critics of our industry and others have utilized and may utilize the internet, the press and other means to publish criticisms of our industry, our Company and our competitors, or make allegations regarding our business and operations, or the business and operations of our competitors. We or others in our industry may receive similar negative publicity or allegations in the future, and it could be costly, time consuming, distracting to management, cause fluctuations in the market price of the Subordinate Voting Shares and harm our business and reputation.

The impact of worldwide economic conditions such as inflation and changes in interest rates, including the resulting

effect on our operations and spending, consumer spending and customer ad spending may adversely affect our business, operating results and financial condition.

Our performance is subject to worldwide economic conditions and global events, including political, economic, social and environmental risks that may impact our operations or our customers' operations. In FY 2022, 68% of our revenue was from digital advertising and 32% was from e-commerce (compared to 67% and 33%, respectively, in FY 2021). To varying degrees, digital advertising revenue and e-commerce revenue are sensitive to changes in macroeconomic conditions that impact consumer spending. The current deterioration in general economic conditions, including the rise in unemployment rates, inflation and increases in interest rates, may adversely affect consumer confidence, consumer spending, consumer discretionary income or changes in consumer purchasing habits, and as a result, can adversely affect consumer demand for the products and services of our e-commerce merchant partners. A decrease in consumer spending could have a material adverse effect on our business, financial condition and results of operations. Economic and geopolitical uncertainties, including those related to Russia's invasion of Ukraine may further amplify such risks. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs. Our inability or failure to do so could harm our business, financial condition, and results of operations. While we do not have any material exposure to Russia or Ukraine, there are other geopolitical and macroeconomic risks that are outside of our control that could impact our business, financial condition, or results of operations.

Adverse macroeconomic conditions have also impacted the demand for digital advertising and resulted in fluctuations in the amount our customers spend on digital advertising, which could adversely affect our business, financial condition, results of operations and ability to execute on our growth strategies. Weakening economic conditions may also adversely affect third parties, including suppliers and partners, with whom we have entered into relationships and upon whom we depend in order to operate and grow our business.

Global economies are currently experiencing elevated inflation, which could curtail levels of economic activity, including in the Company's primary markets. The general rate of inflation impacts the general economic and business environment, which in turn impacts the Company. Inflationary pressures relating to global financial support measures undertaken in response to the COVID-19 pandemic, as well as any economic conditions resulting from governmental attempts to reduce inflation, such as the imposition of higher interest rates, could negatively impact the Company's business, financial condition and results of operations. There can be no assurance that any governmental action will be taken to control inflationary or deflationary cycles, that any governmental action taken will be effective or whether any governmental action may contribute to economic uncertainty. Governmental action to address inflation or deflation may also affect currency values. Higher interest rates as a result of inflation could negatively impact future borrowing costs or make debt financing less attractive to the Company, which could, in turn, have a material adverse effect on the Company's cash flow and ability to service debt obligations.

We cannot assure you that we will effectively manage our growth.

The growth and expansion of our business, headcount, and products create significant challenges for our management, including managing multiple relationships with users, advertisers, partners, and other third parties, and constraining operational and financial resources. If our operations or the number of third-party relationships continues to grow, our information-technology systems and our internal controls and procedures may not adequately support our operations. In order to manage our growth effectively, we must continue to strengthen our existing infrastructure, develop and improve our processes and internal controls, create and improve our reporting systems, and address issues in a timely manner as they arise. The scalability and flexibility of our communities, services and platform depend on the functionality of our technology and network infrastructure and its ability to handle increased traffic and demand for bandwidth. The growth in the number of users and customers using our communities and services has increased the amount of data that we process. Any problems with the transmission of increased data could result in harm to our brands or reputation.

As we continue to strengthen our existing infrastructure and systems, these efforts may require substantial financial expenditures, commitments of resources, developments of our processes, personnel and other investments and innovations. Our growth has placed, and will likely continue to place, a significant strain on our managerial, administrative, operational, financial and other resources. As we grow, we will be required to continue to improve our operational and financial controls and reporting procedures and we may not be able to do so effectively. On February 1, 2023, we announced cost saving measures to manage our growth initiatives, including reducing our workforce by approximately 60 employees, and pursuing other cost saving initiatives to streamline our operating infrastructure. The headcount reduction is part of a broader strategic reprioritization to focus on our most important growth priorities and

improve cost efficiencies. This headcount reduction and strategic reprioritization could disrupt our operations, adversely impact employee retention and morale, adversely impact our reputation as an employer, which could make it more difficult for us to retain existing employees and hire new employees in the future, distract management, and seriously harm our business.

Provisions of our present and future debt instruments may restrict our ability to pursue business strategies.

We currently rely on the Credit Facilities, which are guaranteed by all of our subsidiaries, other than immaterial subsidiaries, and secured by security interests granted in substantially all of our assets and those of the guarantors. Under the terms of the Credit Facilities, we are required to comply with certain covenants applicable to us and our subsidiaries that limit the ability to, among other things:

- incur or assume liens on assets;
- sell, lease or otherwise dispose of assets;
- merge or amalgamate with other entities;
- purchase shares, debt obligations or other securities, make loans or otherwise invest in other entities;
- make acquisitions;
- incur additional indebtedness;
- engage in transactions with affiliates;
- establish, terminate or wind up Canadian defined benefit pension plans;
- declare or pay dividends or other distributions in respect of share capital (other than those paid only in shares), repurchase shares, make payments in respect of subordinated indebtedness or pay management or consulting fees to affiliates;
- change accounting practices or our fiscal year, name or chief place of business;
- permit to exist any restriction on the ability to pay dividends or other distributions or to incur liens (other than those securing the Credit Facilities); or
- enter into sale and leaseback transactions.

In addition, an event of default will occur under the Credit Facilities if, among other customary events of default, a change of control occurs.

These restrictions and events of default could inhibit our ability to pursue acquisitions and other business strategies. The occurrence of defaults under our Credit Facilities, even if cured or waived, may lead to higher borrowing costs or reduced availability of credit. If an event of default occurs under our Credit Facilities, and such event of default is not cured or waived, the lenders could terminate commitments to lend and cause all outstanding loans to become due and payable immediately.

In addition to scheduled quarterly repayments of principal, the Credit Facilities also include mandatory payment obligations from certain net proceeds of asset dispositions and events of loss (unless reinvested in the business within one year), from the issuance of debt securities or other indebtedness and from excess cash flow. Such repayment obligations may limit our ability to fund our operations or pursue strategic transactions, and more generally, our financial flexibility.

We may also refinance or replace the Credit Facilities or otherwise incur additional indebtedness in the future. The agreements and instruments governing such indebtedness could contain terms that are as restrictive, or more restrictive,

than those to which we are presently subject.

Our ability to meet our payment and other obligations under our existing and future debt agreements and instruments depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our existing or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our current and future indebtedness and to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital, which may have an adverse impact on our business, financial condition and results of operations.

We have concentration in various aspects of our business and a loss of a major customer or e-commerce merchant, a decline in economic conditions or consumer interest, or other adverse conditions could have a material adverse effect on our business, financial condition and results of operations.

We operate in the social networking industry, and we have a concentration in various aspects of our business. Such concentration exposes us to risks relating to the key sectors and industries to which our communities relate, our most significant customers and e-commerce merchants, and our most successful communities, all of which have an impact on our revenue. For example, in 2022, a significant portion of our MAU and revenue were derived from our “Do It Yourself” (DIY), Streaming and Deals-related website and communities. In addition, in 2022, one customer represented 19% of consolidated revenue (in 2021 – one customer represented 20% of consolidated revenue).

In light of our revenue and MAU concentration relating to our top communities, we face more risks than if our MAU and revenue were less concentrated. The loss of a major customer or e-commerce merchant, a decline in economic conditions or consumer interest, or other adverse conditions in the social networking industry or any of the key sectors and industries to which our communities relate could lead to lower MAU and revenue, which could also have a material adverse effect on our business, financial condition and results of operations.

We operate in a competitive business environment and, if we are unable to compete effectively, it could have a material adverse effect on our business, financial condition and results of operations.

We compete with consumer internet companies that are either tools (search, e-commerce) or media (newsfeeds, video, social networks). We also face competition from a number of smaller, independent communities. Our competitors, or future competitors, vary in size and in the scope and breadth of their offerings. The competition we face may increase further if economic conditions or other circumstances cause customer spending to decrease, leaving service providers to compete for fewer customer resources. Our competitors, or future competitors, in some cases currently have, and may in the future have, greater name recognition, longer operating histories, access to larger user bases, larger sales and marketing budgets and significantly greater resources. Our competitors may develop products, features or services that are similar to ours or that achieve greater acceptance, and they may undertake more far-reaching and successful platform development efforts or marketing campaigns. In order to stay competitive, we may need to adjust our pricing models, or invest significantly more in innovation and development in relation to our platform and solutions. There can be no assurance that we will be able to compete successfully against current or future competitors or that the competitive pressures we face from consumer internet companies will not have a material adverse effect on our business, financial condition and results of operations.

In addition, certain of our competitors or partners could form an alliance or pursue an acquisition to expand and strengthen their overall offering, thereby limiting our ability to acquire into new categories and expand our own offering to further promote our communities, services and platform. Such acquisitions could drive increased competition and pricing pressures in pursuing future acquisitions and forming partnerships.

We are subject to changes in the general economic conditions in Canada, the U.S. and globally and any negative economic events could adversely affect our business, financial condition, results of operations and ability to execute on our growth strategies.

We are subject to changes in the general economic conditions in Canada, the U.S. and globally, including but not limited to, international trade and global political conditions, recessionary or inflationary trends, capital market volatility,

consumer credit availability, interest rates, currency exchange rates, consumers' disposable income and spending levels, job security and unemployment, corporate taxation and overall consumer confidence. Any negative economic events could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Globally, recent market events and conditions, including the uncertain long-term consequences following the United Kingdom's exit from the European Union ("Brexit"), ongoing impact of the COVID-19 pandemic, disruptions in the international credit markets and other financial systems and the American and European sovereign debt level, have resulted in a deterioration of global economic conditions. These conditions have continued to cause a decrease in confidence in the broader North American and global credit and financial markets and have created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns remain about the general condition of capital markets, financial instruments, banks, investment banks, insurers and other financial institutions. These factors continue to negatively impact company valuations and impact the performance of the global economy.

In addition to the above, we could also experience negative impacts to our business and results of operations as a result of other macroeconomic, geopolitical and other challenges, uncertainties and volatility. For example, in response to the Russian invasion of Ukraine, a number of countries, including the U.S., Canada and the European Union member states, have taken actions against Russia, such as: imposition of sanctions; restrictions on certain sectors of the Russian economy; expulsion of some Russian banks from the SWIFT global banking payment system; and other measures, with further restrictions likely as the conflict continues. This conflict could lead to heightened volatility in the global markets and increase inflation, all of which could reduce our profitability and have a material adverse effect on our business, financial condition, results of operations or cash flows.

Furthermore, economic conditions in Canada may be affected, directly or indirectly, by political events throughout the world that cause disruptions in the financial markets, such as Brexit and the imposition of trade tariffs and other barriers by the U.S. In particular, the United States-Mexico-Canada Agreement that came into effect on July 1, 2020, and certain other international trade agreements as well as conflicts or, conversely, peaceful developments, arising in the Middle East, the Korean Peninsula, Venezuela or Eastern Europe and other areas of the world that have a significant impact on the price of important commodities can have a significant impact on financial markets and the global economy. Any such negative impacts could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our results of operations may be adversely affected by changes in foreign currency exchange rates.

Although our financial results are reported in U.S. dollars, the majority of our revenue is in U.S. dollars whereas our wages and consulting expenses are primarily in Canadian dollars. We may from time to time enter into forward contracts to reduce our exposure to foreign currency risk and provide more certainty with cash flows. In situations where we are not hedged, either through hedging arrangements or through a natural hedging resulting from an offset in currencies, our results of operations will be affected by movements in these currencies against the Canadian dollar and the U.S. dollar. The value of the Canadian dollar relative to the U.S. dollar has varied significantly and investors are cautioned that past and current exchange rates are not indicative of future exchange rates. Significant fluctuations in relative currency values against the Canadian dollar and the U.S. dollar could thus have a significant impact on our results of operations.

A wide adoption of users that use ad-blockers may adversely affect our results of operations.

The success of our business model depends on our ability to deliver targeted, highly relevant advertisements to users of our communities. Targeted digital advertising is done primarily through analyses of data, much of which is collected on the basis of user-provided permissions. This data might include a user's location, or data collected when a user views an advertisement or when a user clicks on or otherwise engages with an advertisement. Users may elect not to allow data sharing for targeted digital advertising for a number of reasons, such as privacy concerns. In addition, companies are constantly developing products that enable users to prevent advertisements from appearing on their web browsers. Wider adoption of these ad-blocker products could have a material adverse effect on our prospects, business, financial condition or results of operations.

We are dependent upon users' and customers' continued and unimpeded access to the internet, and upon their willingness to use the internet.

Our success depends upon the general public's ability to access the internet, including through mobile devices, and its continued willingness to use the internet as a means to pay for purchases, communicate, access social media, research and conduct commercial transactions. The adoption of any laws or regulations that adversely affect the growth, popularity or use of the internet, including changes to laws or regulations impacting internet neutrality, could decrease the demand for our communities and services, increase our operating costs, or otherwise adversely affect our business. Given uncertainty around these rules, we could experience discriminatory or anti-competitive practices that could impede both our and our customers' growth, increase our costs or adversely affect our business. If users become unable, unwilling or less willing to use the internet for any reason, including lack of access to high-speed communications equipment, congestion of traffic on the internet, internet outages or delays, disruptions or other damage to users' computers, increases in the cost of accessing the internet and security and privacy risks or the perception of such risks, our business could be adversely affected.

In the future, providers of internet browsers could introduce new features that would make it difficult for users to use our Fora platform. In addition, internet browsers for desktop, tablets or mobile devices could introduce new features or change existing browser specifications such that they would be incompatible with our platform, or prevent our e-commerce partners' customers from accessing our e-commerce partners' businesses. Any changes to technologies used in our Fora platform, existing features that we rely on, or operating systems or internet browsers that make it difficult for users to access our platform or consumers to access our e-commerce partners' businesses, may make it more difficult for us to maintain or increase our revenue and could adversely impact our business and prospects.

Our risk management policies and procedures may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, which could expose us to losses and liability and otherwise harm our business.

We operate in a rapidly changing industry and our risk management policies and procedures may not be fully effective at identifying, monitoring and managing our risks. Some of our risk evaluation methods depend upon information provided by third parties regarding markets, users, customers or other matters that are otherwise inaccessible to us. In some cases, however, that information may not be accurate, complete or up-to-date. Our risk management policies, procedures, techniques and processes may not be effective at identifying all of the risks to which we are exposed or enabling us to mitigate the risks we have identified. In addition, when we introduce new services, focus on new business types or begin to operate in markets in which we have a limited history, we may be less able to forecast and reserve accurately for new risks. Due to the Russian invasion of Ukraine, the North Atlantic Treaty Organization ("NATO") has mobilized forces to NATO member countries, including Estonia, that are close to the conflict as deterrence to further Russian aggression in the region. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. If our risk management policies and processes are ineffective, we may suffer large financial losses, become subject to civil and criminal liability and our business, financial condition and results of operations may be materially and adversely affected.

If our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the Subordinate Voting Share price.

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. Areas requiring the use of management estimates and judgments in preparing our consolidated financial statements include those related to the expected credit losses on trade and other receivables, the recognition of government grants including investment tax credits and receivables, right-of-use asset, property and equipment and intangible asset impairment assessments, goodwill impairment assessments, the determination of the estimated useful lives of property and equipment and intangibles assets, inputs used in the determination of the fair value of share option grants, the determination of the incremental borrowing rate and lease term for lease contracts for right of use assets and lease contract liability, and deferred income taxes. Furthermore, areas requiring the use of significant management estimates and judgments are the

determination of the fair value of intangible assets and internally generated intangibles.

Changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies could adversely affect our financial condition and results of operations.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Future changes in accounting standards, pronouncements or interpretations could require us to change our policies and procedures. The materiality of such changes is difficult to predict, and such changes could materially impact how we record and report our financial condition and results of operations.

Additionally, our assumptions, estimates and judgments related to complex accounting matters could significantly affect our financial results. IFRS and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including, but not limited to, revenue recognition, impairment of long-lived assets, leases and related economic transactions, intangibles, self-insurance, income taxes, property and equipment, litigation and equity-based compensation are highly complex and involve many subjective assumptions, estimates and judgments by us. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments by us (i) could require us to make changes to our accounting systems to implement these changes that could increase our operating costs and (ii) could significantly change our reported or expected financial performance.

It may be difficult or impossible for investors to enforce judgments against our foreign subsidiaries and non-resident directors or officers.

Certain of our wholly-owned subsidiaries are organized under the laws of foreign jurisdictions and certain of our directors and officers, including Rob Laidlaw, Paul Lee and Joe Pishgar, are residents of countries other than Canada.

As a result, it may be difficult or impossible for investors to effect service within Canada upon such persons, or to realize against them in Canada upon judgments of courts of Canada predicated upon the civil liability provisions of applicable Canadian securities laws. There is some doubt as to the enforceability in the U.S. or other foreign courts by a court in original actions, or in actions to enforce judgments of Canadian courts, of civil liabilities predicated upon such applicable Canadian securities laws.

The COVID-19 pandemic had and could continue to have various impacts on our business, operations, and the markets and communities in which we and our customers operate, the extent of which are unknown, and may adversely affect our business and future results of operations and financial condition, and this adverse effect could be material.

Despite the general ease of measures attempting to contain and mitigate the effects of COVID-19 in many of the jurisdictions in which we operate, there continues to be uncertainty in the macroeconomic environment. Our business and operations have been and may continue to be adversely affected by the COVID-19 pandemic, including the global economic uncertainty and market volatility resulting from the pandemic and the measures taken in response thereto. Potential impacts on our prospects, business, financial condition or results of operations include:

- adverse impact on the businesses of our prospective and existing customers, which in turn may result in reduced digital advertising spend, lengthened sales cycles, reduced revenue from new customers and difficulties in collections of accounts receivables;
- possible positive impact on our e-commerce revenue that may not be sustained;
- continued impact on our workforce due to factors such as illness, quarantines, government actions, office closures, work from home arrangements or other restrictions;
- inability of our workforce to work effectively, which in turn may decrease employee productivity and morale, and increase unwanted employee attrition;
- increased risk of a cyber-attack;

- continued fixed costs, particularly for real estate, while deriving reduced or no benefit from such costs;
- continued disruptions and volatility in the global capital markets, which may increase cost of capital and adversely impact our ability to access capital;
- anticipated costs in connection with returning to work at our offices, including changes to the workplace, such as space planning, maintenance and cleaning, food service and amenities;
- costs incurred with maintaining a remote workforce structure, including providing any stipends and expense reimbursements in connection with work-from-home arrangements;
- exposure to legal liability for safe workplace claims;
- possible adverse tax consequences resulting from employees working outside of their intended geographic region for prolonged periods of time; and
- our critical third-party service providers possibly going out of business.

The impact of any of the foregoing, individually or collectively, could adversely affect our business, financial condition and results of operations.

As a result of the COVID-19 pandemic, in response to changing public health directives, we temporarily closed our headquarters and other offices, required our employees to work remotely and implemented travel restrictions, all of which represented a significant change in our business operations. The operations of our customers have also been impacted. While we have seen increased revenue in certain product and service offerings attributable to the COVID-19 pandemic in the prior years, we have also seen decreased revenue in certain product and service offerings as users continue to adjust their lifestyles and their use of our products and services in an environment where the perceived risk of COVID-19 and regulations surrounding it have changed. We cannot make any assurances that we will continue to experience increased demand for our products or services throughout the duration of the COVID-19 pandemic or thereafter, or that we will be able to effectively adjust our products or services to meet the demands of our customers. There may also be additional costs or impacts to our business and operations, including return to office preferences, and the resumption of in-person activities, travel and events.

To the extent the COVID-19 pandemic adversely affects our business, financial condition and results of operations, it may also have the effect of heightening many of the other risks described in this “*Risk Factors*” section, including but not limited to, those related to our ability to increase sales to existing and new customers, develop and deploy new offerings and applications, and maintain effective marketing and sales capabilities.

An occurrence of a widespread health epidemic, pandemic or other outbreaks, as well as natural or other conflicts or disasters, could have a material adverse effect on our business, financial condition and results of operations.

Our business could be materially and adversely affected by natural disasters, such as fires or floods, the outbreak of a widespread health epidemic, pandemic, such as COVID-19, or other events, such as wars, acts of terrorism, power shortages or communication interruptions. In addition to previously identified risks associated with the COVID-19 pandemic and the Russian invasion of Ukraine, the occurrence of a natural disaster or similar event could materially disrupt our business and operations. These events could limit or shut down our ability to operate temporarily, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. In addition, our net sales could be materially reduced to the extent that a natural disaster, health epidemic, such as COVID-19, or other major event harms the economies of the countries in which we operate. Our operations could also be severely disrupted if our users, customers, third-party providers or other stakeholders were affected by acts of war, natural or other disasters, health epidemics, such as COVID-19, or other major events.

Federal, state and local tax authorities may seek to assess federal, state and local business taxes and sales and use taxes. If we are required to collect sales and use taxes in additional jurisdictions, we might be subject to tax liability for past sales.

There is a risk that U.S. jurisdictions could assert that we are liable for U.S. federal, state and local business activity

taxes, which are levied upon income or gross receipts, or for the collection of U.S. local sales and use taxes. This risk exists regardless of whether we are subject to U.S. federal, state or local income tax. States are becoming increasingly active in asserting nexus for business activity tax purposes and imposing sales and use taxes on products and services provided over the internet. We may be subject to U.S. state and local business activity taxes if a state tax authority asserts that our activities or the activities of our non-U.S. subsidiaries are sufficient to establish nexus. We could also be liable for the collection of U.S. state and local sales and use taxes if a state tax authority asserts that distribution of our solutions over the internet is subject to sales and use taxes. Each state has different rules and regulations governing sales and use taxes, and these rules and regulations are subject to varying interpretations that change over time. We review these rules and regulations periodically and, when we believe we are subject to sales and use taxes in a particular state, voluntarily engage state and local tax authorities in order to determine how to comply with their rules and regulations. Further, the U.S. Supreme Court has held in *South Dakota v. Wayfair, Inc.* that a U.S. state may require an online retailer to collect sales and use taxes imposed by that state, even if the retailer has no physical presence in that state, thus permitting a wider enforcement of such sales and use tax collection requirements. Many states have adopted legislation in the wake of this decision that require an out-of-state company to register for, and collect and remit, sales and use taxes and, in certain states, pay state income or business activity taxes, if the company has more than a specified amount of in-state sales or transactions. Such legislation could require us or our e-commerce partners to incur substantial costs in order to comply, including costs associated with legal advice, tax calculation, collection, remittance and audit requirements, which could make selling in such markets less attractive and could adversely affect our business.

A successful assertion by one or more jurisdictions could also result in tax assessments, penalties, and interest, and we may be required to collect sales or other taxes in the future on subscription service revenue which could result in substantial tax liabilities for past transactions and otherwise harm our business. We cannot assure you that we will not be subject to sales and use taxes or related penalties for past sales in jurisdictions where we currently believe no such taxes are required. New obligations to collect or pay taxes of any kind could increase our cost of doing business.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our operating results and financial condition.

We are subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have an adverse impact on our liquidity and results of operations. In addition, the authorities in several jurisdictions could review our tax returns and impose additional tax, interest and penalties, which could have an impact on us and on our results of operations.

Our future effective tax rates could be subject to volatility or adversely affected by a number of factors.

Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of share-based compensation;
- costs related to intercompany restructurings or acquisitions;
- changes in tax laws, regulations or interpretations thereof; or
- future earnings being lower than anticipated in countries where we have lower statutory tax rates and higher than anticipated earnings in countries where we have higher statutory tax rates.

If two or more non-arm's length companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between companies dealing at arm's length. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arm's length transactions, they could require us to adjust our

transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in us having a higher tax liability.

Our business is susceptible to risks associated with the use of our communities in various countries.

We currently have users in over 50 countries and we expect our user base to expand internationally in the future. While approximately 70% of our traffic originates in the U.S. and Canada, the use of our communities in various countries subjects us to risks that we do not generally face with respect to domestic use within North America. These risks may include, but are not limited to:

- greater difficulty in enforcing contracts, including our universal terms of service and other agreements;
- lack of familiarity and burdens and complexity involved with complying with multiple, conflicting and changing foreign laws, standards, regulatory requirements, tariffs, export controls and other barriers;
- difficulties in ensuring compliance with countries' multiple, conflicting and changing international trade, customs and sanctions laws;
- data privacy laws that may require that user data be stored and processed in a designated territory;
- different technology standards;
- potentially adverse tax consequences, including the complexities of foreign value-added tax (or other tax) systems and restrictions on the repatriation of earnings;
- uncertain political and economic climates;
- reduced or uncertain protection for intellectual property rights in some countries;
- new and different sources of competition;
- lower levels of consumer spending; and
- restricted access to and/or lower levels of use of the internet.

These factors may cause our international costs of doing business to exceed our comparable domestic costs and may also require significant management attention and financial resources. Any negative impact from our international business efforts could adversely affect our business, results of operations and financial condition.

Climate change may have an adverse impact on our business.

While we seek to mitigate our business risks associated with climate change, we recognize that there are inherent climate-related risks wherever business is conducted. Any of our primary locations or third-party data centers may be vulnerable to the adverse effects of climate change. Furthermore, it is more difficult to mitigate the impact of these events on our employees while they work from home. Changing market dynamics, global policy developments, and the increasing frequency and impact of extreme weather events on critical infrastructure in the U.S., Canada and elsewhere have the potential to disrupt our business or the business of our third-party suppliers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. In particular, we rely on data centers to deliver our solutions, which consume significant amounts of energy. To the extent that energy prices increase as a result of carbon pricing or other measures, this could affect our cost structure.

Risks Relating to the Subordinate Voting Shares

Our annual and quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts, which could cause the price of the Subordinate Voting Shares to decline.

Our annual and quarterly revenue and results of operations may fluctuate as a result of a variety of factors, many of which are outside of our control. In particular, the Russian invasion of Ukraine and any restrictive actions that are or may be taken by the U.S., Canada and other countries in response thereto, such as sanctions or export controls, could have potential impacts on commodity prices and negative implications on the financial markets.

Accordingly, the market price of the Subordinate Voting Shares may decline even if our operating results, underlying asset values or prospects have not changed.

If our annual or quarterly revenue or results of operations fall below the expectations of investors or securities analysts, the price of the Subordinate Voting Shares could decline substantially. Fluctuations in our results of operations may be due to a number of factors, including:

- demand for and market acceptance of our communities, services and platform;
- seasonality of our digital advertising revenue, which is linked to the advertising budgets of our customers (including agencies and third-party advertising networks), and seasonality of our e-commerce revenue, which is linked to consumer spending patterns;
- our ability to retain and increase sales to users and customers and attract new users and customers;
- our ability to monetize our content, including our ability to disseminate such content to relevant users who are inclined or interested in making purchases from our customers;
- changes in global economic conditions;
- changes in our pricing practices or those of our competitors;
- competition, including entry into the industry by new competitors and new offerings by existing competitors;
- network outages or security breaches; and
- the amount and timing of expenditures related to expanding our operations and improvements to our platform.

Due to the foregoing factors, and the other risks described in this “*Risk Factors*” section, you should not rely on quarter-to-quarter comparisons of our results of operations as an indication of our future performance.

Each of our Principal Shareholders beneficially owns a significant amount of our shares and may have interests that differ from, or may take actions that are not in the interests of, other shareholders.

Each of NordStar Group and Hedgewood holds approximately 15.1% and 14.6% respectively, of the Subordinate Voting Shares, and approximately 6.7% and 6.5%, respectively, of the voting power attached to all of our issued and outstanding shares. RDL Ventures holds 100% of the Multiple Voting Shares and approximately 62% of the voting power attached to all of our issued and outstanding shares. In addition, each of the Principal Shareholders has director nomination rights under the Investor Rights Agreement generally as follows (provided the conditions under the Investor Rights Agreement are met, including share ownership thresholds): NordStar Group is entitled to nominate up to two of our directors, one of whom must be independent; Hedgewood is entitled to nominate one of our directors; and RDL Ventures is entitled to nominate one of our directors, which must be Rob Laidlaw so long as he is our Chief Executive Officer or executive officer. Each such nominee will be included as part of the slate of director candidates proposed by our Company in any management information circular relating to the election of directors, and the Company will solicit proxies and recommend that shareholders vote in favour of the Principal Shareholders’ nominees.

Accordingly, the Principal Shareholders have significant influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions, as well as all matters requiring board approval. Circumstances may occur in which the interests of the Principal Shareholders, as a group or individually, could be in conflict with the interests of other shareholders, and any of the Principal Shareholders

has significant influence to cause us to take actions that align with their interests.

Additionally, each of Hedgewood and NordStar Group (and their respective affiliates) is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us.

The dual-class structure contained in our Articles has the effect of concentrating voting control and the ability to influence corporate matters. Significant control by the holder of Multiple Voting Shares and significant ownership by the Principal Shareholders may adversely affect the market price of the Subordinate Voting Shares.

RDL Ventures, an entity controlled by our founder and Chief Executive Officer and Board Chair, Rob Laidlaw, directly or indirectly, owns or controls 100% of the Multiple Voting Shares. The Multiple Voting Shares have 10 votes per Multiple Voting Share and the Subordinate Voting Shares have one vote per Subordinate Voting Share.

Because of the 10-to-1 voting ratio between the Multiple Voting Shares and Subordinate Voting Shares, the holder of the Multiple Voting Shares, RDL Ventures, controls a significant proportion of the combined voting rights of our voting shares even where the Multiple Voting Shares represent a substantially reduced percentage of our total outstanding shares. The concentrated voting control of the holder of the Multiple Voting Shares limits the ability of our other shareholders to influence corporate matters for the foreseeable future, including the election of directors, as well as with respect to decisions regarding amending our share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions. As a result, RDL Ventures, as the sole holder of Multiple Voting Shares, has the ability to influence or control many matters affecting us and actions may be taken that our other shareholders may not view as beneficial.

The market price of the Subordinate Voting Shares could be adversely affected due to the significant influence and voting rights of the holder of Multiple Voting Shares. Additionally, the significant voting interest of the holder of Multiple Voting Shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the Subordinate Voting Shares, might otherwise receive a premium for the Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by one or more holders of Multiple Voting Shares.

The Multiple Voting Shares held by RDL Ventures and the Subordinate Voting Shares held by NordStar Group and Hedgewood collectively represent approximately 75% of the voting rights attached to all of our outstanding voting securities. For so long as RDL Ventures, NordStar Group and Hedgewood, either directly or through one or more affiliates, maintains a significant voting interest in us, such Principal Shareholders will have the ability to exercise substantial influence with respect to our 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 Principal Shareholders did not have the ability to significantly influence or determine matters affecting us.

Shareholders have limited control over our operations.

Holders of Subordinate Voting Shares have limited control over changes in our policies and operations, which increases the uncertainty and risks of an investment in our Company. The Board will determine major policies, including policies regarding financing, growth, debt capitalization and any future dividends to shareholders. Generally, the Board may amend or revise these and other policies without a vote of the holders of Subordinate Voting Shares. The Board's broad discretion in setting policies and the limited ability of holders of Subordinate Voting Shares to exert control over those policies increases the uncertainty and risks of an investment in our Company.

RDL Ventures beneficially owns and controls all of the Multiple Voting Shares and holds approximately 62% of the voting power attached to our outstanding voting shares, and NordStar Group and Hedgewood are entitled to certain director nomination and other governance rights under the Investor Rights Agreement. Accordingly, the Principal Shareholders retain significant influence with respect to all matters submitted to our shareholders for approval, including without limitation the election and removal of directors, amendments to our constating documents and the approval of certain material transactions.

We do not anticipate paying any cash dividends in the foreseeable future.

There can be no assurance regarding the amount of income to be generated by our operations. The Subordinate Voting Shares are equity securities and are not fixed-income securities. Unlike fixed-income securities, we have no obligation to distribute to shareholders a fixed amount or to return the initial purchase price of a Subordinate Voting Share on a date in the future. We currently intend to retain our future earnings, if any, for the foreseeable future, to fund the operation of our business and future growth. We do not intend to pay any dividends to holders of the Subordinate Voting Shares for the foreseeable future. As a result, capital appreciation in the price of the Subordinate Voting Shares, if any, will be your only source of gain on an investment in the Subordinate Voting Shares.

We may issue additional Subordinate Voting Shares and such issuance will result in immediate dilution to existing shareholders. Any issuance of Preferred Shares could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Subordinate Voting Shares, which could depress the price of our Subordinate Voting Shares.

Our Articles permit us to issue an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of Preferred Shares, issuable in series. We anticipate that we will, from time to time, issue additional Subordinate Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares, including in connection with equity-based awards to employees, directors and consultants under our current and future equity incentive plans, as well in connection with acquisitions or investments in complementary companies, products, or technologies. Subject to the requirements of the TSX, we will not be required to obtain the approval of shareholders for the issuance of additional Subordinate Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares and shareholders do not have any pre-emptive rights. Although the rules of the TSX generally prohibit us from issuing additional Multiple Voting Shares, there may be certain circumstances where additional Multiple Voting Shares may be issued, including upon receipt of the requisite shareholder approval. Any further issuances of Subordinate Voting Shares, Multiple Voting Shares, Preferred Shares or other securities convertible or exercisable for Subordinate Voting Shares will result in immediate dilution to existing shareholders. New investors in such subsequent transactions could gain rights, preferences, and privileges senior to those of holders of the Subordinate Voting Shares. Furthermore, issuances of a substantial number of additional Subordinate Voting Shares, Multiple Voting Shares, Preferred Shares or other securities convertible or exercisable for Subordinate Voting Shares, or the perception that such issuances could occur, may adversely affect the prevailing market price for the Subordinate Voting Shares.

We have no present plans to issue any Preferred Shares. However, our Board has the authority to issue Preferred Shares, issuable in series, to determine the rights, privileges, restrictions and conditions of each series of shares, and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our shareholders. The Preferred Shares will be issued with liquidation, dividend and other rights superior to the rights of the Subordinate Voting Shares and Multiple Voting Shares. The potential issuance of Preferred Shares may delay or prevent a change in control of the Company, discourage bids for the Subordinate Voting Shares at a premium over the market price and adversely affect the market price and other rights of the holders of the Subordinate Voting Shares.

In creating and issuing additional securities, the Board will comply with the requirements of applicable securities law and the TSX requirements or requirements of any other public listing exchange on which the Subordinate Voting Shares may subsequently be listed, as the case may be, and the directors will act in accordance with his or her fiduciary duties.

Future offerings of debt securities, which would rank senior to the Subordinate Voting Shares upon bankruptcy or liquidation, and future offerings of equity securities that may be senior to the Subordinate Voting Shares for the purposes of dividend and liquidating distributions, may adversely affect the market price of the Subordinate Voting Shares.

In the future, the Company may attempt to increase our capital resources by making offerings of debt securities or equity securities. Upon bankruptcy or liquidation, holders of the Company's debt securities and lenders with respect to any other borrowings will each be entitled to receive a distribution of the Company's available assets prior to the holders of the Subordinate Voting Shares. Additional equity offerings may dilute the holdings of the Company's existing shareholders or reduce the market price of the Subordinate Voting Shares, or both. The Company's decision to issue securities in any future offering will depend on market conditions and other factors beyond our control. As a result, the Company cannot predict or estimate the amount, timing or nature of our future offerings, and existing holders of the Subordinate Voting Shares bear the risk of the Company's future offerings reducing the market price of the Subordinate Voting Shares and diluting their ownership interest in the Company.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we incur significant legal, accounting, insurance and other expenses not incurred as a private company, which may negatively impact our performance and could cause our results of operations and financial condition to suffer. Compliance with applicable securities laws in Canada and the rules of the TSX substantially increases our expenses, including our legal and accounting costs, and make some activities more time consuming and costly. Reporting obligations as a public company and our anticipated growth may place a strain on our financial and management systems, processes and controls, as well as on our personnel.

These laws, rules and regulations may 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 obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our Board or as 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.

As a public company, we are required to develop and maintain proper and effective internal controls over financial reporting. We may not complete our analysis of our internal controls over financial reporting in a timely manner, or these internal controls may not be effective, which could adversely affect investor confidence in our Company and, as a result, negatively impact the value of our Subordinate Voting Shares.

Since becoming a publicly traded company, we have been subject to reporting and other obligations under applicable Canadian securities laws, including NI 52-109, and the rules of the TSX. These reporting and other obligations place significant demands on our management, administrative, operational and accounting resources. In order to meet such requirements, we have, among other things, established systems, implement financial and management controls, reporting systems and procedures and will, if necessary, hire qualified accounting and finance staff. However, if we are unable to accomplish any necessary objectives in a timely and effective manner, our ability to comply with our financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause us to fail to satisfy our reporting obligations or result in material misstatements in our financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in our reported financial information, which could result in a reduction in the market price of our subordinate voting shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Our management has limited experience managing a public company.

The members of our management have limited experience managing a public company, interacting with public company investors and complying with the complex laws pertaining to public companies. Our management may not successfully or efficiently manage our 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 our management and could divert their attention away from the day-to-day management of the business, which could harm the business, financial condition, and results of operations.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our Company or our business, the price of the Subordinate Voting Shares and our trading volume could decline.

The trading market for the Subordinate Voting Shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. If no or too few securities or industry analysts provide coverage of our Company, the trading price for the Subordinate Voting Shares would likely be negatively affected. If one or more of the analysts who cover us downgrade the Subordinate Voting Shares or publish inaccurate or unfavorable research about our business or provide more favorable relative recommendations about our competitors, the price of the Subordinate Voting Shares 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 could decrease, which might cause the price of the Subordinate Voting Shares and trading volume to decline.

DIVIDEND POLICY

We have not declared or paid any cash dividends on our securities in the 2020, 2021 or 2022 fiscal years. We currently intend to retain any future earnings to fund the development and growth of our business and/or to pay down debt and do not currently anticipate paying dividends on the subordinate voting shares and multiple voting shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, our 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 SHARE CAPITAL

The following description of our share capital summarizes certain provisions contained in our Articles. 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 our Articles.

Our authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares, (ii) and unlimited number of Multiple Voting Shares and (iii) an unlimited number of Preferred Shares, issuable in series, of which 18,383,943 Subordinate Voting Shares, 2,957,265 Multiple Voting Shares and no Preferred Shares were issued and outstanding as of March 31, 2023. The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws.

Subordinate Voting Shares and Multiple Voting Shares

Except as described herein, the Subordinate Voting Shares and Multiple Voting Shares have the same rights, are equal in all respects and are treated by the Company as if they were one class of shares. Holders of Multiple Voting Shares and Subordinate Voting Shares have no pre-emptive rights or conversion or exchange rights or other subscription rights, except that each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share and the Multiple Voting Shares will automatically convert into Subordinate Voting Shares upon certain transfers and other events, as described below under “*Description of Share Capital – Subordinate Voting Shares and Multiple Voting Shares – Conversion*”.

Rank

The Subordinate Voting Shares and Multiple Voting Shares rank *pari passu* with respect to the payment of dividends, or other distributions, return of capital and distribution of assets in the event of the liquidation, dissolution or winding up of the Company. In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Subordinate Voting Shares and the holder of Multiple Voting Shares are entitled to participate equally, share-for-share, in the remaining property and assets of the Company available for distribution to the holders of shares, without preference or distinction among or between the Subordinate Voting Shares and the Multiple Voting Shares, subject to the rights of the holders of any Preferred Shares.

Dividends

The holders of outstanding Subordinate Voting Shares and Multiple Voting Shares are entitled to receive dividends or other distributions on a share-for-share basis at such times and in such amounts and form as our Board may from time to time determine, but subject to the rights of the holders of any Preferred Shares, without preference or distinction among or between the Subordinate Voting Shares and the Multiple Voting Shares. We are permitted to pay dividends unless there are reasonable grounds for believing that: (i) we are, or would after such payment be, unable to pay our liabilities as they become due; or (ii) the realizable value of our assets would, as a result of such payment, be less than the aggregate of our liabilities and stated capital of all classes of shares. In the event of a payment of a dividend in the form of shares, Subordinate Voting Shares shall be distributed with respect to outstanding Subordinate Voting Shares and Multiple Voting Shares shall be distributed with respect to outstanding Multiple Voting Shares.

Voting Rights

The holders of outstanding Subordinate Voting Shares are entitled to one vote per share and the holder of Multiple Voting Shares is entitled to 10 votes per share. The Subordinate Voting Shares collectively represent approximately 86% of our issued and outstanding shares and approximately 38% of the voting power attached to all of our issued and outstanding shares and the Multiple Voting Shares collectively represent approximately 14% of our issued and outstanding shares and approximately 62% of the voting power attached to all of our issued and outstanding shares.

Conversion

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share. Upon the first date that a Multiple Voting Share shall be held by a Person other than a Permitted Holder, the Permitted Holder which held such Multiple Voting Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such Multiple Voting Share into one fully paid and non-assessable Subordinate Voting Share, on a share-for-share basis. Notwithstanding the foregoing, any Multiple Voting Share held by a Lender (as defined below) shall be deemed to continue to be held by the Permitted Holder so long as the Lender has not exercised a right of foreclosure on such Multiple Voting Share or other similar action pursuant to the terms of such pledge or other security interest.

In addition, all Multiple Voting Shares held by Permitted Holders will convert automatically into Subordinate Voting Shares in a manner described above at such time that the Permitted Holders no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 7.5% of the issued and outstanding Subordinate Voting Shares and Multiple Voting Shares (on a non-diluted basis).

For the purposes of the foregoing and elsewhere in this Annual Information Form:

“**Lender**” means a Person who holds any Multiple Voting Shares pursuant to a pledge or other grant of security interest by a Permitted Holder in such Multiple Voting Share, pursuant to a bona fide loan or other indebtedness transaction.

“**Members of the Immediate Family**” means with respect to any individual, each parent (whether by birth or adoption), spouse, child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons, and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the Tax Act as amended from time to time) of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

“**Permitted Holders**” means (i) Rob Laidlaw and any Members of the Immediate Family of Rob Laidlaw, and (ii) any Person controlled, directly or indirectly, by one or more Persons referred to in clause (i) above.

“**Person**” means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company; and

A Person is “**controlled**” by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is an unincorporated entity other than a limited partnership, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; or (iii) in the case of a limited partnership, the other Person is the general partner of such limited partnership; and “controls”, “controlling” and “under common control with” shall be interpreted accordingly.

Subdivision or Consolidation

No subdivision or consolidation of the Subordinate Voting Shares or the Multiple Voting Shares may be carried out unless, at the same time, the Multiple Voting Shares or the Subordinate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

Certain Class Votes

Except as required by the OBCA, applicable Canadian securities laws or our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares. Under the OBCA, certain types of amendments to our Articles are subject to approval by special resolution of the holders of our classes of shares voting separately as a class, including amendments to:

- add to, remove or change the rights, privileges, restrictions or conditions attached to the shares of that class;
- add to the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of that class; and
- make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of that class.

Without limiting other rights at law of any holders of Subordinate Voting Shares or Multiple Voting Shares to vote separately as a class, neither the holders of the Subordinate Voting Shares nor the holder of the Multiple Voting Shares shall be entitled to vote separately as a class or to dissent upon a proposal to amend our Articles in the case of an amendment to (1) increase or decrease any maximum number of authorized shares of such class or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class; or (2) create a new class of shares equal or superior to the shares of such class, which rights are otherwise provided for in paragraphs (a) and (e) of subsection 170(1) of the OBCA. Pursuant to our Articles, neither the holders of the Subordinate Voting Shares nor the holder of Multiple Voting Shares will be entitled to vote separately as a class or to dissent on a proposal to amend our Articles to effect an exchange, reclassification or cancellation of all or part of the shares of such class pursuant to subsection 170(1)(b) of the OBCA unless such exchange, reclassification or cancellation: (a) affects only the holders of that class; or (b) affects the holders of Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis, and such holders are not already otherwise entitled to vote separately as a class under applicable law or our Articles in respect of such exchange, reclassification or cancellation.

Pursuant to our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the OBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of the Subordinate Voting Shares and Multiple Voting Shares, each voting separately as a class.

Take-Over Bid Protection

Under applicable Canadian securities laws, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with the holder of Multiple Voting Shares, the holder of Multiple Voting Shares has entered into a customary coattail agreement with us and a trustee (the “**Coattail Agreement**”). The following is a summary of the material attributes and characteristics of the Coattail Agreement. This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics. The Coattail Agreement has been filed with the Canadian securities regulatory authorities and is available on the system for electronic document analysis and retrieval (“**SEDAR**”) at www.sedar.com.

The Coattail Agreement contains provisions customary for dual-class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable Canadian securities laws to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by Permitted Holders of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

- a) offers a price per Subordinate Voting Share at least as high as the highest price per share to be paid pursuant to the take-over bid for the Multiple Voting Shares;
- b) provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of outstanding Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- c) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and
- d) is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement does not prevent the transfer of Multiple Voting Shares to Permitted Holders, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would be exempt from certain requirements applicable to take-over bids under applicable Canadian securities laws. The conversion of Multiple Voting Shares into Subordinate Voting Shares, whether or not such Subordinate Voting Shares are subsequently sold, would not constitute a disposition of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Multiple Voting Shares by a holder of Multiple Voting Shares who is a party to the Coattail Agreement will be conditional upon the transferee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares in accordance with our Articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on us or holders of the Subordinate Voting Shares providing such funds and indemnity as the trustee may reasonably require. No holder of Subordinate Voting Shares will have the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of Subordinate Voting Shares, the Coattail Agreement provides that, among other things, it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada; and (b) the approval of at least two-thirds of the votes cast by holders of Subordinate Voting Shares represented at a meeting duly

called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares held by the holder of Multiple Voting Shares or its affiliates and related parties and any persons who have an agreement to purchase Multiple Voting Shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of Subordinate Voting Shares under applicable law.

Preferred Shares

We are authorized to issue an unlimited number of Preferred Shares, issuable in series. Each series of Preferred Shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by our Board prior to the issuance thereof. Holders of Preferred Shares, except as otherwise provided in the terms specific to a series of Preferred Shares or as required by law, will not be entitled to vote at meetings of holders of shares, and will not be entitled to vote separately as a class or dissent upon a proposal to amend our Articles in the case of an amendment of the kind referred to in paragraph (a), (b) or (e) of subsection 170(1) of the OBCA. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the Preferred Shares will be entitled to preference over the Subordinate Voting Shares, the Multiple Voting Shares and any other shares ranking junior to the Preferred Shares from time to time and may also be given such other preferences, not inconsistent with our Articles, over the Subordinate Voting Shares, the Multiple Voting Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series.

We have filed an undertaking with the OSC pursuant to which we have agreed to provide reasonable prior notice to the OSC in the event we intend to issue a series of Preferred Shares that: (a) carry a greater number of votes on a per share basis, irrespective of the number or percentage of Preferred Shares owned, than the Subordinate Voting Shares; or (b) would cause any of the factors set out in section 4.1 of OSC Rule 56-501 – *Restricted Shares* to be present in relation to the Subordinate Voting Shares, regardless of any existing restrictions on the Subordinate Voting Shares due to the existence of the Multiple Voting Shares.

Other Important Provisions of our Constatng Documents

Advance Notice Provisions

In line with recommended governance practices, we have adopted an advance notice by-law to provide clarity with respect to the election of our directors (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods require that we receive notice of a director’s nomination: (i) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date (the “**Notice Date**”) of the annual meeting of shareholders is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Forum Selection

In addition, we have adopted a forum selection by-law that provides that, unless we consent in writing to the selection of an alternative forum, the courts of the Province of Ontario, Canada and appellate courts therefrom (or, failing such court, any other “court” as defined in the OBCA having jurisdiction, and the appellate courts therefrom), will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the OBCA or our Articles or by-laws; or (iv) any action or proceeding asserting a claim otherwise related to our “affairs” (as defined in the OBCA). Our forum selection by-law also provides that our securityholders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of our by-law.

Investor Rights Agreement

In connection with closing of our IPO, we entered into an investor rights agreement (the “**Investor Rights Agreement**”) with the Principal Shareholders with respect to certain shareholder rights. The following is a summary of the material attributes and characteristics of the Investor Rights Agreement. This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics. The Investor Rights Agreement has been filed with the Canadian securities regulatory authorities and is available under our SEDAR profile at www.sedar.com.

Nomination Rights

The Company, pursuant to the Investor Rights Agreement, has a Board consisting initially of seven (7) directors and any proposed increase or decrease to the Board size will require the consent of all of the Principal Shareholders for so long that a Principal Shareholder has a nomination right as further described below.

The Investor Rights Agreement provides director nomination rights to each of the Principal Shareholders as follows:

- as long as NordStar Group (collectively) owns (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 Group 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 Group will have the right to designate one director nominee to the Board, who must be independent within the meaning of NI 52-110;
- as long as RDL Ventures owns Multiple Voting Shares and/or Subordinate Voting Shares representing at least 7.5% of the issued and outstanding Multiple Voting Shares and Subordinate Voting Shares (on a non-diluted basis) or while Rob Laidlaw is Chief Executive Officer or an executive officer of the Company, RDL Ventures will have the right to designate one director nominee to the Board, which nominee must be Mr. Laidlaw for so long as he is Chief Executive Officer or an executive officer of the Company; and
- as long as Hedgewood owns Subordinate Voting Shares representing at least 7.5% of the issued and outstanding Multiple Voting Shares and Subordinate Voting Shares (on a non-diluted basis), Hedgewood will have the right to designate one director nominee to the Board. In addition, Hedgewood will be entitled to appoint one Board observer, subject to the terms and conditions set out in the Investor Rights Agreement, which entitlement will terminate in the event Hedgewood no longer has the right to appoint a director nominee.

Each of the Principal Shareholders’ nominees will be included as part of the slate of director candidates proposed by the Company in any management information circular relating to the election of directors and the Company will solicit proxies from its shareholders and recommend that shareholders vote in favour of the Principal Shareholders’ nominees. Subject to compliance by the Company with the foregoing, the Principal Shareholders agree to vote all of the Subordinate Voting Shares and Multiple Voting Shares they own in favour of the election of the nominees of the Principal Shareholders.

During the period commencing at closing of our IPO and ending on the first to occur of the following events: (i) NordStar

Group beneficially owns less than 19.99% of the issued and outstanding Multiple Voting and Subordinate Voting Shares (on a non-diluted basis); (ii) the fifth anniversary of the IPO Closing Date; and (iii) termination of Mr. Laidlaw as Chief Executive Officer of the Company, other than if such termination is for gross misconduct (as such term is defined in the Chief Executive Officer's employment agreement): (a) NordStar Group is entitled to have Paul Rivett serve as Chair of the Board, other than in the event of the resignation, death or incapacity of Mr. Rivett, in which case, NordStar Group no longer has the right to designate the Chair; and (b) if Mr. Laidlaw is no longer acting as the Chief Executive Officer of the Company as a result of his resignation, death or incapacity, then the Multiple Voting Shares then held by RDL Ventures or other Permitted Holders under the Articles will be automatically converted into Subordinate Voting Shares.

As announced on February 9, 2023, in connection with the settlement of a dispute between shareholders of NordStar Group and changes to NordStar Group's shareholdings in the Company, Paul Rivett and Marina Glogovac resigned from the Board and Philip Evershed was appointed to the Board as the replacement NordStar Group's nominee, in accordance with its rights under the Investor Rights Agreement. As a result of such changes to its shareholdings, NordStar Group is no longer entitled to designate the Chair. Rob Laidlaw was appointed Chair of the Board, and Wayne Bigby was appointed as Lead Independent Director.

Principal Shareholder Nominees

Holders of the Subordinate Voting Shares have the right to vote on the election of all of the director nominees, whereas RDL Ventures, as holder of the Multiple Voting Shares, has agreed not to vote or permit to be voted the Multiple Voting Shares with respect to the election of directors who are not the nominees of the Principal Shareholders under the Investor Rights Agreement until the earliest of the following events: (i) NordStar Group beneficially owns less than 19.99% of the issued and outstanding Multiple Voting and Subordinate Voting Shares (on a non-diluted basis), (ii) the fifth anniversary of the IPO Closing Date, and (iii) termination of Mr. Laidlaw as the Chief Executive Officer of the Company, other than if such termination is for gross misconduct (as such term is defined in the Chief Executive Officer's employment agreement). Following the earliest to occur of any such events, holders of the Multiple Voting Shares and Subordinate Voting Shares will be entitled to vote with respect to the election of all of the directors of the Company.

As a result of the changes in the shareholdings of NordStar Group announced on February 9, 2023, RDL Ventures no longer has any restrictions on the voting of its Multiple Voting Shares and will be entitled to vote its Multiple Voting Shares on the election of all directors of the Company.

Registration Rights

The Investor Rights Agreement provides for demand registration rights in favour of the Principal Shareholders that will enable them, under certain circumstances, to require the Company to use reasonable commercial efforts to qualify by prospectus in Canada all or any portion of the Subordinate Voting Shares held by them (or converted from Multiple Voting Shares) for a distribution to the public, provided that the Company will not be obliged to effect (i) more than two demand registrations in any 12-month period or within ninety (90) days following the date on which a receipt was issued to the Company with respect to any final prospectus filed by the Company (other than a base shelf prospectus) or (ii) any demand registration where the value of the Subordinate Voting Shares offered under such demand registration is less than C\$10 million. In addition, the Company is entitled to postpone a demand registration for up to ninety (90) days, twice in a 12-month period, if the Board determines that a demand registration would materially interfere with any material financing, acquisition, corporate reorganization or merger or other transaction or which would require disclosure of information at a time when the Company has a bona fide business purpose not to immediately disclose such information.

In order to be entitled to such rights, each Principal Shareholder must hold at least 7.5% of our issued and outstanding Multiple Voting Shares and Subordinate Voting Shares (on a non-diluted basis) at the relevant time.

The Investor Rights Agreement also provides for incidental (or piggyback) registration rights allowing the Principal Shareholders to include their Subordinate Voting Shares in certain public offerings of Subordinate Voting Shares, subject to certain underwriters' cutback rights. In order to be entitled to such rights, each Principal Shareholder must hold at least 5% of our issued and outstanding Multiple Voting Shares and Subordinate Voting Shares (on a non-diluted basis) at the relevant time.

Furthermore, if the Company proposes to file a registration statement for the distribution of Subordinate Voting Shares

to the public in the U.S., the parties will, prior to such distribution taking place, supplement the Investor Rights Agreement so as to provide the Principal Shareholders with registration rights enabling the distribution of registrable securities that are substantially equivalent to the registration rights provided under the Investor Rights Agreement.

As a result of certain lock-up agreements entered into by the Principal Shareholders in connection with our IPO, the demand and incidental registration rights granted pursuant to the Investor Rights Agreement will not be exercisable by the Principal Shareholders during a period of at least 180 days after the IPO Closing Date without the prior written consent of the Lead IPO Underwriters, on behalf of the IPO Underwriters.

MARKET FOR SECURITIES

Trading Price and Volume

Our Subordinate Voting Shares are listed for trading on the TSX under the symbol “FORA”. The following table sets forth the price ranges (monthly high and low prices) and monthly trading volumes of our Subordinate Voting Shares traded on the TSX for each month of Fiscal 2022 during which our shares traded on the TSX.

Monthly:	Price Per Subordinate Voting Share		Aggregate Monthly Trading Volume
	High (in C\$)	Low (in C\$)	
January 2022.....	\$30.63	\$24.42	114,290
February 2022	\$25.19	\$19.50	110,113
March 2022	\$22.80	\$15.75	257,304
April 2022	\$22.90	\$18.30	99,172
May 2022	\$21.72	\$17.02	45,671
June 2022	\$19.08	\$12.08	68,905
July 2022	\$13.26	\$7.70	128,196
August 2022.....	\$15.46	\$7.30	398,284
September 2022	\$11.97	\$8.94	158,676
October 2022	\$10.87	\$6.48	227,707
November 2022.....	\$7.93	\$4.01	457,280
December 2022	\$7.40	\$5.00	418,894

None of our other classes of securities were listed for trading or quoted on any exchange or market, however, as described further above, our Multiple Voting Shares can be converted into Subordinate Voting Shares on a one-for-one basis at any time, at the option of the holder thereof.

Prior Sales

During the most recently completed financial year, and up to the date of this Annual Information Form, the Company has issued the following securities that were not listed on an exchange or marketplace.

Date	Type of Security	Number of Securities	Issuance/Exercise Price per Security ⁽¹⁾
January 1, 2022	Restricted Share Units ⁽⁴⁾	78,050	C\$30.52
January 20, 2022	Deferred Share Units ⁽³⁾	2,198	US\$22.74
March 31, 2022	Restricted Share Units ⁽⁴⁾	15,200	C\$19.69
April 8, 2022	Options ⁽²⁾	356,256	C\$18.50
April 10, 2022	Deferred Share Units ⁽³⁾	3,248	US\$15.40

May 13, 2022	Options⁽²⁾	40,000	C\$22.00
May 13, 2022	Options⁽²⁾	61,177	C\$19.56
July 14, 2022	Deferred Share Units⁽³⁾	4,916	US\$10.17
August 12, 2022	Options⁽²⁾	33,421	C\$12.23
August 12, 2022	Restricted Share Units⁽⁴⁾	10,466	C\$12.23
October 19, 2022	Deferred Share Units⁽³⁾	6,954	US\$7.19
November 11, 2022	Options⁽²⁾	12,318	C\$6.75
November 11, 2022	Restricted Share Units⁽⁴⁾	98,865	C\$6.75
December 23, 2022	Deferred Share Units⁽³⁾	1,655	US\$4.08
January 1, 2023	Restricted Share Units⁽⁴⁾	76,800	C\$6.53
January 10, 2023	Restricted Share Units⁽⁴⁾	58,632	C\$7.49
January 30, 2023	Deferred Share Units⁽³⁾	9,581	US\$4.24
February 17, 2023	Restricted Share Units⁽⁴⁾	508	C\$8.20
March 10, 2023	Options⁽²⁾	17,744	C\$7.00
March 10, 2023	Restricted Share Units⁽⁴⁾	16,000	C\$7.00

⁽¹⁾ Options to purchase Subordinate Voting Shares under our legacy stock option plan dated November 21, 2021 (as amended from time-to-time) (the “Legacy ESOP”).

⁽²⁾ Options to purchase Subordinate Voting Shares pursuant to our Omnibus Incentive Plan.

⁽³⁾ Deferred Share Units issued to non-employee directors of the Company as part of annual retainer.

⁽⁴⁾ Restricted Share Units issued pursuant to our Omnibus Incentive Plan.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table summarizes details of the Company’s securities of each class held, to the Company’s knowledge, in escrow or that are subject to a contractual restriction on transfer as of March 31, 2023.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of outstanding shares
Multiple Voting Shares	985,755⁽¹⁾	33.3% of Multiple Voting Shares

Notes:

⁽¹⁾ **RDL Ventures Lock-Up Agreement:** RDL Ventures entered into a lock-up agreement (the “**RDL Ventures Lock-Up Agreement**”), pursuant to which it agreed not to, directly or indirectly, without the prior written consent of the Lead IPO Underwriters, on behalf of the IPO Underwriters, such consent not to be unreasonably withheld, offer, sell, contract to sell, issue or grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of any shares of the Company, financial instruments or securities convertible into or exercisable or exchangeable for shares of the Company; make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement that transfers to another, 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, subject to customary exceptions; or agree to or announce any intention to do any of the foregoing for a period of 24 months after the IPO Closing Date, subject to customary exceptions. RDL Ventures has the right to sell, grant, secure, pledge or otherwise transfer, dispose of or monetize (i) up to one third of its Multiple Voting Shares, Subordinate Voting Shares or other equity securities of the Company 12 months after the IPO Closing Date; (ii) up to two thirds of its Multiple Voting Shares, Subordinate Voting Shares or other equity securities of the Company 18 months after the IPO Closing Date; and (iii) any and all of its Multiple Voting Shares and Subordinate Voting Shares or other equity securities of the Company 24 months after the IPO Closing Date.

DIRECTORS AND EXECUTIVE OFFICERS

The following tables set out, for each of our directors and executive officers the person’s name, province or state and country of residence, position with us, principal occupation, previously held positions for the last five years and, if a director, the date on which the person became a director. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual meeting of shareholders. Following the appointment of Rob Laidlaw as the Chair of the Board, Wayne Bigby was appointed to the new position of Lead Independent Director. As a group, the directors of the Board and executive officers beneficially own, or control or direct, directly or indirectly, a total of 2,957,265 Multiple Voting Shares and a total of 257,738 Subordinate Voting Shares, representing respectively 100% and 1.4% of each such class of shares outstanding.

Directors

Name and Province or State and Country of Residence	Position(s) / Title Director Since	Director Since	Principal Occupation(s) for the Past Five Years
ROB LAIDLAW⁽¹⁾ Grand Cayman, Cayman Islands	Director, Chair of the Board and Chief Executive Officer	November 19, 2012	Chief Executive Officer of VerticalScope
WAYNE BIGBY⁽²⁾ Ontario, Canada	Director and Lead Independent Director	June 21, 2021	Retired President of Hedgewood⁽³⁾

CORY JANSSEN ⁽⁴⁾ Alberta, Canada	Director	June 21, 2021	Co-Founder and Co-CEO of AltaML Inc. ⁽⁵⁾ President of Galt Capital Inc.
MALGOSIA GREEN ⁽⁶⁾ British Columbia, Canada	Director	June 21, 2021	Chief Executive Officer of Match Group Asia (APAC) ⁽⁷⁾ Chief Executive Officer of Plenty of Fish ⁽⁷⁾ Chief Product Officer at Top Hat
MICHAEL WASHINUSHI ⁽⁸⁾ Ontario, Canada	Director	June 21, 2021	Chief Financial Officer of Bird Global ⁽⁹⁾ Chief Financial Officer of FreshBooks ⁽¹⁰⁾
PHILIP EVERSHERD ⁽¹¹⁾ Ontario, Canada	Director	February 9, 2023	Managing Partner at PointNorth Capital ⁽¹²⁾

⁽¹⁾ RDL Ventures nominee.

⁽²⁾ Chair of the Nominating and Governance Committee; Member of the Audit Committee; Independent director for the purposes of NI 58-101; Hedgewood nominee.

⁽³⁾ Hedgewood is an investment firm active in multiple areas including, among others: venture capital, real estate, and private equity.

⁽⁴⁾ Member of the Audit Committee; Member of the Compensation Committee; Independent director for the purposes of NI 58-101.

⁽⁵⁾ AltaML Inc. is a Canadian artificial intelligence company that designs and implements applied artificial intelligence solutions.

⁽⁶⁾ Chair of the Compensation Committee; Member of the Nominating and Governance Committee; Independent director for the purposes of NI 58-101.

⁽⁷⁾ Match Group, through its portfolio companies, is a leading provider of digital technologies designed to help people make meaningful connections. Plenty of Fish is a Canadian online dating service that is part of the Match group.

⁽⁸⁾ Chair of the Audit Committee; Member of the Compensation Committee; Independent director for the purposes of NI 58-101; NordStar Group nominee.

⁽⁹⁾ Bird Global is an electric vehicle company dedicated to bringing affordable, environmentally friendly transportation solutions to communities across the world.

⁽¹⁰⁾ Freshbooks is a cloud-based accounting software company primarily for small and medium businesses.

⁽¹¹⁾ Independent director for the purposes of NI 58-101; NordStar Group nominee.

⁽¹²⁾ PointNorth Capital is an advisory and investment management company focused on non-bank credit opportunities.

Executive Officers

Name and Province or State and Country of Residence	Position(s) / Title	Principal Occupation(s) for the Past Five Years
ROB LAIDLAW Grand Cayman, Cayman Islands	Founder and Chief Executive Officer	Chief Executive Officer of VerticalScope
VINCENZO BELLISSIMO Ontario, Canada	Chief Financial Officer	Chief Financial Officer of VerticalScope, previously SVP, Finance

CHRIS GOODRIDGE Ontario, Canada	President, Chief Operating Officer	Controller at Alliance Films President, Chief Operating Officer of VerticalScope Chief Investment Officer of VerticalScope Chief Operating Officer, Digital and SVP Digital Ventures at Torstar Corporation
PAUL LEE California, United States	Chief Product Officer	Chief Product Officer of VerticalScope Chief Executive Officer of Threadloom, Inc.
JOE PISHGAR New Hampshire, United States	Chief Community Officer	Chief Community Officer of VerticalScope Vice President, Global Community at Future plc Director of Community at Purch, Inc
BRANDON SEIBEL Ontario, Canada	Chief Technology Officer	Chief Technology Officer of VerticalScope Chief Architect and Operations and Systems Architecture Manager of VerticalScope
DIANE YU Ontario, Canada	Chief Legal Officer and Corporate Secretary	Chief Legal Officer and Corporate Secretary of VerticalScope

Corporate Cease Trade Orders and Bankruptcies

None of our directors or executive officers or shareholders holding a sufficient number of securities in VerticalScope to materially affect the control of VerticalScope is, as at the date of this Annual Information Form, or has been, within the 10 years prior to the date of this Annual Information Form: (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (c) a director or executive officer of any 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. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Individual Bankruptcies

None of our directors or executive officers or shareholders holding a sufficient number of securities in VerticalScope to materially affect the control of VerticalScope has, within the 10 years prior to 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 manager or trustee appointed to hold assets of that individual.

Penalties or Sanctions

None of our directors, executive officers or shareholders holding a sufficient number of securities of VerticalScope to materially affect the control of VerticalScope 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 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 making an investment decision.

Conflicts of Interest

The OBCA requires, among other things, that our directors and executive officers act honestly and in good faith with a view to the best interest of the Company, to disclose any personal interest that they may have in any material contract or transaction that is proposed to be entered into with us and, in the case of directors, to abstain from voting as a director for the approval of any such contract or transaction.

To our knowledge, there are no known existing or potential material conflicts of interest between us and our directors and executive officers, except that certain of our directors and officers also serve as directors or officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the OBCA.

AUDIT COMMITTEE

Audit Committee Charter

The Board has adopted a written charter describing the mandate of the Audit Committee that establishes, *inter alia*, the committee's purpose and responsibilities, consistent with NI 52-110. The text of the charter of the Audit Committee is reproduced in its entirety under Schedule "A" of this Annual Information Form.

The Audit Committee assists the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions, including the Board's oversight of:

- the quality, integrity, fairness and completeness of the Company's financial statements and financial information;
- the accounting and financial reporting policies, practices and procedures;
- the qualifications, appointment, performance and independence of the external auditor;
- the performance of the internal audit function;
- the Company's disclosure controls and procedures, internal controls over financial reporting and management's responsibility for assessing and reporting on the effectiveness of such controls;
- the Company's risk management practices and financial reporting compliance;
- the preparation of disclosures and reports required to be prepared by the Audit Committee by any applicable

laws, regulations, rules and listing standards; and

- the Company's compliance with applicable laws, regulations, rules and listing standards.

The Audit Committee also provides an avenue for communication between the external auditor, management and other employees of the Company, as well as the Board, concerning accounting, financial reporting and auditing matters. To fulfill its roles, duties and responsibilities, the Audit Committee may contact and have discussions with the Company's external auditors and officers and employees, and obtain Company information and documentation from such persons. The Audit Committee may obtain full access to all Company books, records, facilities and personnel in investigating matters within the scope of its responsibility. The Audit Committee may, in its sole discretion, retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities and may set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

Composition of the Audit Committee

The Audit Committee consists of Michael Washinushi, Wayne Bigby and Cory Janssen each of whom is considered both "financially literate" and "independent" within the meaning of NI 52-110. Mr. Washinushi is the Chair of the Audit Committee. The relevant education and experience of each member of the Audit Committee is described as part of their respective biographies below.

It is the Board's determination that each of the members of the Audit Committee is financially literate within the meaning of NI 52-110. A director is "financially literate" within the meaning of NI 52-110 if he or she has 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 our financial statements.

Additionally, it is the Board's determination that each of the members of the Audit Committee is independent within the meaning of NI 52-110. Subject to certain exceptions, a director is "independent" within the meaning of NI 52-110 if he or she has no direct or indirect material relationship with the issuer. A "material relationship" is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board appoints the members of the Audit Committee annually, and each member of the Audit Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board.

Michael Washinushi, Director

Michael Washinushi has over 30 years of experience in corporate finance and planning, spanning multiple industries, including food service, real estate and telecommunications. He is the Chief Financial Officer of Bird Global, a scaled micro mobility provider operating in over a number of cities worldwide. Prior to Bird Global, he served as the Chief Financial Officer of FreshBooks, a cloud-based accounting software for small businesses and SiriusXM Canada. Michael holds a Bachelor of Arts degree in economics from York University.

Wayne Bigby, Director and Lead Independent Director of the Board

Wayne is a retired senior executive and lawyer with over 35 years of business experience. Prior to his retirement, Wayne served as the President of Hedgewood, where he filled a multi-dimensional role, including acting as general counsel for the related group of companies. He also had investment management responsibilities and provided strategic consulting to the Hedgewood portfolio companies, including sitting on several private company boards. Prior to joining Hedgewood, Wayne held a number of executive/legal roles, including as Executive Vice President of Kingsdale Shareholder Services, Editor-in-Chief of Lexpert (a division of Thomson Reuters), Executive Vice President of InQuent Technologies Inc. and Corporate Law Associate at Blake, Cassels & Graydon LLP. Wayne holds a Juris Doctor degree from the University of Toronto along with MBA and Bachelor of Science degrees from Queen's University.

Cory Janssen, Director

Cory Janssen has over 20 years of experience in technology and software development. He is the Co-Founder and Co-

CEO of AltaML Inc., a Canadian artificial intelligence company that designs and implements applied artificial intelligence solutions. In his current role, Cory is responsible for overseeing AltaML’s growth strategy and is actively involved in helping business leaders understand how artificial intelligence can be used as a horizontal enabler to create competitive advantage. Before AltaML, Cory was the President of Galt Capital Inc. and the Co-Founder of Janalta Interactive. He was also involved in several successful ventures and is best known for co-founding Investopedia, which was sold to Forbes Media in 2007. Cory serves on the board of directors of McCoy Global Inc. (TSX: MCB), as well as a number of other private company boards. He holds a Bachelor of Commerce from the University of Alberta.

Pre-Approval Procedures

Pursuant to the Company’s Audit Committee Charter, the Audit Committee is responsible for the pre-approval of all audit and non-audit services to be provided to the Company or its subsidiaries by the Company’s external auditor where such pre-approval is required by applicable laws. The Audit Committee must consider whether the auditor’s provision of permissible non-audit services is compatible with the auditor’s independence.

Review of the External Auditor

At least annually, the Audit Committee shall consider, assess and report to the Board on (i) the independence of our external auditor; (ii) the external auditor’s written statement delineating all relationships between the external auditor and us, assuring that the lead audit partner rotation is carried out, as required by law, and delineating any other relationships that may adversely affect the independence of the external auditor; and (iii) the evaluation of the lead audit partner, taking into account the opinions of management.

Independent Auditor’s Fees

The following sets forth the fees billed or accrued for various services provided by KPMG LLP and its affiliates to the Company for FY 2022 and FY 2021:

	FY 2022	FY 2021
Services Retained	(in C\$)	(in C\$)
Audit Fees ⁽¹⁾	374,500	793,940
Audit-Related Fees ⁽²⁾	22,050	120,120
Tax Fees ⁽³⁾	383,746	298,869
All Other Fees ⁽⁴⁾	-	404,900
Total	780,296	1,617,829

- (1) Audit Fees relate to professional services rendered for audits of the Company’s annual consolidated financial statements, reviews of our quarterly interim consolidated financial statements, and regulatory filings.
- (2) Audit-related fees relate to internal control over financial reporting readiness services rendered and financial due diligence related to business acquisitions.
- (3) Tax fees relate principally to fees associated with assistance with respect to tax compliance requirements, transfer pricing, investment tax credit filings, planning and due diligence matters related to business acquisitions.
- (4) All other fees relate to IPO readiness advisory services.

PROMOTER

In connection with the IPO and the Base Shelf Prospectus, the Ontario Securities Commission (“OSC”) was of the view

that Mr. Laidlaw, was a promoter of the Company within the meaning of applicable securities laws in Canada. Pursuant to Section 58(5) of the *Securities Act* (Ontario) (the “Act”), the Director (as defined under the Act) consented to Mr. Laidlaw not signing a Certificate of Promoter for the prospectus filed in connection with the IPO and the Base Shelf Prospectus. Neither the Company nor Mr. Laidlaw agree or admit that Mr. Laidlaw was a promoter of the Company.

Other than the foregoing, no person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

We are, from time to time, involved in legal proceedings of a nature considered normal to our business. We believe that none of the legal proceedings in which we are currently involved, or have been involved since the beginning of our most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition, cash flows or results of operations.

We are not aware of penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Annual Information Form. No other penalties or sanctions have been imposed by a court or regulatory body against the Company necessary for this Annual Information Form to contain full, true and plain disclosure of all material facts. The Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Annual Information Form.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Annual Information Form, the Company’s audited consolidated financial statements and notes for Fiscal 2022 and Management’s Discussion and Analysis for Fiscal 2022, no director or executive officer of VerticalScope, and to the knowledge of the directors and executive officers of VerticalScope, (i) no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of VerticalScope’s voting shares, (ii) nor any of such persons’ or companies’ associates or affiliates, (iii) nor any associates or affiliates of any director or executive officer of VerticalScope, has had a material interest, direct or indirect, that has materially affected or is reasonably expected to materially affect the Company within the three most recently completed financial years or during the current financial year.

On November 23, 2021, the Company completed the acquisition of Threadloom Inc. The consideration paid on closing of approximately \$15 million included the issuance of 648,441 Subordinate Voting Shares and an additional \$1 million in cash was paid as retention consideration. The acquisition also includes contingent retention consideration of up to an additional \$2 million in cash payable following the first anniversary of the closing, and up to an additional \$7 million in Subordinate Voting Shares issuable following the second anniversary of the closing subject to certain conditions being met.

In his capacity as a founder and shareholder of Threadloom, Inc., on closing, Paul Lee received 84,049 Subordinate Voting Shares as part of the purchase price consideration and \$200,000 in cash as a retention bonus. Subject to certain conditions being met, he is entitled to receive up to \$400,000 on the first anniversary of the closing and up to 71,458 Subordinate Voting Shares on the second anniversary of closing.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Subordinate Voting Shares is TSX Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which the Company has entered into since the beginning of the last financial year ended December 31, 2022, or entered into prior to such date, but which are still in effect and that are required to be filed with Canadian securities regulatory authorization in accordance with Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations*:

- the IPO Underwriting Agreement, as described in the Company’s prospectus dated June 14, 2021;
- the Investor Rights Agreement; and
- the Coattail Agreement.

See “*Description of Share Capital – Investor Rights Agreement*” and “*Description of Share Capital – Take-Over Bid Protection*”, for a summary of the Investor Rights Agreement and the Coattail Agreement, respectively. Copies of the foregoing agreements are available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

KPMG LLP, the independent auditor of VerticalScope, reported on the consolidated financial statements for Fiscal 2022, which were filed with the securities regulatory authorities. KPMG LLP has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

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 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 consolidated financial statements and management’s discussion and analysis for the fiscal year ended December 31, 2022, available at www.sedar.com.

GLOSSARY OF DEFINED TERMS

As used in this Annual Information Form, unless the context indicates or requires otherwise, the following terms have the following meanings:

“**Act**” means the *Securities Act* (Ontario).

“**Adjusted EBITDA**” has the meaning set out under the heading “*IFRS and Non-IFRS Measures*”.

“**Adjusted EBITDA Margin**” has the meaning set out under the heading “*IFRS and Non-IFRS Measures*”.

“**Advance Notice Provisions**” has the meaning set out under the heading “*Description of Share Capital – Other Important Provisions of our Constatng Documents – Advance Notice Provisions*”.

“**Annual Information Form**” or “**AIF**” has the meaning set out under the heading “*Explanatory Notes*”.

“**A&R Credit Agreement**” has the meaning set out under the heading “*General Development of the Business – Three-Year Business Development History*”.

“**ARPU**” has the meaning set out under the heading “*IFRS and Non-IFRS Measures – Industry Metrics*”.

“**Articles**” means VerticalScope HoldCo’s articles of amendment.

“**Audit Committee**” means the Audit Committee of the Board.

“**Base Shelf Prospectus**” means the Company’s Short Form Base Shelf Prospectus dated January 14, 2022.

“**Bill 64**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry Standards – Privacy and Data Protection Laws and Regulations*”.

“**Bing**” means the web search engine owned by Microsoft Corporation.

“**Board**” means the board of directors of the Company.

“**Brexit**” means United Kingdom’s exit from the European Union.

“**CAN-SPAM**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry Standards – Privacy and Data Protection Laws and Regulations*”.

“**CARES Act**” means the *U.S. Small Business Administration’s Coronavirus Aid, Relief, and Economic Security Act*.

“**CASL**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry Standards – Privacy and Data Protection Laws and Regulations*”.

“**CCPA**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry Standards – Privacy and Data Protection Laws and Regulations*”.

“**CEWS**” means the Government of Canada’s Canadian Emergency Wage Subsidy.

“**Class A Common Shares**” means the Class A Common Shares that existed in the capital of the Company prior to the Pre-Closing Reorganization.

“**Class A Preferred Shares**” means the Class A Preferred Shares that existed in the capital of the Company prior to the Pre-Closing Reorganization.

“**Class B Common Shares**” means the Class B Common Shares that existed in the capital of the Company prior to the Pre-Closing Reorganization.

“**Coattail Agreement**” has the meaning set out under the heading “*Description of Share Capital – Take-Over Bid Protection*”.

“**Company**” or “**VerticalScope**” has the meaning set out on the cover page.

“**CPM**” has the meaning set out under the heading “*IFRS and Non-IFRS Measures – Non-IFRS Measures – Industry Metrics*”.

“**Credit Facilities**” means a term loan with an initial principal amount of \$50 million and revolving loan commitments of \$75 million, each maturing on June 24, 2026.

“**DPA**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry Standards – Privacy and Data Protection Laws and Regulations*”.

“**EBITDA**” net income (loss) excluding interest, income tax expense (recovery), and depreciation and amortization.

“**ePR**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry Standards – Privacy and Data Protection Laws and Regulations*”.

“**Facebook**” means the social media platform owned by Meta.

“**Fora**” is our cloud-based platform that combines our proprietary software with leading open-source, third-party software that is further described under the heading “*Our Business Model – Our Fora Software Platform, New Features and Products*”.

“**Free Cash Flow**” has the meaning set out under the heading “*IFRS and Non-IFRS Measures – Non-IFRS Measures*”.

“**Free Cash Flow Conversion Rate**” has the meaning set out under the heading “*IFRS and Non-IFRS Measures – Non-IFRS Measures*”.

“**FTC**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry*”.

Standards – Privacy and Data Protection Laws and Regulations”.

“**FY 2021**” or “**Fiscal 2021**” means the Company’s fiscal year ending December 31, 2021.

“**FY 2022**” or “**Fiscal 2022**” means the Company’s fiscal year ending December 31, 2022.

“**GDPR**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry Standards – Privacy and Data Protection Laws and Regulations*”.

“**Google**” means Google LLC.

“**Hometalk**” means Hometalk Inc.

“**Hedgewood**” means Hedgewood Inc.

“**IASB**” means the International Accounting Standards Board.

“**IFRS**” means the International Financial Reporting Standards.

“**Impressions**” means programmatic advertising includes the monetization of impressions, being the number of times content is displayed to users (no matter if it was clicked).

“**Instagram**” means the social media platform owned by Meta.

“**Investor Rights Agreement**” has the meaning set out under the heading “*Description of Share Capital – Investor Rights Agreement*”.

“**IP address**” means internet protocol address.

“**IP Rights**” has the meaning set out under the heading “*Risk Factors – Risks Relating to Our Business and Industry*”.

“**IPO**” means the initial public offering of the Company.

“**IPO Closing Date**” means June 21, 2021.

“**IPO Underwriting Agreement**” means the underwriting agreement dated June 14, 2021 among the Company and the IPO Underwriters (as defined herein).

“**Lead IPO Underwriters**” means RBC Dominion Securities Inc., Canaccord Genuity Corp., and National Bank Financial Inc.

“**Legacy ESOP**” has the meaning set out under the heading “*Market for Securities – Prior Sales*”.

“**management**” means the persons who are identified in this Annual Information Form as the executive officers of the Company.

“**MAU**” has the meaning set out under the heading “*IFRS and Non-IFRS Measures – Industry Metrics*”.

“**Meta**” means Meta Platforms, Inc.

“**Multiple Voting Shares**” means the multiple voting shares in the capital of VerticalScope, as such shares will exist immediately after completion of the Pre-Closing Reorganization.

“**NATO**” means North Atlantic Treaty Organization.

“**NCIB**” means normal course issuer bid.

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*, as amended from time to time.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*, as amended from time to time.

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as amended from time to time.

“**Nominating and Governance Committee**” means the Nominating and Governance Committee of the Board.

“**NordStar Group**” means NordStar Capital LP through certain of its wholly-owned subsidiaries.

“**Notice Date**” has the meaning set out under the heading “*Description of Share Capital – Other Important Provisions of our Constatng Documents – Advance Notice Provisions*”.

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended from time to time.

“**Omnibus Incentive Plan**” means the Company’s omnibus incentive plan effective June 14, 2021.

“**OPC**” means the Office of the Privacy Commissioner of Canada.

“**OSC**” means the Ontario Securities Commission.

“**PIPEDA**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry Standards – Privacy and Data Protection Laws and Regulations*”.

“**PPP Loan**” means a loan from the Paycheck Protection Program.

“**Pre-Closing Reorganization**” has the meaning set out under the heading “*Corporate Structure – Name, Address and Incorporation*”.

“**Pre-existing Credit Agreement**” has the meaning set out under the heading “*General Development of the Business – Three-Year Business Development History*”.

“**Preferred Shares**” means the preferred shares, issuable in series, in the capital of VerticalScope HoldCo.

“**Principal Shareholder Lock-Up Agreement**” has the meaning set out under the heading “*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*”.

“**Principal Shareholders**” means NordStar Group, RDL Ventures and Hedgewood.

“**Private Sector Act**” has the meaning set out under the heading “*Description of the Business – Regulatory Environment and Industry Standards – Privacy and Data Protection Laws and Regulations*”.

“**Programmatic Guaranteed**” means an invitation-only auction for premium Impression sales with agreed upon price floors.

“**RDL Ventures**” means RDL Ventures Inc.

“**RDL Ventures Lock-Up Agreement**” has the meaning set out under the heading “*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*”.

“**ROAS**” means return on advertisement spend.

“**RTB**” means monetization of Impressions that are not sold by the higher-priced direct sales channel through real-time bidding.

“**SEDAR**” means the system for electronic document analysis and retrieval.

“**Shopify**” means Shopify Inc.

“**Snap**” means Snap Inc.

“**Subordinate Voting Shares**” means the subordinate voting shares in the capital of VerticalScope HoldCo.

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

“**The Streamable**” means Fomopop, Inc.

“**Threadloom**” means Threadloom, Inc.

“**TSX**” means the Toronto Stock Exchange.

“**Twitter**” means Twitter, Inc.

“**U.K.**” means the United Kingdom.

“**U.S.**” means the United States.

“**IPO Underwriters**” means syndicate of underwriters led by RBC Dominion Securities Inc., Canaccord Genuity Corp. and National Bank Financial Inc., as co-lead managers and joint bookrunners, and also including TD Securities Inc., Raymond James Ltd., Desjardins Securities Inc., Cormark Securities Inc. and HSBC Securities (Canada) Inc.

“**VerticalScope HoldCo**” means VerticalScope Holdings Inc.

“**VerticalScope OpCo**” means VerticalScope Inc.

“**YouTube**” means the online video sharing platform owned by Google.

SCHEDULE "A" – AUDIT COMMITTEE CHARTER

See attached.

AUDIT COMMITTEE CHARTER

Adopted by the Board of Directors on June 14, 2021

1 PURPOSE

The Audit Committee (the “Committee”) assists the board of directors (the “Board”) of VerticalScope Holdings Inc. (the “Company”) in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions, including the Board’s oversight of (i) the quality, integrity, fairness and completeness of the Company’s financial statements and financial information, (ii) the accounting and financial reporting policies, practices and procedures, (iii) the qualifications, appointment, performance and independence of the external auditor, (iv) the performance of the internal audit function, (v) the Company’s disclosure controls and procedures, internal controls over financial reporting and management’s responsibility for assessing and reporting on the effectiveness of such controls, (vi) the Company’s risk management practices and financial reporting compliance, (vii) the preparation of disclosures and reports required to be prepared by the Committee by any applicable laws, regulations, rules and listing standards (the “Applicable Laws”), and (viii) the Company’s compliance with Applicable Laws.

In addition, the Committee provides an avenue for communication between the external auditor, management and other employees of the Company, as well as the Board, concerning accounting, financial reporting and auditing matters.

The composition and meetings of the Committee are subject to the requirements set forth in the articles and by-laws of the Company, as well as in any investor rights agreement or similar agreements which may exist, from time to time, between the Company and certain shareholders (the “Investor Agreements”), as well as in Applicable Laws.

2 COMPOSITION, QUALIFICATION AND APPOINTMENT

- 2.1 The Committee consists of such number of directors as the Board may, from time to time, by resolution determine, in no event to be less than three (3). Every Committee member must be a director of the Company.
- 2.2 Every Committee member must meet the independence test and other membership requirements (including, subject to the exemptions provided therein, the financial literacy requirements pursuant to National Instrument 52-110 – Audit Committees) under Applicable Laws, as determined by the Board.
- 2.3 Committee members are appointed by the Board. The members of the Committee are appointed promptly after each annual shareholders’ meeting.
- 2.4 Any member of the Committee may be removed and replaced at any time by the Board and also automatically cease to be a member of the Committee as soon as such member ceases to be a director. If and whenever a vacancy exists, the remaining members may exercise all the powers of the Committee as long as a quorum remains in office.
- 2.5 Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Committee and will be filled by the Board if the membership of the Committee falls below three (3) directors.

3 DUTIES AND RESPONSIBILITIES

The Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board. In furtherance of its purpose and in addition to such responsibilities as may be required by Applicable Laws, the Committee assumes the following duties and responsibilities:

3.1 Accounting Policies, Financial Reporting and Control

- (a) Reviews the Company’s accounting policies to ensure completeness and acceptability with the accounting standards adopted by the Company as part of the approval of the financial statements.
- (b) Reviews with management and the external auditor any proposed changes in major

accounting policies and key estimates and judgments that may be material to financial reporting.

- (c) Discusses with management, the internal audit function and the external auditor the acceptability, appropriateness (within the range of acceptable options and alternatives), degree of aggressiveness/conservatism and quality of underlying accounting policies, disclosures and key estimates and judgments.
- (d) Discusses with management, the internal audit function and the external auditor the Company's internal controls and the integrity of the financial reporting and related attestations by the external auditors of the Company's internal controls over financial reporting.
- (e) Discusses with management and the external auditor the clarity and completeness of the Company's financial and non-financial disclosures.
- (f) Without limiting the foregoing, discusses with management, the internal audit function and the external auditor (i) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles, and issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, (ii) any analysis prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the adoption of all major accounting policies and practices, any proposed changes in major accounting policies, complex or unusual transactions and highly judgmental areas, such as the presentation and impact of significant risks and uncertainties, unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks and changes in provisions, estimates or provisions included in any financial statements, and key estimates and judgments of management that may be material to financial reporting, (iii) the effect of regulatory and accounting developments, as well as any off-balance sheet arrangements, on the financial statements of the Company, (iv) any corporate governance issues which could significantly affect the financial statements, and (v) all matters required to be communicated to the Committee under accounting policies, auditing standards or other applicable requirements.

3.2 External Auditor

- (a) Recommends to the Board the external auditor to be nominated for the purpose of preparing the external auditor's report, as well as the external auditor's compensation for doing so.
- (b) Oversees the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (c) Reviews and approves in advance the proposed audit scope, focus areas, timing and key decisions (including materiality and reliance on internal audit) underlying the audit plan and the appropriateness and reasonableness of the proposed audit fees.
- (d) Establishes effective communication processes with management, the Board and the external auditor so that it can objectively monitor the quality and effectiveness of the external auditor's relationship with management and the Committee.
- (e) At least annually, considers, assesses, and reports to the Board on (i) the independence of the external auditor, (ii) the external auditor's written statement delineating all relationships between the external auditor and the Company, assuring that lead audit partner rotation is carried out, as required by law, and delineating any other relationships that may adversely affect the independence of the external auditor, and (iii) the evaluation of the lead audit partner, taking into account the opinions of management.
- (f) At least annually, receives and reviews reports from the external auditor on (i) all critical accounting policies and practices used by the Company, (ii) all material selections of accounting policies when there is a choice of policies available under International Financial

Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board of London, England and adopted by the Canadian Accounting Standards Board, Generally Accepted Auditing Standards of Canada, that have been discussed with management, including the ramifications of the use of such alternative treatment and the alternative preferred by the external auditor, (iii) other material written communications between the external auditor and management, and (iv) the adequacy of procedures in place for the review of public disclosure of financial information extracted or derived from the financial statements.

- (g) Receives and reviews regular reports from the external auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditors’ final report.
- (h) Regularly meets with the external auditor without management present.
- (i) Reviews with the external auditor any audit issues raised by the external auditor and management’s response thereto, including any restrictions on the scope of the activities of the external auditor or access to requested information and any significant disagreements with management.
- (j) Considers and reviews with management the internal control memorandum or management letter containing the external auditor’s recommendations and management’s response, if any, including an evaluation of the adequacy and effectiveness of the Company’s internal financial controls and procedures for financial reporting and following up with respect to any identified weaknesses.
- (k) Receives and reviews, at least as frequently as required by Applicable Laws, a report by the external auditor describing its internal quality control procedures and all relationships between the external auditor or any affiliates thereof and the Company or persons in financial reporting oversight roles at the Company that, as of the report’s date, may reasonably be thought to bear on independence, and discussing with the external auditor the potential effects of such relationships.
- (l) Reviews and approves the Company’s hiring policies regarding partners, employees and former partners and employees of the Company’s present and former external auditors.
- (m) Pre-approves all audit and non-audit services (or delegate such pre-approval if and to the extent permitted by Applicable Laws) to be provided to the Company or its subsidiaries by the Company’s external auditor where such pre-approval is required by Applicable Laws. Considers whether the auditor’s provision of permissible non-audit services is compatible with the auditor’s independence.
- (n) Engages the external auditor to perform a review of the interim financial statements required to be prepared by any Applicable Laws and reviewing their findings; however, no formal report from the external auditor will be required.

3.3 Internal Audit

- (a) Reviews and approves the mandate, nature, scope of work and organizational structure of the internal audit function as well as the annual audit plan and any major changes thereon.
- (b) Ensures that the internal audit function has the necessary resources to fulfill its mandate and responsibilities.
- (c) Periodically reviews the audit plan status, including a progress report on the internal audit mandates and a follow-up on past due recommendations.
- (d) Reviews internal audit reports, including management responses, and ensures that the necessary steps are taken to follow up on important report recommendations.
- (e) Reviews, with the assistance of the executive officers, the internal audit budget, resource plan, activities and organizational structure of the internal audit function.
- (f) Ensures the independence and effectiveness of the internal audit function, including by

requiring that the function be free of any influence that could adversely affect its ability to objectively assume its responsibilities, by ensuring that it reports to the Committee and by meeting regularly with the lead of the internal audit function, without management being present in order to discuss, among others, the questions they raise regarding the relationship between the internal audit function and management and access to the information required.

- (g) Regularly meets with the internal audit function without management and the external auditor present.

3.4 Oversight of the Company's Risk Management

- (a) Reviews, monitors, reports and, where appropriate, provides recommendations to the Board on the Company's major business, operational, and financial risk exposures and the guidelines, policies and practices regarding risk assessment and risk management including the following:
 - (i) the Company's processes for identifying, assessing and managing risks;
 - (ii) the Company's insurance coverage, as well as the Company's major financial risks, including derivative and tax risks, and operational risk exposures and the steps the Company has taken to monitor and control such exposures;
 - (iii) the Company's major security risks and security trends, including cybersecurity risks, that may impact the Company's operations and business; and
 - (iv) the Company's business continuity plans, including work stoppage and disaster recovery plans.
- (b) Reviews, monitors, reports and, where appropriate, provides recommendations to the Board on the Company's compliance with internal policies and practices regarding risk assessment and risk management and the Company's progress in remedying any material deficiencies thereto.
- (c) Identifies the principal financial risks and assesses on the Company's "appetite" or tolerance for such financial risks, in consultation with management and the internal audit function.
- (d) Reviews, on a periodic basis, the Company's insurance program coverage and related insured risks, including coverage for product liability, property damage, business interruption, liabilities, and directors and officers' liability.
- (e) Reviews with management the credit worthiness, liquidity and important treasury matters including financial plans and strategies of the Company.
- (f) Reviews the Company's tax strategy, including its tax planning and compliance with applicable tax laws.
- (g) Reviews with management any hedging strategy that may be in place, from time to time, including with respect to foreign exchange and interest rate hedging, financial or physical, intended to manage, mitigate or eliminate risks relation to foreign exchange and interest rate fluctuations.
- (h) Reviews the findings of any examinations by regulatory agencies, and any external auditors observations made regarding those findings.

3.5 Ethical and Legal Compliance

- (a) Reviews and discusses with management, legal counsel and the external auditor, monitors, reports and, when appropriate, provides recommendations to the Board on the adequacy of the Company's processes for complying with laws, regulations and applicable accounting standards and the results of management's investigation and follow-up of any instances of non-compliance.
- (b) Reviews, on a periodic basis with legal counsel, the Company's compliance with respect to (i) the legal and regulatory matters which may have a material effect on the Company and/or its

financial statements, including with respect to pending or threatened material litigations, and (ii) corporate compliance policies and codes of conduct, as well as the Company's progress in remedying any material deficiencies that could have a significant impact on the Company.

3.6 Internal Controls and Deviations

- (a) Reviews and discusses with management, the internal audit function and the external auditor (i) the adequacy and effectiveness of the Company's internal controls over financial reporting, including information technology security and control (including any weakness, deficiency, significant finding or recommendation in relation therewith and any significant changes in internal controls), (ii) management's annual plan for monitoring of internal controls over financial reporting, (iii) the plan and scope of the annual audit with respect to planned reliance and testing of controls, (iv) major points contained in the auditor's management letter resulting from control evaluation and testing, (v) the Company's disclosure controls and procedures, including any significant deficiencies in or material non-compliance with, such controls and procedures, (vi) compliance with the policies and practices of the Company relating to business conduct and ethics, and (vii) the relationship of the Committee with other committees of the Board and management, as appropriate.
- (b) Reviews plans of the external auditors to ensure the combined evaluation and testing of control is comprehensive, well coordinated, cost effective and appropriate to risks, business activities and changing circumstances.
- (c) Receives from management and the external auditors regular reports on all major control deviations, or indications/detection of fraud, and how such control breakdowns have been corrected.
- (d) Regularly meets with management without the external auditor present.
- (e) Reviews the risk of management's ability to override the Company's internal controls.
- (f) Reviews and discusses with the Company's Chief Executive Officer (or an officer carrying out the function of CEO) (the "CEO") and Chief Financial Officer (or an officer carrying out the function of CFO) (the "CFO") the process for the certifications to be provided and receives and reviews any disclosure from the Company's CEO and CFO made in connection with the required certifications of the Company's quarterly and annual reports filed, including (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

3.7 Complaints and Concerns

Establishes procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, including allegations with respect to fraud, accounting misconduct, harassment, violence and retaliation.

3.8 Public Disclosure

- (a) Reviews and discusses with management and the external auditor, reports and, where appropriate, provides recommendations to the Board on the following, prior to their public disclosure:
 - (i) the Company's annual and interim financial statements and associated MD&A (including the discussion of critical accounting estimates included therein), annual information form, prospectus-type documents, earnings press releases (including financial outlook, future-oriented financial information and other forward-looking information, and any pro-forma or non-IFRS information included therein); and
 - (ii) to the extent not previously reviewed by the Committee, all financial statements

included in any prospectus, business acquisition report or offering memoranda and all other financial reports required by regulatory authorities and/or requiring approval by the Board.

- (b) To the extent deemed appropriate, reviews and supervises the preparation by management of (i) any information of the Company required to be filed by the Company with applicable securities regulators or stock exchanges, (ii) press releases of the Company containing material financial information, earnings guidance, forward-looking statements, information about operations or any other material information, (iii) correspondence broadly disseminated to the shareholders of the Company, and (iv) other relevant material written and oral communications or presentations.
- (c) Reviews with management its evaluation of the Company's procedures and controls designed to assure that information required to be disclosed in the Company's periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by Applicable Laws for the filing of such reports, and considers whether any changes are appropriate in light of management's evaluation of the effectiveness of such disclosure controls.
- (d) Oversees by direct involvement or by delegation to a committee of management the administration of the Company's disclosure policies, including with respect to release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies, and make recommendations to the Board regarding changes to such policies.
- (e) Takes steps to satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assesses the adequacy of those procedures.

3.9 Other Responsibilities

- (a) Reviews the Company's policies and procedures for reviewing and approving or ratifying related party transactions. Reviews and approves or ratifies all related party transactions and real, potential or apparent conflicts of interest.
- (b) After consultation with the CFO and the external auditor, gains reasonable assurance, at least annually, of the quality and sufficiency of the Company's accounting and financial personnel and other resources.
- (c) Is informed of the appointment of the Company's senior financial executives.
- (d) Performs such other functions as may, from time to time, be assigned to the Committee by the Board.

4 PROCEDURAL MATTERS

4.1 Committee Chair

The Board appoints one (1) Committee member to act as its chair (the "Committee Chair"), provided that if the Board does not so designate a Committee Chair, the Committee, by a majority vote, may designate a Committee Chair. The Committee Chair may be removed at any time at the discretion of the Board. The incumbent Committee Chair continues in office until (i) a successor is appointed, (ii) he or she is removed by the Board, or (iii) he or she ceases to be a director of the Company. If the Committee Chair is absent from a meeting, the Committee will, by majority vote, select another Committee member to preside at that meeting.

The Committee Chair has the following responsibilities and duties:

- (a) Effectively leads the Committee in discharging all duties set out in this Charter.
- (b) Chairs meetings of the Committee.
- (c) In consultation with the chair of the Board (the "Board Chair") and the secretary of the Company (the "Company Secretary"), develops and sets the agenda for Committee meetings and determines the time, place and frequency of Committee meetings.

- (d) Ensures, in consultation with the Board Chair, that (i) meeting materials are delivered to Committee members in sufficient time in advance of Committee meetings for a thorough review, (ii) all matters requiring the Committee's approval are properly tabled and presented for consideration at Committee meetings, and (iii) Committee members are free to express their viewpoints.
- (e) Ensures the Committee meets as frequently as necessary to carry out its duties effectively and ensures that there is sufficient time during Committee meetings to fully discuss all business properly put before the Committee.
- (f) In consultation with the CEO, the CFO, , the Company Secretary (or persons carrying out the functions of such roles) and others, as required, reviews the Committee's annual work plan.
- (g) Reports to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee.
- (h) Ensures that the Committee works as a cohesive group, including by maintaining effective communication and working relationships between members of the Committee, the Board, management and advisors.
- (i) Ensures that the resources available to the Committee (in particular, timely and relevant information) are adequate to support its work.
- (j) Ensures that a process is in place for the evaluation on an annual basis of the effectiveness and performance of the Committee and the contribution of each Committee member, and that the results are reviewed with the Board Chair. Leads the Committee in each such assessment.
- (k) Meets with all Committee members and seeks their feedback on Board and committee performance and other matters.
- (l) Exercises all powers of the Committee between meetings, while attempting to involve all other members as appropriate prior to the exercise of any powers and, in any event, advises all other members of any decisions made or powers exercised.
- (m) Carries out any other or special assignments or any functions as may be requested by the Board.

4.2 Meetings

- (a) Meetings of the Committee may be called at the request of any member of the Committee, the CFO or the external auditor or otherwise as required by law. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested. The Committee shall fix its own procedure at meetings and for the calling of meetings. The Committee meets at least each quarter and otherwise as necessary.
- (b) The CFO shall have direct access to the Committee and shall attend all meetings of the Committee, and the CEO and the Board Chair shall receive notice of and have the right to attend all meetings of the Committee, except in each case such part of the meeting, if any, which is a private session not involving all or some of these officers as determined by the Committee. The external auditor of the Company is given notice of every Committee meeting and, at the expense of the Company, is entitled to attend and be heard thereat, except such part of the meeting, if any, which is a private session not involving the external auditor. If requested by a Committee member, the external auditor attends every Committee meeting held during such external auditor's term of office.
- (c) Unless otherwise determined, from time to time, by resolution of the Board, a majority of the Committee constitutes a quorum. No business may be transacted by the Committee except by resolution in writing signed by all the Committee members (whether in writing or electronically) or at a Committee meeting at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communication facilities that permits all participants to communicate adequately with each other during the meeting. At Committee meetings, Committee actions shall require approval of a majority of the votes cast

by Committee members, except where only two (2) members are present, in which case any question shall be decided unanimously.

- (d) The Committee and the Committee Chair may invite any directors, officers or employees of the Company and any advisors or such other persons as it sees fit, from time to time, to attend Committee meetings (or any part thereof) and assist in the discussion and consideration of matters relating to the Committee, and may exclude from all or any portion of its meetings any person it deems appropriate in order to carry out its responsibilities.
- (e) The Committee meets in camera, in the absence of management and the external auditor, at each regularly scheduled meeting.
- (f) The Company Secretary will be the secretary of all meetings. If the Company Secretary is not in attendance at any meeting, the Committee appoints a secretary to the Committee who need not be a director or officer of the Company. Minutes of Committee meetings will be recorded and maintained by the Committee's secretary and will be presented to the Committee Chair for review and approval.

4.3 Reporting to the Board

The Committee will report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

5 DELEGATION

The Committee has the authority to delegate to subcommittees, provided however that the Committee shall not delegate any power or authority required by Applicable Laws to be exercised by the Committee as a whole.

6 LIMITATIONS ON DUTIES

Notwithstanding the foregoing and subject to applicable law, nothing contained in the present Charter is intended to require the Committee to ensure the Company's compliance with Applicable Laws.

The Committee shall discharge its responsibilities and shall assess the information provided by the Company's management and any external advisors, including the external auditor, in accordance with its business judgment. Committee members are not full-time Company employees and are not, and do not represent themselves to be, professional accountants or auditors. The authority and responsibilities set forth in this Charter do not create any duty or obligation of the Committee to (i) plan or conduct any audits, (ii) determine or certify that the Company's financial statements are complete, accurate, fairly presented or in accordance with IFRS, as applicable, and Applicable Laws, (iii) guarantee the external auditor's reports, or (iv) provide any expert or special assurance as to internal controls or management of risk. Committee members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons from whom they receive information, the accuracy and completeness of the information provided and management's representations as to any audit or non-audit services provided by the external auditor.

Nothing in this Charter is intended or may be construed as to impose on any Committee member or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under Applicable Laws. This Charter is not intended to change or interpret the Company's constituting documents, Investor Agreements or Applicable Laws to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such Applicable Laws. The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Company's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

Any action that may or is to be taken by the Committee may, to the extent permitted by law or regulation, be taken directly by the Board.

7 RESOURCES

To fulfill its roles, duties and responsibilities effectively, the Committee may communicate directly with the Company's external auditors and the Company's officers and employees and request Company information and documentation from these persons. The Committee may investigate any matter relating to the Company's audit and accounting practices, or anything else within its scope of responsibility, and obtain full access to all Company books, records, facilities and personnel. In addition, the Committee may, in its sole discretion, retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Committee may set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

8 EVALUATION OF COMMITTEE AND CHARTER REVIEW

On an annual basis, the Committee shall review and evaluate its performance. In conducting this review, the Committee shall address such matters that the Committee considers relevant to its performance and evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The review and evaluation shall be conducted in such a manner as the Committee deems appropriate. Among other things, the Committee shall evaluate and assess the financial literacy of its members. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its review and evaluation, including any recommended changes to this Charter and any recommended changes to the Company's or the Board's policies or procedures, as it deems necessary or appropriate.

This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees or other persons or to any other liability whatsoever on their part.

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