

Form 62-103F1

Required Disclosure under the Early Warning Requirements

This filing is being made to report historical transactions involving subordinate voting shares of VerticalScope Holdings Inc. This early warning report discloses the disposition of securities which were not previously reported under the requirements of the early warning reporting system. As a result of the disposition described herein, Hedgewood holds less than 10% of the issued and outstanding Subordinate Voting Shares of VerticalScope Holdings Inc. and is no longer required to file early warning reports for so long as its ownership percentage remains below 10% of the issued and outstanding Subordinate Voting Shares or as otherwise required by law.

Item 1 – Security and Reporting Issuer

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

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

111 Peter Street
Suite 600
Toronto, ON M5V 2H1

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

Not applicable.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Hedgewood Inc. (**Hedgewood**)

99 Yorkville Ave.
Suite 200
Toronto, ON M5R 3K5

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

On May 10, 2023, Hedgewood sold 2,800,000 Subordinate Voting Shares, representing approximately 15.23% of the then-issued and outstanding Subordinate Voting Shares

of VerticalScope, to an arm's length, third-party purchaser for consideration of \$3.06 per Subordinate Voting Share (or an aggregate of \$8,568,000).

2.3 State the names of any joint actors.

Jesse Rasch, the Managing Director of Hedgewood, may be considered to be acting jointly or in concert with Hedgewood, as may be any entities controlled by Hedgewood or Mr. Rasch.

Item 3 – Interest in Securities of the Reporting Issuer

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

Hedgewood disposed of 2,800,000 Subordinate Voting Shares, decreasing its securityholding percentage from approximately 18.49% to approximately 3.26% of the then-issued and outstanding Subordinate Voting Shares.

Immediately before the disposition, Hedgewood held 3,400,000 Subordinate Voting Shares, representing approximately 18.49% of the then-issued and outstanding Subordinate Voting Shares.

Immediately after the disposition, Hedgewood held 600,000 Subordinate Voting Shares, representing approximately 3.26% of the then-issued and outstanding Subordinate Voting Shares.

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

Hedgewood disposed of 2,800,000 Subordinate Voting Shares.

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

Not applicable.

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

See Item 3.1 above.

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

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

Immediately following the disposition, Hedgewood had ownership and control of 600,000 Subordinate Voting Shares.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

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

Not applicable.

Item 4 – Consideration Paid

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

The Subordinate Voting Shares were sold at a price of \$3.06 per Subordinate Voting Share for a total of \$8,568,000.

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

See Item 4.1.

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

Not applicable.

Item 5 – Purpose of the Transaction

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

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

Hedgewood disposed of the Subordinate Voting Securities as part of its investment strategy. Hedgewood may further purchase, hold, trade, dispose or otherwise deal in the securities of VerticalScope, in such manner as it deems appropriate, including on the open market or through private transactions in the future depending on market conditions, reformulation of plans and/or other relevant factors.

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

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

Hedgewood is a party to an investor rights agreement with the Company and certain other principal shareholders of the Company, dated June 21, 2021, with respect to certain shareholder rights, including director nomination rights and registration rights. Among other things, as long as 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 is 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. As of the date hereof, Hedgewood does not own Subordinate Voting Shares representing 7.5% or more of the issued and outstanding Multiple Voting Shares and Subordinate Voting Shares and therefore no longer has the right to designate a director nominee or appoint

one board observer. A summary description of the material terms of the investor rights agreement is included in the Company's Annual Information Form dated April 1, 2024. A copy of the investor rights agreement is also available under the Company's profile on SEDAR+ at www.sedarplus.com.

Item 7 – Change in Material Fact

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

Not applicable.

Item 8 – Exemption

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

Not applicable.

Item 9 – Certification

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

Dated the 13th of December, 2024.

HEDGEWOOD INC.

Per: *"Jesse Rasch"*

Jesse Rasch

Director