



Unaudited Interim Condensed Consolidated
Financial Statements as of September 30, 2021 and
for the three and nine months then ended

NOWVERTICAL GROUP INC.

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NOWVERTICAL GROUP INC.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020
(EXPRESSED IN UNITED STATES DOLLARS "USD")**

		9/30/2021 <i>(Unaudited)</i>	12/31/2020
ASSETS			
	NOTES		
CURRENT			
Cash		\$ 6,242,517	\$ 1,252,942
Trade and other receivables		179,181	13,668
Income tax receivable		4,300	-
Prepaid expenses and other current assets		<u>694,602</u>	<u>32,770</u>
CURRENT ASSETS		<u>7,120,600</u>	<u>1,299,380</u>
NON-CURRENT			
Property and Equipment, Net		4,325	2,126
Intangibles, Net	10	1,789,035	1,631,247
Goodwill	7	<u>2,942,033</u>	<u>2,397,306</u>
NON-CURRENT ASSETS		<u>4,735,393</u>	<u>4,030,679</u>
TOTAL ASSETS		<u><u>11,855,993</u></u>	<u><u>5,330,059</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
CURRENT			
Accounts payable		742,401	58,825
Accrued expenses and other current liabilities		626,491	64,762
Income tax payable		-	949
Loan payable		1,303,606	1,327,018
Short-term lease liability	11	-	880,303
Current portion consideration payable to former shareholder		6,401	6,401
Deferred Revenue	8	<u>1,518,730</u>	<u>268,626</u>
CURRENT LIABILITIES		<u>4,197,629</u>	<u>2,606,884</u>
NON-CURRENT			
Consideration payable to former shareholders		433,842	433,842
Long-term lease liability	11	-	1,681,067
Deferred Tax Liability		<u>68,381</u>	<u>-</u>
NON-CURRENT LIABILITIES		<u>502,223</u>	<u>2,114,909</u>
TOTAL LIABILITIES		<u>4,699,852</u>	<u>4,721,793</u>
SHAREHOLDERS' EQUITY			
Issued capital - Common	12	14,583,263	2,587,463
Contributed surplus	12	3,880,403	-
Foreign currency translation reserve		33,167	-
Accumulated Deficit		<u>(11,340,692)</u>	<u>(1,979,197)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>7,156,141</u>	<u>608,266</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>11,855,993</u></u>	<u><u>5,330,059</u></u>

The accompanying notes form an integral part of these financial statements.

NOWVERTICAL GROUP INC.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS
(EXPRESSED IN UNITED STATES DOLLARS "USD")**

		FOR THE THREE MONTHS ENDED 9/30/2021	FOR THE NINE MONTHS ENDED 9/30/2021
NOTES			
REVENUE	8	\$ 957,708	\$ 2,080,569
COST OF REVENUE		<u>155,805</u>	<u>297,071</u>
GROSS PROFIT		801,903	1,783,498
ADMINISTRATIVE EXPENSES		<u>2,174,306</u>	<u>9,924,202</u>
LOSS FROM OPERATIONS		<u>(1,372,403)</u>	<u>(8,140,704)</u>
OTHER (EXPENSE):			
Listing Expense	6	-	(1,011,110)
Interest income		82	82
Interest expense		<u>(14,155)</u>	<u>(225,520)</u>
Total other (expense)		<u>(14,073)</u>	<u>(1,236,548)</u>
LOSS BEFORE INCOME TAXES		(1,386,476)	(9,377,252)
INCOME TAX PROVISION	16	<u>(15,726)</u>	<u>(15,757)</u>
NET LOSS		<u><u>(1,370,750)</u></u>	<u><u>(9,361,495)</u></u>
Loss Per share			
Basic loss per share	14	(0.03)	(0.19)
Diluted loss per share	14	(0.03)	(0.19)

The accompanying notes form an integral part of these financial statements.

NOWVERTICAL GROUP INC.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(EXPRESSED IN UNITED STATES DOLLARS "USD")**

	FOR THE THREE MONTHS ENDED 9/30/2021	FOR THE NINE MONTHS ENDED 9/30/2021
NET LOSS	\$ (1,370,750)	\$ (9,361,495)
OTHER COMPREHENSIVE INCOME:		
Foreign currency translation adjustment	<u>(9,258)</u>	<u>33,167</u>
Comprehensive loss	<u><u>(1,380,008)</u></u>	<u><u>(9,328,328)</u></u>

The accompanying notes form an integral part of these financial statements.

NOWVERTICAL GROUP INC.

UNAUDITED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(EXPRESSED IN UNITED STATES DOLLARS "USD")

		Issued capital - Common	Contributed surplus	Foreign currency translation reserve	Accumulated Deficit	Total
	Notes	Shares (Note 12)	Amount (Note 12)	(Note 13)		
			USD	USD	USD	USD
Balances at December 31, 2020		28,601,160	2,587,463	-	(1,979,197)	608,266
Net loss		-	-	-	(9,361,495)	(9,361,495)
Vesting of restricted shares	12 (c)	4,365,275	-	2,904,755	-	2,904,755
Shared-based compensation expenses	13	-	-	975,648	-	975,648
Issuance of subscription receipts	12 (d)	8,394,000	6,772,279	-	-	6,772,279
Subscription receipts issuance costs	12 (d)	-	(887,525)	-	-	(887,525)
Common shares retained under RTO	12 (e)	1,202,593	1,035,707	-	-	1,035,707
Conversion of convertible notes	12 (f)	3,910,814	2,528,558	-	-	2,528,558
Convertible notes issuance costs	12 (f)	-	(88,954)	-	-	(88,954)
Issuance of shares - private placement	12 (g)	1,000,000	806,800	-	-	806,800
Issuance of shares -acquisition of Integra	12 (h)	555,556	394,445	-	-	394,445
Issuance of shares -provision of services	12 (i)	1,778,000	1,434,490	-	-	1,434,490
Foreign currency translation adjustment		-	-	-	33,167	33,167
Balances at September 30, 2021		49,807,398	14,583,263	3,880,403	33,167	(11,340,692)
						7,156,141

On March 19, 2021, the Company effected a forward stock split such that 1 outstanding common share in the capital of the Company was converted into 148.13499 common shares, with fractional interests, if any, being rounded to the nearest whole number. All share amounts have been stated on a post-forward share split basis.

On June 28, 2021, in connection with the completion of its reverse takeover, the Company effected a forward stock split such that 1 outstanding common share in the capital of the Company was exchanged and transferred for 1.778 Subordinate Voting Shares or Proportionate Voting Shares. All share amounts have been stated on a post-forward share split basis. See Note 6.

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**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED JUNE 30, 2021
(EXPRESSED IN UNITED STATES DOLLARS "USD")**

	Notes	9/30/2021
OPERATING ACTIVITIES		
Net loss		\$ (9,361,495)
Listing expense	6	1,011,110
Interest expense on convertible notes		55,066
Non-cash adjustments	17	3,884,061
Net changes in working capital	17	1,591,447
NET CASH USED IN OPERATING ACTIVITIES		(2,819,811)
INVESTING ACTIVITIES		
Acquisitions of subsidiaries	7	(416,002)
NET CASH USED IN INVESTING ACTIVITIES		(416,002)
FINANCING ACTIVITIES		
Repayment of leasing liabilities		(921,000)
Cash acquired on reverse takeover	6	37,128
Proceeds from subscription receipts	12	6,772,279
Payment of subscription receipts issuance costs		(887,525)
Proceeds from convertible notes	12	2,473,493
Payment of convertible notes issuance costs		(88,954)
Proceeds from issue of share capital	12	806,800
NET CASH PROVIDED BY FINANCING ACTIVITIES		8,192,221
Effect of exchange rates on cash		33,167
NET CHANGE IN CASH AND CASH EQUIVALENTS		4,989,575
Cash and cash equivalents, beginning of period		1,252,942
Cash and cash equivalents, end of period		6,242,517

NOWVERTICAL GROUP INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021 AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 (EXPRESSED IN UNITED STATES DOLLARS "USD")

1. BACKGROUND AND NATURE OF OPERATIONS

NowVertical Group Inc. (the "Company") is an Ontario corporation that is listed on the TSX Venture Exchange (the "TSXV") under the symbol "NOW". Prior to its name change in connection with the closing of the transaction discussed below, the Company was a capital pool company on the TSXV known as Good2Go Corp. ("G2G").

On March 22, 2021, G2G entered into a share purchase agreement with NowVertical Group, Inc. ("NVG"), an entity incorporated in Delaware, US on September 22, 2020, which contemplated the acquisition by G2G of all the issued and outstanding shares of NVG (the "Transaction"). The Transaction, which was structured as a "three-cornered" amalgamation and a reverse triangular merger, constituted a reverse takeover of G2G by NVG and the Qualifying Transaction of G2G under the CPC. Coincident with the Transaction's closing on June 28, 2021, G2G changed its (i) name to Now Vertical Group Inc., (ii) symbol on the TSXV to "NOW", and (iii) year-end from February 28 to December 31 to conform with that of NVG. NVG was identified as the accounting acquirer and as such, these financial statements represent a continuation of NVG's financial statements. Further details are provided in Note 6.

As a matter of emphasis, note that the ultimate public entity, NowVertical Group Inc. does not have a comma (",") in its legal name, whereas the US operating company, NowVertical Group, Inc. does have a comma in its legal name. Post the Transaction, the combined businesses of G2G and NVG are sometimes referred to below as the "Resulting Issuer".

The Company is a big data, analytics and vertical intelligence company that is growing organically and through acquisition. Management of the Company, with their broad range of expertise, is motivated to grow and scale the Company globally and help private and public sector organizations unlock their potential by creating vertically-focused solutions that create transformative value specific to their industry. The company's go-to-market is organized by segments which are NOW Origin, NOW Solutions, coincident with its acquisition on November 1, 2021 and Affinio (which is discussed below in Subsequent Events).

The Company's Vertical Intelligence ("VI") software and services solutions are organized by industry vertical, and are built upon a foundational set of data technologies that fuse, secure and mobilize data in a transformative and compliant way. The proprietary technologies built by the Company include NOW Fusion, NOW Privacy, NOW DataBench (all part of NOW Origin) and Affinio. The NOW technologies enable the creation of high-value Vertical Intelligence solutions that are predictive in nature and will enable automation specific to each industry vertical (i.e. Government, Automotive, Media, etc.). The Company offers a sophisticated data mobilization solution that enables secure data access across internal and external stakeholders, accelerating data-oriented innovation and VI solution development. Also, the Company has a state-of-the-art data clustering platform that creates affinity graphs based on first and third-party data sources. This business intelligence ("BI") tool is delivering transformative value in the way companies are analyzing and acquiring new customers.

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

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021 AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 (EXPRESSED IN UNITED STATES DOLLARS "USD")

The registered office of the Company is located at 1 King Street West, Suite 1505, Toronto, ON M5H 1A1 and its head office is located at 7750 Okeechobee Blvd STE 4-2024, West Palm Beach FL 33411.

Impact of COVID-19 – The outbreak of the COVID-19 pandemic and the worldwide governments response to mitigate the pandemic's spread have influenced the overall performance of the Company. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and impact on the Company's customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent of which COVID-19 may impact the Company's financial condition or results of operations is uncertain. As of the date of the issuance of the financial statements, the Company had to forego potential opportunities due to the inability to travel. The Company cannot reasonably estimate the length or severity of this pandemic, but it does not anticipate a material adverse impact on its financial position, its results of operations or cash flows through at least the next twelve months from when these financial statements have been issued.

2. GENERAL INFORMATION, BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These unaudited interim condensed consolidated financial statements are presented as of and for the three and nine months ended September 30, 2021 in United States dollars (USD), which is the reporting currency of the Company, on a going concern basis. Management plans to raise capital to continue to meet its commitments as they become due. In the event the Company is unable to obtain capital as planned, it would have the ability to manage certain discretionary expenses.

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' except for prior period comparative figures as NVG, the accounting acquirer, was formed on September 22, 2020 and had no activity or transactions during the comparable prior year periods. As such, there are no prior period comparative statements of loss, the statement of shareholder's equity, and the statement of cash flows. There are certain reclassifications of prior year amounts to conform with the current year presentation. These unaudited interim condensed consolidated financial statements do not include all the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with NVG's consolidated financial statements for the period ended December 31, 2020 that were contained in G2G's filing statement dated June 18, 2021 with the TSXV.

These unaudited interim condensed consolidated financial statements were approved by the Company's audit committee on November 18, 2021.

Company information

The interim consolidated financial statements of the Company include:

NowVertical Group Inc. (formerly Good2Go Corp.), Resulting Issuer Parent Company, Ontario, Canada.

NowVertical Group, Inc., principal operating company, Delaware, USA, 100% owned by the Company.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021 AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 (EXPRESSED IN UNITED STATES DOLLARS "USD")

NVG Canada Finco, Inc. ("Finco", dissolved on September 15, 2021), pre-Transaction support, Ontario, Canada, 100% owned by NowVertical Group, Inc. Finco was incorporated on March 1, 2021 as a wholly-owned subsidiary of NowVertical Group, Inc. for the purpose of closing the pre-Transaction private placement financing of subscription receipts of approximately \$6.7 million (CAD \$8,394,000).

Signafire Technologies Inc., Data analytics software, Delaware, USA, 100% owned by NowVertical Group, Inc.

Seafront Analytics, LLC, Data analytics and consulting, Delaware, USA, 49% owned by NowVertical Group, Inc.

NowVertical Canada, Inc., Administrative support, Ontario, Canada, 100% owned by the Company

NowVertical Canada, Inc. is an Ontario corporation incorporated on January 26, 2021 for the purpose of establishing a Canadian operation for NVG. It was initially a wholly-owned subsidiary of NowVertical Group, Inc. In August 2021, an inter-corporate reorganization was consummated and NowVertical Canada, Inc. became a wholly-owned subsidiary of the Company.

NowVertical UK Ltd., data analytics and compliance software, UK, 100% owned by NowVertical Group Inc. NowVertical UK Ltd. was incorporated on August 20, 2021 for the purpose of establishing a United Kingdom operation for NVG.

Robert Baratheon Ltd., data analytics and compliance software, Israel, 100% owned by NowVertical Group Inc. Robert Baratheon Ltd. was incorporated on July 22, 2021 for the purpose of establishing an Israel operation for NVG.

3. STANDARDS, AMENDMENTS, AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE COMPANY

There are no accounting pronouncements which have become effective from January 1, 2021 that have a significant impact on the Company's unaudited interim condensed consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent audited financial statements for the period ended December 31, 2020.

5. ESTIMATES AND JUDGEMENTS

When preparing unaudited interim condensed consolidated financial statements, management undertakes several judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Estimates and

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021 AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 (EXPRESSED IN UNITED STATES DOLLARS "USD")

assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any further periods affected.

The judgements, estimates and assumptions applied in the unaudited interim condensed consolidated financial statements, including the key sources of estimation or uncertainty, were the same as those applied in the Company's last audited financial statements for the period ended December 31, 2020, except for the estimate of income tax liabilities which is determined in the unaudited interim condensed consolidated financial statements by using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

6. DETAILS OF AND ACCOUNTING FOR THE REVERSE TAKEOVER TRANSACTION

The shares used to affect the Transaction described in Note 1 are referred to as the NowVertical Resulting Issuer Shares.

Immediately prior to the close of the Transaction:

- G2G amended its articles of incorporation to reclassify its common shares as Class A Subordinate Voting Share (the "Subordinate Voting Shares" or "SVS"), and then completed a share consolidation of one SVS for 4.5 G2G pre-consolidation common shares. As a result of the share consolidation, G2G had 1,202,593 post-consolidation SVS outstanding pre-Transaction and 90,000 granted post-consolidation stock options. Upon completion of the Transaction, G2G shareholders received one NowVertical Resulting Issuer Share for each G2G SVS. G2G's articles of amendment also created a new class of shares, the Class B Proportionate Voting Shares (the "Proportionate Voting Shares" or "PVS").
- Pursuant to a private placement financing discussed below under the heading "Concurrent Financings in March and April 2021", Finco issued 8,394,000 common shares, which were then exchanged for 8,394,000 SVS upon completion of the Transaction. Immediately following this, shareholders of Finco and G2G effected the combination of Finco and 2824877 Ontario Inc. ("Pubco Sub"), a wholly owned subsidiary of G2G in order to create "Amalco" which continued in the name of NVG Canada Finco, Inc., being the corporation resulting from the three-cornered amalgamation among Finco, Pubco sub and G2G. Each share of Pubco Sub held by G2G was cancelled and in consideration therefor, G2G received 1 share of the post-amalgamation NVG Canada Finco, Inc. such that G2G held 100 shares of such entity. Pubco Sub was amalgamated into NVG Canada Finco on June 28, 2021 and NVG Canada Finco, Inc., was dissolved after the completion of the transaction.
- Each of the 587,580 warrants issued to the agents in connection with the subscription receipt financing were exchanged for an equivalent number of warrants in the Resulting Issuer, exercisable into such an equivalent number of SVS (Note 12).

At closing of the Transaction:

- The convertible notes issued by NVG in February and March 2021 (collectively the "Convertible Notes", see Note 15) were converted, pursuant to their terms, into 2,199,561 shares of NVG, and then exchanged for 3,910,814 shares of the Company on a 1.778 to 1 basis.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021 AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 (EXPRESSED IN UNITED STATES DOLLARS "USD")

- Each of the 2,455,162 restricted stock units ("RSUs", see Note 12) granted in NVG vested in their entirety and settled for 2,455,162 common shares of NVG (the "Vested RSUs"). The Vested RSUs were then exchanged for 4,365,275 SVS of G2G.
- Each NVG shareholder exchanged its NVG shares with G2G for:
 - In the case of US resident NVG shareholders (other than in connection with the Vested RSUs described above), 1.778 PVS for each 100 NVG shares exchanged; and
 - In the case of non-US NVG shareholders (other than in connection with the Vested RSUs described above), 1.778 SVS for each NVG share exchanged.
- Each of the 144,874 warrants issued by NVG to the agents in connection with the convertible note financing in February and March, 2021 were exchanged on a 1.778 to 1 basis for warrants exercisable into SVS of the Resulting Issuer such that those certain agents held an aggregate of 257,586 warrants in connection with the convertible note financing.
- The 2021 Equity Incentive Plan of NVG was dissolved and replaced by a legacy equity incentive plan established by the Resulting Issuer (the "Legacy Plan"). Existing stock option holders in NVG received 1.778 options to acquire shares in the capital of the Resulting Issuer for each NVG stock option held immediately before the Transaction under the Legacy Plan. The Resulting Issuer also established an omnibus equity incentive plan for new equity incentive grants going forward.
- As a result of the Transaction, G2G became the sole shareholder of NVG.

The Transaction does not qualify as a business combination under IFRS 3, Business Combinations, as at the time of the Transaction, G2G did not meet the definition of a business. As a result, the Transaction was accounted for in accordance with IFRS 2, Share Based Payments, as a reverse takeover asset acquisition with NVG identified as the accounting acquirer, the net assets of the G2G being treated as the acquired assets, the recapitalization of NVG and the continuation of NVG's financial statements. The difference between the consideration given to acquire G2G and the fair value of G2G's net assets was recorded as a listing expense. These unaudited condensed interim consolidated financial statements present the historical financial information of NVG up to the date of the Transaction.

The fair value of the deemed consideration to former G2G shareholders of \$970,252, (CAD \$1,202,593), plus \$65,455 (CAD \$81,129) for replacement options is based on the concurrent financings' CAD \$1.00 per share price in the Private Placement and the price per share received by NVG for common stock issued in April 2021. The options held by G2G shareholders had previously been fully vested and as such the total amount of the replacement options were included in the consideration. The fair value of the replacement options were estimated on the date of the transaction using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free discount rate of 0.40%, expected volatility of 88.90%, forfeiture rate of 0%, and expected life of 1 year.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021 AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 (EXPRESSED IN UNITED STATES DOLLARS "USD")

Fair value of Resulting Issuer Shares Retained by G2G shareholders:

Common shares	\$970,252
Options	65,455
Subtotal	<u>1,035,707</u>
Less: Fair Value of G2G Net Assets Acquired	<u>(24,597)</u>
Total Listing Expense	<u>\$1,011,110</u>

Fair Value of G2G Net Assets Acquired

Cash	37,128
Accounts payable and accrued expenses	<u>(12,531)</u>
	<u>\$24,597</u>

Concurrent Financings in March and April 2021

On March 23, 2021, the Company completed a private placement offering of subscription receipts for gross proceeds of approximately \$6.7 million (CAD \$8,394,000) through its wholly-owned subsidiary, NVG Canada Finco, Inc. ("Finco"). Each subscription receipt entitled the holder to one common share of Finco, which was exchanged for one SVS of the Resulting Issuer upon completion of the Transaction. The Company agreed to pay the agents a cash fee of approximately \$467,000 (CAD \$587,580) in connection with the private placement, and granted the agents 587,580 warrants, which only became exercisable upon completion of the transaction, to purchase one common share of Finco, and then exchanged for one warrant to purchase one SVS of the Resulting Issuer. Net of the agent's cash fee and transaction expenses, the Company raised \$5,884,753.

On April 29, 2021, the Company received approximately \$806,800 (CAD \$1,000,000) in connection with the issuance of 562,430 newly issued common shares, which on the completion of the Transaction on June 28, 2021 converted into 1,000,000 SVS (at a forward-split ratio of 1.778:1).

7. ACQUISITION OF INTEGRA DATA AND ANALYTIC SOLUTIONS CORP.

On August 5, 2021, the Company's subsidiary NowVertical Canada, Inc. acquired all the outstanding securities of Integra Data and Analytic Solutions Corp. ("Integra"), an Ontario Canada based business, thereby obtaining control. The Company accounted for this as an acquisition of a business. The acquisition was made to enhance the Company's data analytics software and services. In connection with the acquisition, the Company issued 555,556 Subordinate Voting Shares valued at \$394,445, made a cash payment of \$150,000, and paid debt at closing of \$267,734. The Subordinate Voting Shares were based on the company's public share price as of the acquisition date. Pursuant to the terms of the definitive agreement, Integra's sole shareholder may also receive future earn-out payments of up to \$3,035,000, a portion of which can be taken in the form of the Company's Subordinate Voting Shares. The performance-based earn-out commences on August 5, 2021 and ends December 2025. As the sole shareholder's continued employment is required to receive the earn-out payments, any such payments will be reflected as employee compensation.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021 AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 (EXPRESSED IN UNITED STATES DOLLARS "USD")

In connection with the acquisition, the Company incurred acquisition-related costs of \$90,509 which have been recorded in administrative expenses.

Goodwill of \$544,727 is expected to be realized from Integra's future profitability. Goodwill has been allocated to the Integra operating segment and is not expected to be deductible for tax purposes.

The following table summarizes the consideration paid and the preliminary allocation of the purchase price based upon the fair values of the acquired assets and liabilities at the date of acquisition:

	<u>Integra</u> USD
Fair value of consideration transferred	
Amount settled in cash	\$ 417,734
Fair value of shares issued for consideration	<u>394,445</u>
	812,179
Recognized amounts of identifiable net assets	
Property, Plant and equipment	3,525
Intangibles	<u>366,000</u>
Total non-current assets	369,525
Cash	<u>1,732</u>
Total current assets	1,732
Deferred tax liability	<u>(81,666)</u>
Total non-current liabilities	(81,666)
Accounts payable	(20,689)
Accrued expenses and other current liabilities	<u>(1,450)</u>
Total current liabilities	(22,139)
Identifiable net assets	267,452
Goodwill	544,727
Consideration transferred settled in cash	417,734
Cash	(1,732)
Net cash outflow on acquisition	416,002

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021 AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 (EXPRESSED IN UNITED STATES DOLLARS "USD")

8. REVENUES

Three months ended September 30, 2021

	Fixed, firm price	Time and materials	Not contract related	Total
Contract revenues earned	\$ 750,059	\$ 207,649	\$ -	\$ 957,708
Contract related cost of revenues	34,375	121,430	-	155,805

Nine months ended September 30, 2021

	Fixed, firm price	Time and materials	Not contract related	Total
Contract revenues earned	\$ 1,847,001	\$ 233,568	\$ -	\$ 2,080,569
Contract related cost of revenues	160,706	136,365	-	297,071

September 30, 2021

Contract trade receivables	-	179,181	-	179,181
Contract accounts payable	74,166	-	-	74,166
Corporate accounts payable	-	-	668,235	668,235
Remaining performance obligations	1,518,790	-	-	1,518,730

Remaining performance obligations/Deferred Revenue:

The Company's primary customer is invoiced at the beginning of each contract year. The \$3 million per year contract was invoiced in April 2021 and paid in May 2021. The Company did not adjust the consideration received for a financing component since the service will be delivered within one year.

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9. OPERATING SEGMENTS

At September 30, 2021, the Company is comprised of three operating segments: NOW Origin (formerly Signafire) NOW Solutions, (formerly Seafront, plus Integra since its acquisition on August 5, 2021), and All Other. NOW Origin provides predominately data analytics software and related services. NOW Solutions provides data analytic consulting services. All Other includes Corporate. For segment reporting purposes, the CEO is the Chief Operating Decision Maker ("CODM"). The determination of the Company's operating segments is based on its organization structure and how the information is reported to the CODM on a regular basis. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

Information related to each reportable segment is set out below. Segment income (loss) before taxes is used to measure performance because management believes this information is the most relevant in evaluating the results of the respective segments.

Three months ended September 30, 2021

	NOW Origin	NOW Solutions	All Other	Total
Revenue	\$ 750,000	\$ 207,708	\$ -	\$ 957,708
Gross Profit	715,625	86,278	-	801,903
Administrative and Other Expenses	57,273	129,348	2,001,759	2,188,379
Income (loss) before taxes	658,352	(43,070)	(2,001,759)	(1,386,476)

Nine months ended September 30, 2021

	NOW Origin	NOW Solutions	All Other	Total
Revenue	\$ 1,768,626	\$ 311,943	\$ -	\$ 2,080,569
Gross Profit	1,667,897	115,601	-	1,783,498
Administrative and Other Expenses	(1,316,099)	333,636	12,143,213	11,160,750
Income (loss) before taxes	2,983,996	(218,034)	(12,143,214)	(9,377,252)

September 30, 2021

Segment assets	3,860,232	1,117,514	6,878,247	11,855,993
Segment liabilities	2,989,896	79,600	1,630,356	4,699,852

The Company's operations are in the United States of America and Canada.

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10. INTANGIBLE ASSETS

Details of the Company's intangible assets and their carrying amounts are as follows:

	Trade Names USD	Customer Relationships USD	Developed Technology USD	Non- Compete Agreements USD	Total USD
<u>COST</u>					
At December 31, 2020	\$ 638,000	\$ 636,000	\$ 378,000	\$ 1,000	\$ 1,653,000
Acquisitions	<u>64,000</u>	<u>-</u>	<u>302,000</u>	<u>-</u>	<u>366,000</u>
At September 30, 2021	702,000	636,000	680,000	1,000	2,019,000
<u>Amortization</u>					
At December 31, 2020	5,825	10,651	5,250	28	21,754
Amortization charge for the period	<u>54,781</u>	<u>95,863</u>	<u>57,317</u>	<u>250</u>	<u>208,211</u>
At September 30, 2021	60,606	106,514	62,567	278	229,965
Net book value					
At September 30, 2021	<u>\$ 641,394</u>	<u>\$ 529,486</u>	<u>\$ 617,433</u>	<u>\$ 722</u>	<u>\$ 1,789,035</u>

Amortization has been included within administrative expenses in the unaudited interim condensed consolidated income statements.

11. LEASING ACTIVITIES

On the date Signafire was acquired, NVG assumed Signafire's right of use asset and related lease liability. With no future plans by NVG to occupy the leased space, the right of use asset was immediately written off. The remaining lease payments continued to be expensed through the 2020 consolidated financial statements. As of January 1, 2021, the outstanding balance of the lease liability was \$2,561,370. On January 25, 2021, NVG and the lessor agreed to terminate the lease for \$921,000. NVG recorded a gain of \$1,640,370 for the difference between the termination payment and the remaining lease liability.

Further, the Signafire acquisition, agreement included a \$2.9 million holdback for the lease liability. Upon termination and settlement of the lease on January 25, 2021, NVG had a liability to the previous Signafire shareholders for the difference between the lease hold-back and the termination settlement less certain agreed closing items. The total amount due and paid to the former Signafire shareholders of \$1,881,819 was recognized as an expense in the first quarter of 2021.

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12. ISSUED CAPITAL

a) Authorized

Unlimited number of Class A Subordinate Voting Shares, and unlimited number of Class B Proportionate Voting Shares without par value.

b) Issued and fully paid

Shares issued and fully paid:

Beginning of period	16,086,423
Impact of share exchange for SVS and PVS at a ratio of 1: 1.778	28,601,160
Vesting of restricted shares	4,365,275
Issuance of subscription receipts	8,394,000
Common shares retained in the transaction	1,202,593
Conversion of convertible notes	3,910,814
Issuance of shares - private placement	1,000,000
Issuance of shares - provision of services	1,778,000
Issuance of shares - acquisition	555,556
End of Period	<u>49,807,398</u>

Shares authorized

Total Shares authorized at end of period *unlimited*

Issued Capital – As noted in Note 1 and Note 6, NVG entered into a share purchase agreement with G2G on June 28, 2021. This transaction exchanged the previous common shares of NVG into either Subordinate Voting Shares or Proportionate Voting Shares of the Company, depending on the jurisdiction of the shareholder. As described below, these shares had stock splits on March 19, 2021 and on June 28, 2021.

On March 19, 2021, the Company effected a forward stock split such that 1 outstanding common share in the capital of the Company was converted into 148.13499 common shares, with fractional interests, if any, being rounded to the nearest whole number. All share amounts have been stated on a post-forward share split basis.

On June 28, 2021, in connection with the completion of its reverse takeover, the Company effected a forward stock split such that 1 outstanding common share in the capital of the Company was exchanged and transferred for 1.778 Subordinate Voting Shares or Proportionate Voting Shares. All share amounts have been stated on a post-forward share split basis (Note 6).

c) **Subscription receipts:** On June 28, 2021, each of the 8,394,000 shares were exchanged for one (1) SVS of G2G. The company received \$6,772,279 from the subscription receipts.

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- d) **G2G shares retained in the Transaction:** On June 28, 2021, G2G has 1,202,5933 SVS shares and 90,000 of previously vested options (Note 6).
- e) **Conversion of convertible notes:** On June 28, 2021, each of the convertible notes, a total of 2,199,561, converted then exchanged on a 1.778 to 1 basis for SVS of G2G, which then total to 3,910,814. The company received \$2,473,493 cash and \$55,066 from interest for a total of \$2,528,558 from the convertible notes on February 10, 2021, February 19, 2021, and April 20, 2021 (Note 15).
- f) **Issuance of shares – private placement:** On June 28, 2021, the shares issued in a private placement on April 30, 2021 were exchanged for one (1) SVS of G2G. The company received \$806,800.
- g) **Issuance of shares – provision of services:** On June 28, 2021, in connection with the transaction, the agents received 1,778,000 of SVS of G2G. The related expense of \$1,434,490 (CAD \$1,778,000) was recorded in the nine months ended September 30, 2021.
- h) **Issuance of Shares – acquisition of Integra:** On August 5, 2021, in connection with the purchase of Integra, the Company issued 555,556 of the Company's SVS.
- i) **Warrants:** In connection with the convertible notes issued in February 2021 and March 2021, the placement agents received 144,874 (257,586 after exchange of 1.778 to 1) warrants. In connection with the subscription receipts issued on June 28, 2021, the placement agents received an additional 587,580 warrants. Each warrant, exercisable at a price of CAD\$1.00 per warrant for a period of two years ending June 28, 2023, entitles the agents to purchase one subordinate voting share. The fair value of the warrants of \$322,700 (CAD\$399,976) was determined using the Black-Scholes option pricing model including expected share price volatility of 88.90%, risk free interest rate of 0.40%, and dividend yield of 0%. The fair value of \$322,700 was allocated to share issue costs.

13. CONTRIBUTED SURPLUS

The 2021 Equity Incentive Plan of NVG was dissolved and replaced by an omnibus equity incentive plan established by the Resulting Issuer. Existing stock option holders in NVG received 1.778 options to acquire shares in the capital of the Resulting Issuer for each NVG stock option held immediately before the Transaction.

- a) **Stock options:** On March 19, 2021, the Company granted a total of 1,458,415 stock options at their then current fair market value, of which 57,125 vest over a 4-year period, and 1,401,290 vest over a 6-month period. Compensation expense related to stock options was \$320,846 and \$963,729 for the three and nine months ended September 30, 2021, respectively. As the grant of these options preceded the Transaction, the Company engaged a third-party valuation firm to determine the grant date fair value utilizing the Black-Scholes model. The 1,401,290 options utilized the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, discount rate of 0.90%, expected volatility of 70.30%, forfeiture rate of 0%, and expected life of 5.1208 years. The fair value for the 1,401,290 options was \$0.38 per option. The 57,125

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options utilized the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, discount rate of 1.13%, expected volatility of 71.50%, forfeiture rate of 0%, and expected life of 6.0639 years. The fair value for the 57,125 options was \$0.42 per option and the exercise price was \$0.66 for the options granted in 2021.

On September 8, 2021, the Company granted a total of 795,000 stock options, of which 495,000 vest over a 4-year period and 300,000 of which vest over a 1-year period. Compensation expense related to stock options was \$11,919 for the three and nine months ended September 30, 2021. The 495,000 options utilized the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, discount rate of 0.40%, expected volatility of 88.90%, forfeiture rate of 0%, and expected life of 4 years. The fair value for the 495,000 options was \$0.49 per option. The 300,000 options utilized the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, discount rate of 0.40%, expected volatility of 88.90%, forfeiture rate of 0%, and expected life of 1 year. The fair value for the 300,000 options was \$0.27 per option. The exercise price was \$0.78 per option for the options granted on September 8, 2021.

- b) **Restricted Shares:** On March 19, 2021, the Company granted a total of 2,455,162 Restricted Stock Units ("RSUs"). Pursuant to their terms, the RSUs would vest 100% immediately upon the consummation of a reverse takeover, Qualifying Transaction (as defined in the TSX Venture Exchange Corporate Finance Manual), amalgamation, arrangement, merger, consolidation, tender offer, exchange offer, share acquisition, share exchange, recapitalization or business combination or other similar transaction of the Company with, by or into another corporation, entity or person, pursuant to which a class of shares of the issuer resulting from such transaction are listed on a recognized North American stock exchange (including the Toronto Stock Exchange or the TSX Venture Exchange) (the "Listed Securities") and the shareholders of the Company and, if applicable, an affiliate of NowVertical receive Listed Securities (or a class or series of shares convertible into the Listed Securities) in exchange for their equity securities in the Company. As a result of the Transaction, the RSUs, multiplied by the split ratio of 1.778, resulted in 4,365,275 RSUs and related compensation expense of \$2,852,977 was recorded in the nine months ended September 30, 2021.

During the three months and nine months ended September 30, 2021 compensation expense of \$14,747 and \$51,778, respectively, was recorded for the NowVertical restricted shares that were issued in connection with the Seafront acquisition.

14. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the period attributable to shareholders by the weighted average number of shares outstanding during the period.

Diluted loss per share amounts are calculated by dividing net loss for the period attributable to shareholders by the weighted average number of shares outstanding during the period plus the weighted average number of shares, if any, that would be issued on a conversion of all the dilutive potential effects. All stock options and warrants were excluded from the diluted weighted average number of shares calculation as their impact would have been anti-dilutive.

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The PVS and SVS shares are economically equivalent and entitled to the same earnings, as such, the basic and diluted net loss per share for the Company for the period is calculated using the following numerators and denominators:

	For the three months ended: 9/30/2021 USD	For the nine months ended 9/30/2021 USD
<i>Numerator</i>		
Net loss	(1,370,750)	(9,361,495)
<i>Denominator</i>		
Weighted average number of shares for basic EPS	<u>49,060,699</u> (0.03)	<u>49,187,428</u> (0.19)
<i>Denominator</i>		
Weighted average number of shares for diluted EPS	<u>49,060,699</u> (0.03)	<u>49,187,428</u> (0.19)

15. CONVERTIBLE NOTES

As described in Note 6 and Note 11, the Company issued approximately \$2.5 million (CAD \$3,060,022) of 8% unsecured convertible promissory notes. The notes were to mature on December 31, 2021, unless automatically converted per their terms prior to the maturity date. The Transaction resulted in the automatic conversion of the notes, at a 20% discount to the price per share of the subscription receipts discussed in Note 6, which resulted in 3,910,814 Resulting Issuer shares issued to extinguish the notes.

The convertible note agents received \$163,324 and on May 14, 2021, and 144,874 warrants to purchase NVG common shares representing 7% of the NVG common shares issued on the conversion of the convertible notes (the "Note Warrants"). Each Note Warrant outstanding immediately prior to the Transaction was exchanged for 1.778 warrants entitling the holder thereof to acquire Resulting Issuer shares on substantially the same terms and conditions as were applicable to the Note Warrants immediately prior to the Merger.

16. INCOME TAX PROVISION

Income tax expense (benefit) is recognized at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the interim financial

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statements may differ from management's estimate of the effective tax rate for the annual financial statements.

For the nine-months ended September 30, 2021, the Company recorded an income tax benefit of \$15,757 on pre-tax book loss of \$9,377,252. The Company's effective tax rate for the nine-months ended September 30, 2021 was 0.17%, which differs from the Canadian statutory rate of 26.5% primarily due to pre-tax losses for which no benefit was recognized as the Company continues to conclude that its deferred tax assets are not recognizable given the weight of objective evidence as prescribed by the authoritative accounting literature.

For the three-months ended September 30, 2021, the Company recorded an income tax benefit of \$15,726 on pre-tax book loss of \$1,386,476. The Company's effective tax rate for the three-months ended September 30, 2021 was 1.14%, which differs from the Canadian statutory rate of 26.5% primarily due to pre-tax losses for which no benefit was recognized as the Company continues to conclude that its deferred tax assets are not recognizable given the weight of objective evidence as prescribed by the authoritative accounting literature.

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17. CASH FLOW ADJUSTMENTS AND CHANGES IN WORKING CAPITAL

The following non-cash adjustments and adjustments for changes in working capital have been made to loss before income taxes to arrive at operating cash flow:

	9/30/2021
	USD
Non-cash adjustments in operating activities	
Depreciation of property, plant and equipment	1,327
Amortization of intangible assets	208,211
Shares for services	1,434,490
RSU vesting expense	51,778
RSUs related to the Transaction	2,852,977
Share-based compensation expenses	975,648
Loss/(gain) on settlement of lease	<u>(1,640,370)</u>
Adjustments related to operating activities	3,884,061
Non-cash disclosures related to investing and financing activities	
Common shares retained under RTO	1,035,707
Issuance of shares - provision of services	394,445

	9/30/2021
	USD
Net changes in working capital	
Deferred Revenue	1,250,104
Change in trade and other receivables	(169,813)
Change in prepaid expenses and other current assets	(661,832)
Change in accounts payable	641,874
Change in accrued expenses and other liabilities	<u>531,114</u>
Total changes in working capital	1,591,447

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18. CONTINGENCIES

From time to time, the Company is subject to various claims that arise in the ordinary course of business. Management believes that any liability of the Company that may arise out of or with respect to these matters will not materially adversely affect the financial position, results of operations, or cash flows of the Company.

19. RELATED PARTIES

The Company considers a related party a person or entity that is related to the Company and has control, joint control, or significant influence over the Company or a member of key management personnel. On August 24, 2021, the Company entered into an agreement to lend \$100,000 (CAD\$125,000) to a key member of management at 1% interest and due in one year. During the nine months ended September 30, 2021, a key member of management's former law firm provided legal services to the Company amounting to \$628,178 (CAD \$778,000).

20. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 18, 2021, which is the date the unaudited interim condensed consolidated financial statements were available to be issued, for events requiring recording or disclosure in the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2021.

On October 1, 2021, the Company, through its subsidiary in Israel (Robert Baratheon Ltd.) and its subsidiary in the UK (NowVertical UK Ltd.) acquired substantially all of the assets of DocAuthority Ltd. ("DocAuthority"), an Israeli-based data governance software company. In connection with the acquisition, certain assets were licensed to the Company and may ultimately be assigned by DocAuthority without further consideration paid to DocAuthority. The purchase price was \$356,376, which consisted of a cash payment of \$316,376 and \$40,000 in the form of the Company's Subordinate Voting Shares valued at the time of issuance. The Company also assumed certain liabilities.

On November 1, 2021, the Company acquired all issued and outstanding securities of Affinio Inc. ("Affinio"), a Canadian-based audience insights and privacy-safe customer analytics platform company. The total aggregate consideration of \$7.3 million consists of (i) a cash payment of \$3 million on closing, (ii) the issuance of subordinate voting shares of the Company on closing with an aggregate value of \$1.3 million at a price per share equal to the Canadian dollar equivalent of US\$1.00, (iii) a deferred cash payment of \$1.5 million payable on July 2, 2022 and (iv) a deferred cash payment of \$1.5 million payable on March 1, 2023.

On November 18, 2021, the Company entered into a marketing services agreement ("Marketing Agreement") with AGORA Internet Relations Corp. ("AGORACOM") whereby AGORACOM will provide marketing services in exchange for shares of the Company. The term of the Marketing Agreement is for 12 months effective November 1, 2021 and is subject to regulatory approval. Subject to the approval of the TSXV, the Company intends to issue Subordinate Voting Shares to AGORACOM in exchange for the AGORACOM'S services. Pursuant to the terms of the Marketing Agreement, the Company intends to issue such number of shares equal to CAD\$100,000 plus HST in instalments over

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the next 12 months. The number of Subordinate Voting Shares to be issued at the end of each period will be determined by using the closing price of the Company's Subordinate Voting shares on the TSXV on the first trading day following the end of each period for which AGORACOM provides services to the Company.

On November 10, 2021, the Company filed a preliminary short form prospectus with the securities commissions or similar regulatory authorities in each of the provinces of Canada (other than Quebec), in connection with an overnight marketed public offering (the "Offering") of units of the Company (the "Units") for minimum gross proceeds of CAD\$5.0 million and maximum gross proceeds of CAD\$8.0 million and an over-allotment option of 15%. On November 11, 2021, the Company announced that due to strong investor demand, it has increased the size of the Offering. Under the amended terms, the Company intends to issue the Units at a price of CAD\$0.95 per Unit, for minimum gross proceeds of C\$5,000,000 and maximum gross proceeds of CAD\$9,000,015 ("Maximum Offering Size"). In the event the over-allotment option is exercised in full under the Maximum Offering Size, the aggregate gross proceeds of the Offering will be CAD\$10,350,017.

Closing of the Offering is subject to customary closing conditions, including, but not limited to, the approval of the securities regulatory authorities and the TSXV.