NowVertical

Condensed Consolidated Interim Financial Statements for September 30, 2023 and 2022

NowVertical Group Inc.
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2023 and December 31, 2022
Unaudited, Expressed in U.S. Dollars

	Note		**September 30, 2023**		**December 31, 2022**
Assets					
Current assets:					
Cash		$	3,633,828	$	3,809,012
Restricted cash	2		-		5,148,123
Investments	25		1,120,869		482,610
Trade and other receivables	6		7,135,767		3,891,455
Unbilled receivables			2,757,561		811,855
Taxes receivable			-		215,092
Prepaid expenses and other current assets	26		4,560,485		384,430
			19,208,510		14,742,577
Non-current assets:					
Other long-term receivables	24		1,976,721		-
Property and equipment, net	13		280,251		214,097
Right-of-use asset, net	15		122,193		232,319
Long-term investments	24		530,000		-
Intangible assets, net	11		10,602,897		8,040,185
Goodwill	12		16,034,238		10,938,785
			29,546,300		19,425,386
Total assets		$	48,754,810	$	34,167,963
Liabilities and shareholders' equity					
Current liabilities:					
Accounts payable		$	6,815,940	$	2,959,390
Accrued expenses and other current liabilities			4,663,567		3,955,272
Short-term lease liability			148,051		147,054
Taxes payable			93,676		-
Current portion of long-term debt	14		3,948,851		2,127,244
Consideration payable related to acquired companies	8		3,409,191		3,889,639
Equity and contingent consideration related to acquired companies	8		2,980,874		606,346
Deferred revenue	9		5,002,756		2,538,531
			27,062,906		16,223,476
Non-current liabilities:					
Contingent consideration payable related to acquired companies	8		648,588		1,082,525
Other long-term liabilities			905,518		85,919
Long-term debt	14		13,042,386		11,248,420
Deferred revenue	9		7,989		22,651
Warrants liability	16		388,036		334,293
Convertible debenture	18		2,854,713		2,584,106
Convertible debenture conversion feature	18		-		337,235
Deferred tax liability			1,865,425		433,189
			19,712,655		16,128,338
Total liabilities			46,775,561		32,351,814
Shareholders' equity:					
Common shares			27,787,075		24,187,024
Contributed surplus			4,851,146		4,439,960
Foreign currency translation reserve			(2,200,392)		(1,423,722)
Accumulated deficit			(28,458,580)		(25,387,113)
			1,979,249		1,816,149
Total liabilities and shareholders' equity		$	48,754,810	$	34,167,963

Going concern (Note 2)

Subsequent events (Note 27)

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

Approved on behalf of the Board of Directors

/s/ Elaine Kunda
Director

/s/ Scott Nirenberski
Director

NowVertical Group Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Unaudited, Expressed in U.S. Dollars, except for share and per share amounts

	Note	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Revenue	9	$ 16,512,040	$ 8,381,076	$ 45,594,385	$ 18,617,418
Cost of revenue	21	9,275,265	5,104,686	25,968,573	10,642,541
Gross profit		7,236,775	3,276,390	19,625,812	7,974,877
Administrative expenses	21	6,361,912	5,098,971	19,910,435	13,709,242
Income (loss) from operations		874,863	(1,822,581)	(284,623)	(5,734,365)
Other expenses:					
Contingent compensation related to acquisitions		-	(419,549)	(230,698)	(1,067,397)
Revaluation of warrants liability		-	(201,816)	1,098,243	834,612
Revaluation of equity consideration	8	-	(56,770)	105,480	64,228
Revaluation of contingent and deferred consideration	8	(385,323)	(70,210)	(1,113,544)	95,121
Revaluation of conversion feature	18	2,121	-	337,160	-
Inflation effect on the net monetary position		(202,362)	(316,363)	(234,573)	(732,333)
Impairment loss	12	-	-	(250,000)	-
Investing income		529,524	180,000	871,551	341,499
Interest		(794,473)	(23,929)	(2,477,759)	(232,174)
Loss on sale of asset	24	-	-	(57,351)	-
		(850,513)	(908,637)	(1,951,491)	(696,444)
Income (loss) before income taxes		24,350	(2,731,218)	(2,236,114)	(6,430,809)
Income tax expense (benefit)	19	53,872	171,409	835,353	(439,948)
Net loss		(29,522)	(2,902,627)	(3,071,467)	(5,990,861)
Foreign currency translation adjustment		(39,944)	(211,032)	(776,670)	(99,913)
Other comprehensive loss		(39,944)	(211,032)	(776,670)	(99,913)
Total comprehensive loss		$ (69,466)	$ (3,113,659)	$ (3,848,137)	$ (6,090,774)
Net loss per share, basic and diluted	17	$ (0.00)	$ (0.05)	$ (0.04)	$ (0.10)
Weighted average number of shares outstanding, basic and diluted	17	77,548,035	63,729,716	74,810,277	62,800,285

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

NowVertical Group Inc.

Condensed Consolidated Interim Statement of Shareholders' Equity

Unaudited, Expressed in U.S. Dollars

Nine months ended September 30, 2023	Note	**Issued capital Common shares** Shares	Amount	**Contributed surplus**	**Foreign currency translation reserve**	**Accumulated deficit**	**Total**
Balances at January 1, 2023		65,078,417	$ 24,187,024	$ 4,439,960	$ (1,423,722)	$ (25,387,113)	$ 1,816,149
Net loss		-	-	-	-	(3,071,467)	(3,071,467)
Share-based compensation expense	16	-	-	411,186	-	-	411,186
Shares issued on private placement	16	9,631,500	2,216,971	-	-	-	2,216,971
Shares issued on acquisition	7, 16	1,900,000	1,124,395	-	-	-	1,124,395
Shares issued related to acquisitions	16	1,194,945	258,685	-	-	-	258,685
Foreign currency translation adjustment		-	-	-	(776,670)	-	(776,670)
Balances at September 30, 2023		77,804,862	$ 27,787,075	$ 4,851,146	$ (2,200,392)	$ (28,458,580)	$ 1,979,249

Nine months ended September 30, 2022	Note	**Issued capital Common Shares** Shares	Amount	**Contributed surplus**	**Foreign currency translation reserve**	**Accumulated Deficit**	**Total**
Balances at January 1, 2022		62,042,151	$ 22,580,976	$ 3,943,943	$ 77,164	$ (15,839,588)	$ 10,762,495
Net loss		-	-	-	-	(5,990,861)	(5,990,861)
Vesting of restricted shares		-	-	18,840	-	-	18,840
Share-based compensation expense	16	-	-	218,463	-	-	218,463
Exercise of stock options	16	5,968	11,920	(11,920)	-	-	-
Shares issued on acquisition	16	1,358,333	648,417	-	-	-	648,417
Shares issued related to acquisition	16	1,561,298	814,937	-	-	-	814,937
Shares cancelled	16	(21,000)		-	-	-	-
Hyperinflation adjustment		-	43,665	-	-	-	43,665
Foreign currency translation adjustment		-	-	-	(99,913)	-	(99,913)
Balances at September 30, 2022		64,946,750	$ 24,099,915	$ 4,169,326	$ (22,749)	$ (21,830,449)	$ 6,416,043

The accompanying notes form an integral part of these condensed consolidated interim Financial Statements.

NowVertical Group Inc.
Condensed Consolidated Interim Statements of Cash Flows
Unaudited, Expressed in U.S. Dollars

	Note	Nine months ended September 30, 2023	September 30, 2022
Cash flows from (used in) operating activities:			
Net loss		$ (3,071,467)	$ (5,990,861)
Interest expense		-	58,298
Non-cash adjustments	20	892,018	483,502
Net changes in working capital	20	(3,599,509)	3,522,341
		(5,778,958)	(1,926,720)
Cash flows from (used in) investing activities:			
Acquisitions of subsidiaries, net of cash acquired	7	(3,711,497)	(4,913,283)
Restricted cash for acquisitions	2	5,148,123	-
Purchase of property and equipment	13	(116,599)	(26,485)
Proceeds from asset sale	24	220,000	-
		1,540,027	(4,939,768)
Cash flows from (used in) financing activities:			
Proceeds from long-term debt	14	6,008,470	1,350,000
Repayment of long-term debt	14	(5,680,458)	(670,000)
Interest payment related to acquired companies		(72,000)	-
Payment of consideration payable related to acquired companies	8	(580,261)	-
Proceeds from private placement, net of issuance costs	16	3,373,098	-
		3,048,849	680,000
Effect of exchange rates		1,014,898	(99,913)
Net change in cash		(175,184)	(6,286,401)
Cash, beginning of period		3,809,012	9,102,915
Cash, end of period		$ 3,633,828	$ 2,816,514

The accompanying notes form an integral part of these condensed consolidated interim Financial Statements.

1. Background and nature of operations

NowVertical Group Inc. and its subsidiaries (together referred to as the "Company") is an Ontario corporation that is listed on the TSX Venture Exchange (the "TSXV") under the symbol "NOW".

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.

The Company is a big data, analytics and vertical intelligence company. The registered office of the Company is located at 545 King Street West, Toronto, Ontario M5V 1M1, and its head office is located at 7750 Okeechobee Blvd STE 4-2024, West Palm Beach Florida, 33411.

2. Basis of presentation

Statement of compliance

These unaudited condensed consolidated interim Financial Statements ("Financial Statements") have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting IAS 34, as issued by the International Accounting Standards Board ("IASB").

These Financial Statements should be read in conjunction with the Company's annual consolidated Financial Statements for the year ended December 31, 2022 ("Annual Financial Statements"). These Financial Statements have been prepared using the same accounting policies that were described in Note 3 to the Annual Financial Statements.

The Board of Directors approved these Financial Statements on November 29, 2023.

Basis of measurement

These Financial Statements are presented in U.S. dollars, except when otherwise noted and were prepared on a going concern basis.

Going concern

These Financial Statements have been prepared in accordance with IAS 34, which contemplates continuation of the Company as a going concern. However, during the nine months ended September 30, 2023, the Company has incurred a net loss from of $3,071,467 and cash flows used in operating activities of ($5,778,958). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. Continued operations of the Company depend upon the Company's ability to meet its financing requirements on a continuing basis, to continue to have access to financing, and to generate positive operating results and cash flow. These material uncertainties may raise significant doubt about the Company's ability to continue as a going concern. These Financial Statements have been prepared on a going concern basis and, as such, do not include any adjustments that might result from the outcome of this uncertainty or the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might be necessary should the Company be unable to continue in existence. The Company has cash of $3,633,828 which includes $1,258,219 held in banks in Argentina. The Central Bank of the Argentine Republic has placed restrictions on the repatriation of funds at the official exchange rate, and the Company is working with its advisors to finalize a cash repatriation plan. The cash also includes $1,854,902 that is held within subsidiaries that are subject to compliance with bank covenants.

Management intends to improve revenue and profitability of existing businesses by leveraging internal sales channels and other cross-entity synergies. In addition, management reduced the costs associated with the Company's global operating model by relocating key service providers and key internal personnel roles from the U.S. to Canada during the year ended December 31, 2022, and the nine months ended September 30, 2023, and will seek to continue to reduce the costs associated with its global operating model as it continues with plans to integrate acquired businesses. These internal activities and plans to raise additional funds through financings to support its working capital needs and to fund future cash accretive acquisitions using debt are aimed at improving cash flows from operations, eliminating its working capital deficit, and achieving its acquisition growth strategy. There can be no assurance, however, that the Company can reach profitability, successfully integrate acquired companies, continue to raise working capital financing, or source and fund future accretive acquisitions with debt.

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The Financial Statements of subsidiaries are included in the Financial Statements from the date that control commences until the date that control ceases.

The Financial Statements of the Company include NowVertical Group Inc. (formerly Good2Go Corp.), an Ontario, Canada company with a Canadian dollar functional currency and its wholly owned subsidiaries. The table below lists the Company's wholly owned subsidiaries:

Company	Jurisdiction	Functional Currency
NowVertical Group, Inc.	USA	U.S. Dollar
Signafire Technologies Inc.	USA	U.S. Dollar
NOW Guardian Inc.	USA	U.S. Dollar
Allegient Defense Inc.	USA	U.S. Dollar
Seafront Analytics, LLC	USA	U.S. Dollar
NowVertical US Holdings Inc.	USA	U.S. Dollar
Resonant Analytics, LLC	USA	U.S. Dollar
NowVertical Canada, Inc.	Canada	Canadian Dollar
Affinio Holdings Inc.	Canada	U.S. Dollar
Integra Data and Analytic Solutions Corp.**	Canada	Canadian Dollar
Affinio Inc.**	Canada	U.S. Dollar
NowVertical Canada Holdings Inc.	Canada	Canadian Dollar
NowVertical LatAm Holdings Inc.*	Canada	Canadian Dollar
Analytics 10 Mx S.A. de C.V.*	Mexico	Mexican Peso
INSA Consulting SpA*	Chile	Chilean Peso
Inteligencia de Negocios S.A.*	Chile	Chilean Peso
NowVertical Brazil Midco Inc.*	Brazil	Brazilian Real
Inteligência de Negócios Comércio de Software Ltda*	Brazil	Brazilian Real
Inteligência de Negócios, Sistemas e Informatica Ltda*	Brazil	Brazilian Real
Inteligência de Negócios, Sistemas e Informatica Ltda*	Brazil	Brazilian Real
NowVertical UK Ltd.	United Kingdom	Pound Sterling
Exonar Ltd.	United Kingdom	Pound Sterling
NowVertical UK Holdings Ltd.*	United Kingdom	Pound Sterling
Smartlytics Consultancy Ltd*	United Kingdom	Pound Sterling
Acrotrend Solutions Ltd*	United Kingdom	Pound Sterling
Acrotrend Solutions India Ltd*	India	Indian Rupee
CoreBI S.A.	Argentina	Argentine Peso
CoreBI S.A.S.	Colombia	Colombian Peso
Robert Baratheon Ltd.	Israel	U.S. Dollar

*New entities added during the three months ended March 31, 2023.
**Entities amalgamated into Affinio Holdings Inc. during the six months ended June 30, 2023.

All intercompany transactions, balances, income, and expenses are eliminated on consolidation.

Foreign currencies

Foreign currency transactions are translated to the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the condensed consolidated interim statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through income and loss.

On consolidation, the assets and liabilities of foreign operations reported in their respective functional currencies are translated into U.S. dollars, the Company's presentation currency, at period-end exchange rates. Income, expenses, and cash flows of foreign operations are translated into U.S. dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive income or loss and accumulated in the accumulated other comprehensive income within equity.

Restricted Cash

Restricted cash reflects a wire transfer payment made on December 30, 2022, to be held in escrow for the acquisitions of Smartlytics Consultancy Ltd and Acrotrend Solutions Ltd. The money was received by the escrow agent with a settlement date of January 3, 2023. On January 12, 2023, the cash was transferred as consideration as part of the closing conditions for the acquisitions of Smartlytics Consultancy Ltd and Acrotrend Solutions Ltd.

Classification of Argentina as a hyperinflationary economy

The Argentinian economy has been designated as hyperinflationary since July 1, 2018. As a result, application of IAS 29, Financial Reporting in Hyperinflationary Economies ("IAS 29"), has been applied to CoreBI S.A., whose functional currency is the Argentine Peso. The application of IAS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the period-end date;
- Adjustment of the Financial Statements for inflation during the reporting period;
- Translation of at the period-end foreign exchange rate instead of an average rate; and
- Adjustment of the Financial Statements to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

On the application of IAS 29, the Company used the conversion coefficient derived from the national consumer price index, the IPC Nacional (the "IPC"). The level of the IPC on September 30, 2023 was 2,305. The Company recognized a net monetary gain of $234,573 (2022: $732,333) to adjust transactions recorded during the period into the measuring unit currency during the nine months ended September 30, 2023.

As per IAS 21, The Effects of Changes in Foreign Exchange Rates, all amounts (i.e., assets, liabilities, equity and expenses) are translated at the closing foreign exchange rate at the date of the most recent condensed interim consolidated statement of financial position, except that comparative amounts are not adjusted for subsequent changes in the price level or subsequent changes in exchange rates.

Equity

Common shares represent the value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from common shares. From time to time the Company may issue units consisting of common shares and common share purchase warrants. The Company estimates the fair value of the warrants using a pricing model and the residual difference between the unit price and the fair value of each warrant represents the fair value attributable to each common share. Any transaction costs associated with the issuance of units are apportioned between the common shares and warrants based on their relative fair values. Professional, consulting, regulatory fees and other costs that are directly attributable to financing transactions are deferred until such time as the transactions are completed. Share issue costs are charged to common shares when the related shares are issued.

3. Adoption of new accounting standards

The Company has adopted the following new and amended standards and interpretations that were effective January 1, 2023.

- Amendments to IAS 8 – Definition of Accounting Estimates, helping entities distinguish changes in accounting estimates from changes in accounting policies. The adoption of these amendments had no impact on the Company's Financial Statements.

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies, providing guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The adoption of these amendments had no impact on the Company's Financial Statements.

Unaudited, Expressed in U.S. Dollars, except share information and unless otherwise noted

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12, Income Taxes, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The adoption of these amendments had no impact on the Company's Financial Statements

The IASB has issued the following new amendments that are effective January 1, 2024, and have not yet been adopted by the Company and could have an impact on future periods. The Company is currently assessing the potential impact on its Financial Statements.

- Amendments to IAS 1, Presentation of Financial Statements, clarifying the requirements for classifying liabilities as current or non-current.

4. Significant accounting estimates, judgements and assumptions

In preparing these Financial Statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management applied the Company's accounting policies and the key sources of estimate uncertainty were the same as those applied to the Annual Financial Statements.

5. Capital management

The Company's capital management objectives are to ensure its ability to continue as a going concern (Note 2) and to provide an adequate return to shareholders. The Company monitors capital based on the carrying amount of equity plus debt, less cash. Management assesses capital requirements to maintain an efficient financing structure while avoiding excessive debt. The Company monitors its capital structure and adjusts as required in light of economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may downsize or reduce costs. The capital of the Company is comprised of:

	September 30, 2023	December 31, 2022
Long-term debt	$ 16,991,237	$ 13,375,664
Convertible debt	2,854,713	2,921,341
Warrants liability	388,036	334,293
Shareholders' equity	1,979,249	1,816,149
Cash	(3,633,828)	(3,809,012)
Investments	(1,120,869)	(482,610)
Total capital	$ 17,458,538	$ 14,155,825

6. Trade and other receivables

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. The net carrying value of trade receivables is considered a reasonable approximation of fair value due to their short-term nature.

	September 30, 2023	December 31, 2022
Trade receivables	$ 7,184,177	$ 3,817,261
Allowance for doubtful accounts	(1,709,206)	(38,550)
Net trade receivables	5,474,971	3,778,711
Other receivables	1,660,796	112,744
Total trade and other receivables	$ 7,135,767	$ 3,891,455

7. Acquisitions

2023 acquisitions

Smartlytics Consultancy Ltd.

On January 12, 2023, the Company acquired 100% of the issued and outstanding securities of Smartlytics Consultancy Ltd. ("Smartlytics"), a UK-based data analytics consultancy company that provide a wide range of Data Science and analytics services. The acquisition was made to enhance the Company's data analytics services business. Pursuant to the terms of a stock purchase agreement dated December 10, 2022, the aggregate consideration consisted of (i) a closing cash payment of $1,000,000 subject to holdbacks, (ii) issuance of 600,000 Subordinate Voting Shares ("SVS") at a deemed issue price of $1.00 per share subject to contractual lock-up restrictions, and (iii) earn-out consideration paid over three fiscal years based on certain earnings before income taxes, depreciation and amortization ("EBITDA") targets, a portion of which may be payable in Company shares at the Company's sole discretion subject to a maximum of 926,413 shares. The closing cash consideration was funded with term debt with a Canadian banking partner. The earn-out is being accounted for as compensation since it is tied to employment. In connection with the acquisition, the Company incurred acquisition-related costs of $140,587 which have been recorded in administrative expenses. The goodwill from the acquisitions consists largely of the synergies expected from combining the operations from Smartlytics with the operations of the Company and is not expected to be deductible for tax purposes. Smartlytics has contributed $845,995 of revenue and net income of $190,928 to the Company's revenue and net loss, respectively, from the acquisition date to September 30, 2023.

Acrotrend Solutions Ltd.

On January 12, 2023, the Company acquired 100% of the issued and outstanding securities of Acrotrend Solutions Ltd ("Acrotrend"), a UK-based customer analytics consultancy company in the UK that combines business intelligence and decision-making, helping turn consumer data into smart insights. The acquisition was made to enhance the Company's data analytics services business. Pursuant to the terms of a stock purchase agreement dated December 9, 2022, the aggregate consideration consisted of (i) a closing cash payment of $4,100,000 subject to holdbacks, (ii) issuance of 750,000 SVS of the Company at a price of $1.00 per share, subject to contractual lock-up restrictions, and (iii) earn-out consideration paid over three fiscal years based on certain EBITDA targets, a portion of which may be payable in Company shares at the Company's sole discretion subject to a maximum of 5,000,000 shares. The closing cash consideration was funded with term debt with a Canadian banking partner. The earn-out is being accounted for as compensation since it is tied to employment. In connection with the acquisition, the Company incurred acquisition-related costs of $46,089 which have been recorded in administrative expenses. The goodwill from the acquisitions consists largely of the synergies expected from combining the operations from Acrotrend with the operations of the Company and is not expected to be deductible for tax purposes. Acrotrend has contributed $4,392,911 of revenue and net income of $1,082,288 to the Company's revenues and net loss, respectively, from the acquisition date to September 30, 2023.

Group Analytics 10

On February 2, 2023, the Company acquired 100% of the issued and outstanding securities of Group Analytics 10 and Inteligencia de Negocios and its affiliate entities ("A10"). A10 provides big data, business intelligence, and advanced analytics solutions. The acquisition was made to enhance the Company's data analytics services business and expand operations in Latin America. Pursuant to the terms of a stock purchase agreement dated December 21, 2022, the aggregate consideration consisted of (i) a closing cash payment of $2.25 million, subject to holdbacks, (ii) $550,000 settled by way of an issuance of SVS at a deemed price equal to the greater of the Company's 20-day VWAP on closing and $1.00 per Subordinate Voting Share, subject to customary lock-ups, and (iii) earn-out consideration paid over four fiscal years based on certain EBITDA targets. This is an arm's length transaction and no finder's fees were paid by the Company in connection with the A10 Group acquisition. The closing cash consideration was funded with term debt with a Canadian banking partner. The earn-out was valued at fair value using a discounted cash flow model, is being accounted for as compensation since it is tied to employment. In connection with the acquisition, the Company incurred acquisition-related costs of $328,414 which have been recorded in administrative expenses. The goodwill from the acquisitions consists largely of the synergies expected from combining the operations from A10 with the operations of the Company. A10 has contributed $13,361,771 of revenue and net income of $239,592 to the Company's revenues and net loss, respectively, from the acquisition date to September 30, 2023.

Intangible assets acquired were as follows:

Smartlytics: Customer Relationships - $560,976 with a useful life of 15 years, Trade Name - $48,780 with a useful life of 2 years.

Acrotrend: Customer Relationships - $2,627,988 with a useful life of 15 years, Trade Name - $309,175 with a useful life of 2 years.

A10: Customer Relationships - $715,000 with a useful life of 15 years, Trade Name - $465,458 with a useful life of 5 years, order backlog - $150,000 with a useful life 2 years.

Unaudited, Expressed in U.S. Dollars, except share information and unless otherwise noted

The following table summarizes the consideration paid and the preliminary allocation of the purchase price based on the fair values of the acquired assets and liabilities of Smartlytics, Acrotrend and A10 at their respective dates of acquisition.

	Smartlytics	Acrotrend	A10	Total
Fair value of consideration transferred:				
Amount settled in cash	$ 900,000	$ 3,690,000	$ 1,500,000	$ 6,090,000
Future amounts to be settled in cash or equity	100,000	410,000	750,000	1,260,000
Fair value of shares issued for consideration	361,985	452,480	309,930	1,124,395
Total fair value of consideration transferred	$ 1,361,985	$ 4,552,480	$ 2,559,930	$ 8,474,395
Fair value of net assets acquired:				
Property and equipment, net	$ 14,540	$ 39,650	$ 72,559	$ 126,749
Investments	-	91,517	235,135	326,652
Intangible assets, net	609,756	2,937,163	1,330,458	4,877,377
Goodwill	736,883	1,814,709	6,254,111	8,805,703
Total non-current assets	1,361,179	4,883,039	7,892,263	14,136,481
Taxes receivable	-	-	1,243,712	1,243,712
Prepaid expenses and other current assets	29,898	432,543	5,543,447	6,005,888
Unbilled receivables	5,098	135,947	1,984,823	2,125,868
Trade and other receivables	190,377	744,923	2,186,892	3,122,192
Cash	85,502	2,024,118	268,883	2,378,503
Total current assets	310,875	3,337,531	11,227,757	14,876,163
Deferred tax liability	(152,439)	(734,347)	(399,000)	(1,285,786)
Taxes payable	(22,484)	(1,122,093)	(1,538,446)	(2,683,023)
Deferred revenue	(52,938)	(205,581)	(4,980,053)	(5,238,572)
Long-term debt	-	-	(2,933,613)	(2,933,613)
Total non-current liabilities	(227,861)	(2,062,021)	(9,851,112)	(12,140,994)
Accounts payable	(26,176)	(410,967)	(3,942,504)	(4,379,647)
Accrued expenses and other current liabilities	(56,032)	(1,195,102)	(2,766,474)	(4,017,608)
Total current liabilities	(82,208)	(1,606,069)	(6,708,978)	(8,397,255)
Total fair value of net assets acquired	$ 1,361,985	$ 4,552,480	$ 2,559,930	$ 8,474,395
Cash impact of acquisitions:				
Consideration transferred settled in cash	$ 900,000	$ 3,690,000	$ 1,500,000	$ 6,090,000
Cash acquired	(85,502)	(2,024,118)	(268,883)	(2,378,503)
Net cash outflow on acquisition	$ 814,498	$ 1,665,882	$ 1,231,117	$ 3,711,497
Acquisition costs charged to expenses	$ 140,587	$ 46,089	$ 328,414	$ 515,090

During the nine months ended September 30, 2023, certain balances were retrospectively adjusted from the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Smartlytics trade and other receivables decreased by $13,456 and cash acquired decreased by $30,542. Acrotrend unbilled receivables decreased by $75,972, taxes payable decreased by $23,510, accounts payable decreased by $8,743, and accrued expenses and other current liabilities increased by $12,408. A10 trade and other receivables decreased by $78,131, deferred revenue increased by $104,560, accounts payable decreased by $182,636, and accrued expenses and other current liabilities increased by $734,990.

2022 Acquisitions

CoreBI S.A. and CoreBI S.A.S.

On February 16, 2022, the Company acquired 100% of the issued and outstanding securities of CoreBI S.A. and CoreBI S.A.S. (together, "CoreBI"), data science and analytics consulting companies based in Latin America, thereby obtaining control of both companies. The acquisition was made to enhance the Company's data analytics services business. The Company accounted for this transaction as an acquisition of a business in connection with the acquisition, the Company made a cash payment of $3.0 million on closing of the transaction. The Company has re-negotiated the timing of the $1.75 million deferred payment, which will now be paid out over multiple installments during FY 2023 and 2024. The deferred cash payment of $1.75 million is related to continued employment and was recorded to compensation expense over the twelve-month period ending February 28, 2023. Future payments of up to a maximum aggregate of $3.25 million, payable on the first, second, third, and fourth year anniversaries of closing, are due upon CoreBI achieving certain adjusted EBITDA targets. The future payments represent contingent purchase consideration and have been recorded as a liability measured at fair value that is revalued through profit and loss at each reporting period. During the nine months ended September 30, 2023 a revaluation expense of $646,861 was recognized in the consolidated statement of loss and comprehensive loss and comprehensive loss. In connection with the acquisition, the Company incurred acquisition-related costs of $98,215 which have been recorded in administrative expenses. The goodwill from this acquisition consists largely of the synergies and economies of scale expected from combining the operations of CoreBI with the Company's other services operations and is not expected to be deductible for tax purposes. CoreBI has contributed $8,514,194 of revenue and a net income of $690,077 to the Company's revenues and net loss, respectively, from the acquisition date to December 31, 2022. Had the acquisition occurred on January 1, 2022, the Company's revenue for the year would have been $29,626,453 and the Company's net loss for the 2022 year would have been $8,296,666. In determining these amounts, the Company has assumed that the fair values of the net assets acquired that were estimated and accounted for on the dates of acquisition would have been the same as if the acquisition had occurred on January 1, 2022. The net loss from acquisition includes the associated amortization of acquired intangible assets recognized as if the acquisitions had occurred on January 1, 2022.

Exonar Ltd.

On March 25, 2022, the Company acquired 100% of the issued and outstanding securities of Exonar Ltd. ("Exonar"), a UK-based software solutions firm, through its subsidiary NowVertical UK Limited, thereby obtaining control. The acquisition was made to enhance the Company's data compliance software business. The Company accounted for this transaction as an acquisition of a business. In connection with the acquisition, the Company made a cash payment of $149,999 and agreed to issue SVS on March 25, 2023 valued at $500,000 at the greater of (A) the Canadian dollar equivalent of US$1 per share and (B) the Company's 20-day volume weighted average trading price on the day prior to issuance, less the maximum discount permitted under the rules of the TSXV. The company issued 500,000 shares on May 11, 2023 and recognized a revaluation gain of $105,480 in the consolidated statement of loss and comprehensive loss and comprehensive loss during the nine months ended September 30, 2023. In connection with the acquisition, the Company incurred acquisition-related costs of $90,073 which have been recorded in administrative expenses. The goodwill from the acquisitions consists largely of the synergies expected from combining the operations from Exonar with the other technology and services operations of the Company and is not expected to be deductible for tax purposes. Exonar has contributed $862,294 and $949,384 to the Company's revenues and net loss, respectively, from the acquisition date to December 31, 2022. Had the acquisition occurred on January 1, 2022, the Company's revenue for the 2022 year would have been $27,254,905 and the Company's net loss for the year would have been $10,802,150. In determining these amounts, the Company has assumed that the fair values of the net assets acquired that were estimated and accounted for on the dates of acquisition would have been the same as if the acquisition had occurred on January 1, 2022. The net loss from acquisition includes the associated amortization of acquired intangible assets recognized as if the acquisitions had occurred on January 1, 2022.

Allegient Defense Inc.

On April 6, 2022, the Company acquired 100% of the issued and outstanding securities of Allegient Defense Inc. ("Allegient"), a U.S.-based systems engineering and technical assistance support firm, through its subsidiary NOW Guardian Inc., thereby obtaining control. Allegient Defense Inc. is a U.S.-based government defense contractor providing systems engineering and technical assistance support to the Department of Defense and other governmental agencies through data analysis and assessment of cutting-edge technologies. The Company accounted for this transaction as an acquisition of a business. In connection with the acquisition, the Company made cash payments of $2,000,000 (in May 2022) and issued 600,000 SVS on April 6, 2022 with a fair value of $383,000. Future payments of up to a maximum aggregate of US$4 million, payable on the first, second, and third year anniversaries of closing, are due upon Allegient achieving certain adjusted EBITDA targets. Future payments are to be settled in either 100% of the Company's shares or up to 50% in cash and the balance in the Company's shares. The earn-out was valued at fair value using a Monte Carlo simulation model and is revalued at each reporting period through profit and loss. During the nine months ended September 30, 2023, a revaluation gain of $145,558 was recognized in the consolidated statement of loss and comprehensive loss and comprehensive loss. In connection with the acquisition, the Company incurred acquisition-related costs of $419,010 which have been recorded in administrative expenses. The goodwill from the acquisition consists largely of the acquired assembled workforce and synergies expected from combining the operations of Allegient with the Company's other service operations and is not expected to be deductible for tax purposes. Allegient has contributed $11,079,807 of revenue and a net income of $690,077 to the Company's revenues and net loss, respectively, from the acquisition date to December 31, 2022. Had the acquisition occurred on January 1, 2022, the Company's revenue for the 2022 year would have been $30,198,230 and the Company's net loss for the year would have been $8,792,073. In determining these amounts, the Company has assumed that the fair values of the net assets acquired that were estimated and accounted for on the dates of acquisition would have been the same as if the acquisition had occurred on January 1, 2022. The net loss from acquisition includes the associated amortization of acquired intangible assets recognized as if the acquisitions had occurred on January 1, 2022.

Resonant Analytics, LLC

On July 20, 2022, the Company acquired 100% of the issued and outstanding securities of Resonant Analytics LLC ("Resonant"), a USA-based guided solutions analytics firm providing CRM program strategy, database marketing and business intelligence solutions to Fortune 500 companies. The acquisition was made to enhance the Company's data analytics services business.. Pursuant to the terms of a stock purchase agreement dated July 5, 2022, the aggregate consideration consisted of (i) a cash payment of $1,500,000 (subject to holdbacks) paid on closing, (ii) 900,000 SVS (subject to a holdback) issued on closing, and (iii) earn-out consideration paid over three fiscal years based on certain adjusted EBITDA targets, and paid annually in two-thirds cash and one-third SVS priced at the greater of the 20-day VWAP prior to each annual issuance and $1.00 USD per share. The closing cash consideration was funded with term debt with a U.S. banking partner. In connection with the acquisition, Resonant secured a revolving line of credit of up to $250,000. The earn-out was valued at fair value using a discounted cash flow model, is being accounted for as compensation since it is tied to employment. In connection with the acquisition, the Company incurred acquisition-related costs of $113,223 which have been recorded in administrative expenses. Goodwill is not expected to be deductible for tax purposes. Resonant has contributed $866,043 of revenue and net income of $82,670 to the Company's revenues and net loss, respectively, from the acquisition date to December 31, 2022. Had the acquisition occurred on January 1, 2022, the Company's revenue for the 2022 year would have been $28,160,456 and the Company's net loss for the year would have been $8,736,015 In determining these amounts, the Company has assumed that the fair values of the net assets acquired that were estimated and accounted for on the dates of acquisition would have been the same as if the acquisition had occurred on January 1, 2022. The net loss from acquisition includes the associated amortization of acquired intangible assets recognized as if the acquisitions had occurred on January 1, 2022.

Intangible assets acquired were as follows:

CoreBI: Customer Relationships - $1,164,000 with a useful life of 12.5 years, Trade Name - $83,000 with a useful life of 2 years; and Non-compete Agreements - $45,000 with a useful life of 4 years, Developed Technology – $47,045 with a useful life of 4 years

Exonar: Customer Relationships - $89,000 with a useful life of 4.7 years; Trade Name - $31,000 with a useful life of 2 years and Developed Technology - $305,000 with a useful life of 4 years.

Allegient: Customer Relationships - $401,000 with a useful life of 15 years; Trade Name - $279,000 with a useful life of 2 years; Order Backlog - $2,553,000 with a useful life of 6 years; and Non-compete Agreements - $10,000 with a useful life of 4 years.

Resonant: Customer Relationships - $1,125,000 with a useful life of 15 years; Trade Name - $35,000 with a useful life of 2 years; Order Backlog - $43,000 with a useful life of 5 months; and Non-compete Agreements - $3,000 with a useful life of 4 years.

Unaudited, Expressed in U.S. Dollars, except share information and unless otherwise noted

The following table summarizes the consideration paid and the preliminary allocation of the purchase price based on the fair values of the acquired assets and liabilities of CoreBI, Exonar, Allegient, and Resonant at their respective dates of acquisition. The purchase price allocations for Exonar and CoreBI are final and there were no measurement adjustments during the period ended September 30, 2023.

	CoreBI	Exonar	Allegient	Resonant	Total
Fair value of consideration transferred:					
Amount settled in cash	$ 3,102,631	$ 149,999	$ 2,301,789	$ 1,192,667	$ 6,747,086
Future amounts to be settled in cash or equity	1,026,261	284,000	-	304,583	1,614,844
Fair value of shares issued for consideration	-	-	451,000	265,417	716,417
Total fair value of consideration transferred	$ 4,128,892	$ 433,999	$ 2,752,789	$ 1,762,667	$ 9,078,347
Fair value of net assets acquired:					
Property and equipment, net	$ 142,167	$ 46,476	$ 3,578	$ 26,788	$ 219,009
Deposits	-	-	12,648	19,301	31,949
Goodwill	1,593,034	792,351	3,136,949	61,498	5,583,832
Right-of-use asset	-	-	328,158	-	328,158
Intangible assets, net	1,339,045	425,000	3,243,000	1,206,000	6,213,045
Total non-current assets	3,074,246	1,263,827	6,724,333	1,313,587	12,375,993
Prepaid expenses and other current assets	-	-	12,317	49,974	62,291
Unbilled receivables	559,286	-	331,181	-	890,467
Investments	372,385	-	-	-	372,385
Receivables	928,603	981,401	1,451,489	465,237	3,826,730
Cash	355,836	84,354	399,151	217,657	1,056,998
Total current assets	2,216,110	1,065,755	2,194,138	732,868	6,208,871
Deferred tax liability	(452,200)	-	(832,410)	-	(1,284,610)
Lease liability	-	-	(331,137)	-	(331,137)
Deferred revenue	-	(296,000)	-	(101,964)	(397,964)
Long-term debt	-	-	(3,800,000)	-	(3,800,000)
Total non-current liabilities	(452,200)	(296,000)	(4,963,547)	(101,964)	(5,813,711)
Accounts payable and accrued expenses	(709,264)	(1,599,583)	(1,202,136)	(181,824)	(3,692,807)
Total current liabilities	(709,264)	(1,599,583)	(1,202,136)	(181,824)	(3,692,807)
Total fair value of net assets acquired	$ 4,128,892	$ 433,999	$ 2,752,789	$ 1,762,667	$ 9,078,347
Cash impact of acquisitions:					
Consideration transferred settled in cash	$ 3,102,631	$ 149,999	$ 2,301,789	$ 1,192,667	$ 6,747,086
Cash acquired	(355,836)	(84,354)	(399,151)	(217,657)	(1,056,998)
Net cash outflow on acquisition	$ 2,746,795	$ 65,645	$ 1,902,638	$ 975,010	$ 5,690,088
Acquisition costs charged to expenses	$ 98,215	$ 90,073	$ 419,010	$ 113,223	$ 720,521

During the nine months ended September 30, 2023, certain balances were retrospectively adjusted from the provisional amounts recognized at the acquisition date to reflect new information obtain about facts and circumstances that existed as of the acquisition date. Resonant accounts payable and accrued expenses increased by $8,926.

8. Consideration payable related to acquired companies

	September 30, 2023	December 31, 2022
Current liabilities:		
Consideration payable	$ 3,409,191	$ 3,889,639
Equity consideration payable	-	219,000
Contingent consideration payable	2,980,874	387,346
	$ 6,390,065	$ 4,495,985
Long-term liabilities:		
Contingent consideration payable	$ 648,588	$ 1,082,525
	$ 648,588	$ 1,082,525
Total considerable payable	$ 7,038,653	$ 5,578,510

Unaudited, Expressed in U.S. Dollars, except share information and unless otherwise noted

The following table provides information about consideration payable.

	Nine months ended September 30, 2023	Year ended December 31, 2022
Balance, January 1	5,578,510	$ 3,340,630
Acquisition consideration	1,260,000	1,614,844
Contingent compensation related to acquisitions	230,698	1,576,860
Payments	(580,261)	(764,850)
Shares issued	(258,685)	(814,937)
Revaluation of equity consideration	(105,480)	(64,228)
Revaluation of contingent and deferred consideration	1,113,544	689,110
Interest expense	85,875	55,500
Interest paid	(72,000)	-
Foreign exchange differences	(213,548)	(54,419)
Ending balance	$ 7,038,653	$ 5,578,510

Consideration amounts payable are in relation to acquired companies and are comprised of cash consideration, equity consideration and contingent consideration. Cash consideration payable represents deferred cash payments and holdbacks, equity consideration payable represents the fair value of obligations to issue shares in the future, and contingent consideration payable represents the fair value of potential future performance-based earn-out payments.

9. Revenue

The following table summarizes revenue by type of service.

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Data analytics services				
Cost plus fixed fee	$ 2,956,568	$ 2,795,210	$ 8,251,757	$ 5,587,149
Fixed firm price	2,354,459	1,066,451	5,851,979	1,966,461
Time and materials	7,044,504	3,003,972	19,435,476	6,652,151
Total data analytics services	12,355,531	6,865,633	33,539,212	14,205,761
Maintenance and support	898,196	748,651	3,025,672	2,248,651
Software-as-a-service and other recurring	3,258,313	766,792	8,908,253	2,163,006
Hardware	-	-	121,248	-
Total revenue	$ 16,512,040	$ 8,381,076	$ 45,594,385	$ 18,617,418

The following table summarizes revenue by the country of the customer's domicile.

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
USA	$ 5,838,015	$ 5,439,973	$ 17,133,811	$ 11,580,078
Argentina	2,627,252	2,581,163	7,744,852	6,147,987
Brazil	3,906,509	-	9,613,980	-
Chile	1,218,483	-	3,221,315	-
United Kingdom	2,474,397	268,226	6,820,027	739,011
Other countries	447,384	91,714	1,060,400	150,342
Total revenue	$ 16,512,040	$ 8,381,076	$ 45,594,385	$ 18,617,418

Unaudited, Expressed in U.S. Dollars, except share information and unless otherwise noted

The following table provides information about deferred revenue.

	Note	Nine months ended September 30, 2023	Year ended December 31, 2022
Balance, January 1		$ 2,561,182	$ 1,323,710
Increase from business acquisitions		5,238,572	397,964
Increase from cash received and amounts billed		10,698,902	6,779,491
Revenue recognized		(13,488,385)	(5,939,983)
Disposal on sale of asset	24	(403,093)	-
Foreign exchange revaluation		403,567	-
Ending balance		$ 5,010,745	$ 2,561,182
Deferred revenue classified as a current liability		$ 5,002,756	$ 2,538,531
Deferred revenue classified as a non-current liability		$ 7,989	$ 22,651

10. Segment reporting

Given the change in the consolidated revenue profile created by the Smartlytics, Acrotrend and A10 acquisitions during the three months ended March 31, 2023, management has consolidated the two previous operation segments, Solutions and Technology, that existed at December 31, 2022, to one operation segment, NOW Operations. The September 30, 2022 comparative segment financial information has been recast to conform to the new segment operations.

For segment reporting purposes, the Chief Executive Officer ("CEO") is the Chief Operating Decision Maker ("CODM"). The determination of the Company's reportable 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 reportable segments are the same as the Company's accounting policies.

Information related to each reportable segment is set out below. Segment income (loss) from continuing operations is used to measure performance, because management believes this information is the most relevant in evaluating the results of the Company.

The adjustments to reconcile from segment income (loss) from continuing operations to the Financial Statements consist of depreciation of property and equipment, amortization of intangible assets, transaction expenses related to acquisitions and foreign exchange gains.

	Three months ended September 30, 2023				Three months ended September 30, 2022			
	NOW Operations	Corporate	Adjustments	Total	NOW Operations	Corporate	Adjustments	Total
Revenue	$ 16,512,040	$ -	$ -	$ 16,512,040	$ 8,381,076	$ -	$ -	$ 8,381,076
Cost of revenue	(9,192,727)	-	(82,538)	(9,275,265)	(4,973,742)	-	(130,944)	(5,104,686)
Gross profit	7,319,313	-	(82,538)	7,236,775	3,407,334	-	(130,944)	3,276,390
Administrative expenses	(4,461,490)	(1,233,680)	(666,742)	(6,361,912)	(2,611,175)	(1,798,620)	(689,176)	(5,098,971)
Income (loss) from continuing operations	$ 2,857,823	$ (1,233,680)	$ (749,280)	$ 874,863	$ 796,159	$ (1,798,620)	$ (820,120)	$ (1,822,581)
Other expenses	-	(850,513)	-	(850,513)	$ -	$ (908,637)	$ -	(908,637)
Income (loss) before income taxes	$ 2,857,823	$ (2,084,193)	$ (749,280)	$ 24,350	$ 796,159	$ (2,707,257)	$ (820,120)	$ (2,731,218)

	Nine months ended September 30, 2023				Nine months ended September 30, 2022			
	NOW Operations	Corporate	Adjustments	Total	NOW Operations	Corporate	Adjustments	Total
Revenue	$ 45,594,385	$ -	$ -	$ 45,594,385	$ 18,617,418	$ -	$ -	$ 18,617,418
Cost of revenue	(25,715,186)	-	(253,387)	(25,968,573)	(10,271,587)	-	(370,954)	(10,642,541)
Gross profit	19,879,199	-	(253,387)	19,625,812	8,345,831	-	(370,954)	7,974,877
Administrative expenses	(13,311,818)	(4,293,437)	(2,305,180)	(19,910,435)	(6,799,790)	(4,946,896)	(1,962,556)	(13,709,242)
Income (loss) from continuing operations	$ 6,567,381	$ (4,293,437)	$ (2,558,567)	$ (284,623)	$ 1,546,041	$ (4,946,896)	$ (2,333,510)	$ (5,734,365)
Other expenses from continuing operations	-	(1,951,491)	-	(1,951,491)	$ -	$ (696,444)	$ -	(696,444)
Income (loss) before income taxes	$ 6,567,381	$ (6,244,928)	$ (2,558,567)	$ (2,236,114)	$ 1,546,041	$ (5,643,340)	$ (2,333,510)	$ (6,430,809)

Unaudited, Expressed in U.S. Dollars, except share information and unless otherwise noted

11. Intangible assets

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

	Trade Names	Customer Relationships	Developed Technology	Non-Compete Agreements	Order Backlog	Licensed Technology	Total
Cost:							
Opening at January 1, 2023	$ 1,207,986	$ 3,607,265	$ 2,752,398	$ 318,165	$ 2,596,000	$ 323,000	$ 10,804,814
Acquisitions	823,413	3,903,964	-	-	150,000	-	4,877,377
Hyperinflation adjustment	40,752	571,517	134,285	22,095	-	-	768,649
Foreign exchange revaluation	(38,511)	(540,083)	-	(20,879)	-	-	(599,473)
Disposal on sale of asset	(613,000)	(47,000)	(364,000)	(253,000)	-	-	(1,277,000)
Closing at September 30, 2023	1,420,640	7,495,663	2,522,683	66,381	2,746,000	323,000	14,574,367
Accumulated amortization:							
Opening at January 1, 2023	356,542	418,520	1,438,369	113,457	356,991	80,750	2,764,629
Amortization expense	435,825	463,361	204,901	44,106	369,858	48,450	1,566,501
Disposal on sale of asset	(116,997)	(14,353)	(99,544)	(128,767)	-	-	(359,661)
Closing at September 30, 2023	675,370	867,528	1,543,726	28,796	726,849	129,200	3,971,469
Net book value at September 30, 2023	$ 745,270	$ 6,628,135	$ 978,957	$ 37,585	$ 2,019,151	$ 193,800	$ 10,602,897

	Trade Names	Customer Relationships	Developed Technology	Non-Compete Agreements	Order Backlog	Licensed Technology	Total
Cost:							
Opening at January 1, 2022	$ 768,614	$ 668,787	$ 2,348,000	$ 254,000	$ -	$ 323,000	$ 4,362,401
Acquisitions	428,000	2,779,000	363,663	58,000	2,596,000	-	6,224,663
Hyperinflation adjustment	41,526	582,359	-	22,514	-	-	646,399
Foreign exchange revaluation	(30,154)	(422,881)	-	(16,349)	-	-	(469,384)
Additions	-	-	40,735	-	-	-	40,735
Closing at December 31, 2022	1,207,986	3,607,265	2,752,398	318,165	2,596,000	323,000	10,804,814
Accumulated amortization:							
Opening at January 1, 2022	94,802	139,769	135,418	13,694	-	16,150	399,833
Acquisitions	-	-	11,618	-	-	-	11,618
Impairment	-	-	836,667	-	-	-	836,667
Amortization expense	261,740	278,751	454,666	99,763	356,991	64,600	1,516,511
Closing at December 31, 2022	356,542	418,520	1,438,369	113,457	356,991	80,750	2,764,629
Net book value at December 31 2022	$ 851,444	$ 3,188,745	$ 1,314,029	$ 204,708	$ 2,239,009	$ 242,250	$ 8,040,185

In the three and nine months ended September 30, 2023, $82,538 and $253,387, respectively, of amortization expense is included in cost of revenue, and $441,596 and $1,313,114, respectively, is included in administrative expenses in the condensed consolidated interim statement of loss and comprehensive loss. In the three and nine months ended September 30, 2022, $130,944 and $370,954, respectively, of amortization expense is included in cost of revenue, and $272,802 and $653,072, respectively, is included in administrative expenses in the condensed consolidated interim statement of loss and comprehensive loss.

Unaudited, Expressed in U.S. Dollars, except share information and unless otherwise noted

12. Goodwill

The following table provides information about the changes in goodwill.

	Note	**Nine months ended September 30, 2023**	**Year ended December 31, 2022**
Balance, January 1		$ 10,938,785	$ 6,908,953
Acquired through acquisitions	7	8,805,703	5,574,906
Adjustment related to 2022 acquisition	7	8,926	-
Hyperinflation adjustment		782,170	797,007
Foreign exchange revaluation		(739,150)	(578,748)
Impairment		(250,000)	(1,763,333)
Sale of asset	24	(3,512,196)	-
Ending Balance		$ 16,034,238	$ 10,938,785

The Company performs a goodwill impairment test annually or when there are indications of impairment.

Based on the sale of the Affinio Social ("Affinio") cash-generating unit ("CGU") (Note 24), management has performed a calculation at March 31, 2023 to determine whether the goodwill related to this CGU was impaired. The Affinio CGU was valued at its estimated fair value less potential costs of disposal. Based on the projections of the estimated fair value, management determined that the goodwill related to this CGU required a $250,000 impairment, which was recorded in the condensed consolidated interim statement of loss and comprehensive loss during the three months ended March 31, 2023.

13. Property and equipment

Details of the Company's property and equipment and their carrying amounts are as follows:

	Computer equipment	**Furniture and fixtures**	**Vehicles**	**Other**	**Total**
Opening at January 1, 2023	$ 191,964	$ 20,704	$ -	$ 1,429	$ 214,097
Acquisitions	94,103	10,928	21,453	265	126,749
Depreciation	(175,945)	(12,995)	(4,062)	(1,554)	(194,556)
Additions	113,513	3,086	-	-	116,599
Disposals	(4,333)	-	-	-	(4,333)
Foreign exchnage variances	19,620	1,449	453	173	21,695
Closing at September 30, 2023	$ 238,922	$ 23,172	$ 17,844	$ 313	$ 280,251

	Computer equipment	**Furniture and fixtures**	**Vehicles**	**Other**	**Total**
Opening at January 1, 2022	$ 15,924	$ -	$ -	$ -	$ 15,924
Acquisitions	198,837	15,587	-	4,585	219,009
Depreciation	(171,034)	(8,820)	-	(3,156)	(183,010)
Additions	148,237	13,937	-	-	162,174
Closing at December 31, 2022	$ 191,964	$ 20,704	$ -	$ 1,429	$ 214,097

14. Long-term debt

		Nine months ended September 30, 2023		Year ended December 31, 2022
Balance, January 1	$	13,375,664	$	1,418,751
Additions		6,008,470		9,009,008
Debt acquired on acquisition		2,933,613		3,800,000
Interest accrued		398,033		10,774
Repayments		(5,680,458)		(816,262)
Foreign exchange revaluation		(44,085)		(46,607)
Ending Balance	$	16,991,237	$	13,375,664
Current portion	$	3,948,851	$	2,127,244
Long-term portion	$	13,042,386	$	11,248,420

Long-term debt consists of:

a) $116,023 (December 31, 2022: $116,023) related to a loan assumed upon acquisition of Signafire, which is collateralized by substantially all the assets and equity of Signafire and bears interest at 8%.
b) $582,527 (December 31, 2022: $659,938) related to four unsecured, non-interest-bearing loans to Affinio, denominated in Canadian dollars. The debt was initially recorded at fair value, estimated using future payments discounted at a market rate of interest, with the adjustment amortized into profit and loss over the term of the debt as interest expense. The contractual principal owing at September 30, 2023, is $793,245 (December 31, 2022: $815,772).
c) $3,172,046 (December 31, 2022: $3,583,713) related to a term loan to Allegient on April 6, 2022 bearing interest at 6.2%, with interest-only payments for three months and repayable over the following six years. The loan is secured by the assets of Allegient and NOW Guardian Inc. and is subject to standard financial covenants measured quarterly beginning on September 30, 2022.
d) $7,008,618 (December 31, 2022: 2,503,753) related to a $7,000,000 term loan to NowVertical Group Inc. on December 23, 2022 bearing interest at the U.S. prime rate plus 3.0% per annum. The $1,350,000 term loan to Resonant was repaid with the proceeds from the $4,500,000 draw made in January 2023.
e) $4,556,925 (December 31, 2022: $5,160,237) related to a C$7,000,000 term loan to NowVertical Canada Holdings Inc. on December 30, 2022 bearing interest at 5.9% per annum. The loan is secured by the assets of NowVertical UK Holdings Ltd. and is subject to standard financial covenants measured quarterly beginning on June 30, 2023.
f) $38,510 related to a term loan to A10 Chile bearing interest at 4.53% per annum.
g) $1,516,588 related to four term loans to A10 Brazil bearing interest at 19.1% per annum.

Estimated principal repayments over the next five years and thereafter are as follows:

2023	$1,111,893
2024	$3,636,845
2025	$3,076,508
2026	$3,337,824
2027	$3,593,635
Thereafter	$2,232,689

The Company is in compliance with all debt covenants as of September 30, 2023.

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15. Right-of use asset

Details of the Company's right-of-use asset carrying amounts are as follows:

Opening at January 1, 2023	$	232,319
Acquisitions		-
Amortization		(110,126)
Closing at September 30, 2023	$	122,193
Opening at January 1, 2022	$	-
Acquisitions		328,158
Amortization		(95,839)
Closing at December 31, 2022	$	232,319

16. Share capital

a) Authorized

Unlimited number of Class A SVS and unlimited number of Class B Proportionate Voting Shares ("PVS") without par value.

b) Issued and fully paid

	Note	
Balance January 1, 2023		65,078,417
Shares issued on private placement	16e	9,631,500
Shares issued on acquisition	16d	1,900,000
Shares issued related to acquisitions	16d	1,194,945
Balance September 30, 2023		77,804,862
Balance January 1, 2022		62,042,151
Exercise of stock options	16c	5,968
Shares issued on acquisition	16d	1,358,333
Shares issued related to acquisitions	16d	1,561,298
Shares cancelled	16g	(21,000)
Balance September 30, 2022		64,946,750

c) Exercise of stock options – During the nine months September 30, 2022, 5,968 stock options were exercised as a cashless exercise for a value of $11,920.

d) Shares issued on acquisition – On January 12, 2023, the Company issued 600,000 SVS in connection with the purchase of Smartlytics and 750,000 SVS in connection with the purchase of Acrotrend. On February 2, 2023, the Company issued 550,000 SVS in connection with the purchase of A10. On April 6, 2022, the Company issued 600,000 SVS in connection with the purchase of Allegient. On July 20, 2022, the Company issued 758,333 SVS in connection with the purchase of Resonant.

Shares issued related to acquisitions – On May 11, 2023, the Company issued 500,000 SVS in connection with the purchase of Exonar. On August 3, 2023, the Company issued 694,945 SVS in connection with the purchase of Allegient. On August 31, 2022, the Company issued 1,561,298 SVS in connection with the purchase of Affinio.

e) Shares issued on private placement – On February 28, 2023, the Company closed a marketed public offering (the "Offering") of 9,631,500 units (the "Units") of the Company at a price of C$0.52 per Unit for gross proceeds of $3,690,964 (C$5,008,380), which includes partial exercise of the over-allotment option. Each Unit consists of one subordinate voting share in the capital of the Company (a "Subordinate Voting Share") and one Subordinate Voting Share purchase warrant (a "Warrant") of the Company. Each Warrant is exercisable to acquire one Subordinate Voting Share at a price per share of C$0.80 for a period of 36 months following the closing of the Offering. In connection with the Offering, the Company paid the agents a cash commission of C$300,503 and C$131,001 in agent fees, and issued to the agents 577,890 broker warrants, with each broker warrant entitling the holder thereof to purchase one Subordinate Voting Share at a price of C$0.52 per

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Subordinate Voting Share for a period 36 months following February 28, 2023. The net proceeds raised amounted to $3,373,098 (C$4,576,876). The value of the Warrants issued was $1,156,127, estimated using the Black-Scholes option-pricing model on the date of grant using the following assumptions: risk-free rate of 4.17%, expected life three years, expected volatility of 70% based on comparable companies, forfeiture rate of 0%, and dividend yield of 0% and was recorded to warrants liability. The fair value of the warrants liability at September 30, 2023 is $354,634 based on the closing price of C$0.01 per Unit Warrant, and the difference of $797,885 was recorded to the condensed consolidated interim statement of loss and comprehensive loss including $3,608 of exchange differences. The Company incurred $164,963 in transaction expenses related to the Offering, which were recorded in the condensed consolidated interim statement of loss and comprehensive loss during the nine months ended September 30, 2023.

f) Stock Options

The Company has an omnibus equity incentive plan (the "Omnibus Plan"), which provides that the Board of Directors of the Company may, from time to time, at its discretion, grant to directors, officers, employees and consultants of the Company non-transferable equity-based awards, including stock options, to purchase SVS, restricted stock units, deferred stock units and performance stock units (collectively "Awards"). The Company is authorized to grant up to 6,965,646 SVS as Awards pursuant to the Omnibus Plan. The Board of Directors determines the price per Award that may be allocated to each director, officer, employee and consultant, and all other terms and conditions of the Award. Stock options typically vest over four years and become partially exercisable on the first anniversary date the options were granted, and Awards vest pursuant to the Omnibus Plan. The Company also has a legacy equity incentive plan through which it granted stock options to certain employees and contractors previously, and which is no longer being used for new grants.

During the three and nine months ended September 30, 2023, the Company recognized $241,483 and $411,185, respectively, (three and nine months ended September 30, 2022: $84,949 and $237,303, respectively) of share-based compensation. The fair value of the options granted were estimated using the Black-Scholes option-pricing model on the date of grant using the following assumptions: risk-free rate of 1.42% to 4.59%, expected life of 0-4 years, expected volatility of 78% based on comparable companies, forfeiture rate of 12%, and dividend yield of 0%.

The following table shows the stock options activity during the period.

	Nine months ended			
	September 30, 2023		September 30, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, January 1	4,560,426	$ 0.89	4,112,461	$ 0.90
Granted	2,109,000	0.46	1,060,000	0.87
Forfeited	(833,484)	0.94	(574,400)	0.96
Exercised	-	-	(5,968)	0.82
Outstanding, September 30	5,835,942	$ 0.72	4,592,093	$ 0.89
Exercisable, September 30	3,629,546	$ 0.72	2,568,542	$ 0.83

The weighted average remaining life of the options outstanding as of September 30, 2023 is 8.54 years (2022: 7.86 years).

g) Shares cancelled – On June 16, 2022 210 PVS (21,000 SVS) were cancelled due to the termination of an employee.

h) Warrants

In connection with the Unit offering on December 15, 2021, each of the 10,894,756 Units included one half of one purchase warrant (the "Unit Warrants"). Each of the 5,447,378 full Unit Warrants is exercisable at a price of C$1.25 per warrant for a period of two years ending December 15, 2023 and entitles the holder to purchase one SVS. The Unit Warrants are freely traded. The fair value of the Unit Warrants of $168,999 upon issuance was determined using the closing price of C$0.04 per Unit Warrant on the date of issue. The fair value of the Unit Warrants was recorded to warrants liability, and the balance of the proceeds was recorded to equity. Share issuance costs of $19,159 were allocated to the warrants and expensed though profit and loss in the year ended December 31, 2021. The warrants liability is revalued at each reporting period using the closing price of the Unit Warrants on the reporting date. The fair value of the warrants liability at September 30, 2023 is $20,057 (December 31, 2022: $200,736) based on the closing price of C$0.01 (December 31, 2022: C$0.05) per Unit

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Warrant, and the difference of $180,359 (2022: $731,398) was recorded to the condensed consolidated interim statement of loss and comprehensive loss including $320 of exchange differences.

In connection with the Convertible Debenture Unit ("Debenture Unit") offering on October 5, 2022 (Note 18), each of the 5,069 Units included 715 purchase warrants (the Unit Warrants). Each of the 3,624,335 full Unit Warrants is exercisable at a price of C$1.05 per warrant for a period of 36 months following the closing date and entitles the holder to purchase one SVS. The Unit Warrants are freely traded. The fair value of the Unit Warrants of $320,537 upon issuance was determined using the closing price of C$0.12 per Unit Warrant on the date of issue. The fair value of the Unit Warrants was recorded to warrants liability and the balance of the proceeds was recorded to convertible debt. The warrants liability, is revalued at each reporting period using the closing price of the Unit Warrants on the reporting date. The fair value of the warrants liability at September 30, 2023 is $13,345 (December 31, 2022: $133,557) based on the closing price of C$0.01 (December 31, 2022: C$0.05) per Unit Warrant, and the difference of $119,999 was recorded to the condensed consolidated interim statement of loss and comprehensive loss including $213 of exchange differences.

In connection with the Offering on February 28, 2023, each of the 9,631,500 units included one Subordinate Voting Share Warrant of the Company. Each Warrant is exercisable to acquire one Subordinate Voting Share at a price per share of C$0.80 for a period of 36 months following the closing of the Offering. The value of the warrants issued was $1,156,127 and was estimated using the Black-Scholes option-pricing model on the date of grant using the following assumptions: risk-free rate of 4.17%, expected life of three years, expected volatility of 70% based on comparable companies, forfeiture rate of 0%, and dividend yield of 0% and was recorded to warrants liability. The fair value of the warrants liability at September 30, 2023 is $354,634 based on the closing price of C$0.01 per Unit Warrant, and the difference of $797,885 was recorded to the condensed consolidated interim statement of loss and comprehensive loss including $3,608 of exchange differences.

17. Loss per share

Basic loss per share is calculated by dividing net loss for the period by the weighted average number of shares outstanding during the period.

Diluted loss per share is 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, warrants and shares resulting from convertible debt were excluded from the diluted weighted average number of shares calculation, as their impact would have been anti-dilutive.

The PVS and SVS 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:

	Three months ended		Nine months ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Net loss	$ (29,522)	$ (2,902,627)	$ (3,071,467)	$ (5,990,861)
Weighted average shares outstanding, basic and diluted	77,548,035	63,729,716	74,810,277	62,800,285
Loss per share, basic and diluted	$ (0.00)	$ (0.05)	$ (0.04)	$ (0.10)

18. Convertible debenture

On October 5, 2022, the Company closed a marketed public offering of 5,069 Debenture Units at a price of $1,000 per Debenture Unit for total gross proceeds of C$5,069,000 (net proceeds of USD $3.3 million) with a maturity date of October 5, 2025. Each Debenture Unit consists of one 10% senior unsecured convertible debenture of the Company with a face value of C$1,000 and 715 Class A subordinate voting share purchase warrants of the Company, representing 75% warrant coverage. Each Warrant is exercisable for one Subordinate Voting Share at a price of C$1.25 per Subordinate Voting Share for a period of 36 months following the closing date. The Warrants are listed under the symbol "NOW.WT.A". The warrants have been classified as a liability and are revalued to fair value each quarter (Note 16). The Debenture Units include a conversion feature whereby the principal amount shall be convertible, for no additional consideration, into Class A SVS of the Company at the option of the holder (with the exception of the Company Conversion asset out below) in whole or in part at any time and from time to time prior to the earlier of: (i) the close of business on the maturity date, and (ii) the business day immediately preceding the date specified by the Company for redemption of the convertible debentures upon a change of control at a conversion price per share equal to C$1.05 subject to adjustment in certain events (the "Conversion Price"). The Company will be entitled to force the conversion (the "Company Conversion") of the principal amount of the then outstanding convertible debentures at the Conversion Price on not more than 60 days' and not less than 30 days' notice (i) in the event that the daily VWAP of the SVS on the TSXV is greater than C$1.60 per share for 10 consecutive trading days of the SVS on the TSXV preceding such notice; or (ii) in connection with an equity or similar financing (either qualified by a prospectus or by way of private placement) involving SVS, or warrants exercisable for SVS, resulting in aggregate gross proceeds to the Company of not less than C$12,500,000 (the "Qualified Financing"), in each case subject to the Company Conversion being permitted under the policies of the TSXV for any trading of the SVS at that time. If a Qualified Financing is completed at a price per security that is lower than the Conversion Price (with such Conversion Price being calculated, in the case of warrants, by adding the issue and exercise price), the Conversion Price will be reduced to equal the greater of $0.10 and the closing price of the SVS on the TSXV on the day before the press release announcing the Qualified Financing is disseminated, provided that, among other things, the conditional approval of the TSXV is obtained. The conversion feature was revalued at September 30, 2023 with $nil fair value (December 31, 2022: $337,235) and a gain of $337,160 during the nine months ended September 30, 2023, including $75 of exchange differences.

19. Income tax expense

Income tax expense 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 Financial Statements may differ from management's estimate of the effective tax rate for the Annual Financial Statements.

For the nine months ended September 30, 2023, the Company recorded current income tax expense of $579,252 (2022: $271,703) on a pre-tax book loss of $2,236,114 (2022: $6,430,809). For the three months ended September 30, 2023, the Company recorded current income tax expense of $387,372 (2022: $176,173) on a pre-tax book income of $24,350 (2022: $2,731,218 loss).

For the nine months ended September 30, 2023, the Company recorded deferred income tax expense of $256,101 (2022: $711,651 gain). For the three months ended September 30, 2023, the Company recorded deferred income tax gain of $333,500 (2022: $4,767).

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20. Cash flow adjustments and changes in working capital

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

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Non-cash adjustments in operating activities:		
Depreciation of property and equipment	$ 194,556	$ 55,920
Amortization of intangible assets	1,566,501	1,020,922
Deferred income tax expense (benefit)	256,101	(711,651)
Income tax expense	440,366	271,703
Share-based compensation expense	411,186	237,303
Revaluation of equity consideration	(105,480)	(64,228)
Revaluation of contingent and deferred consideration	1,113,544	(95,121)
Revaluation of warrants liability	(1,098,243)	(834,612)
Revaluation of conversion feature	(337,160)	-
Goodwill impairment	250,000	-
Goodwill adjustment related to 2022 acquisition	(8,926)	-
Loss on disposal of asset	57,351	-
Disposal of property, plant and equipment	4,333	-
Contingent compensation related to acquisitions	230,698	-
Interest expense	756,608	-
Foreign exchange differences	(2,399,051)	559,601
Equity adjustment per IAS 29	-	43,665
	$ 1,332,384	$ 483,502
Net changes in working capital:		
Change in deferred revenue	$ (2,385,916)	$ 1,094,991
Change in trade and other receivables	1,353,263	1,072,223
Change in unbilled receivables	180,162	(460,492)
Change in prepaid expenses and other current assets	1,829,833	(125,151)
Change in accounts payable	(659,191)	(1,913,967)
Change in accrued expenses and other current liabilities	(4,046,419)	3,854,737
Change in short-term investments	(311,607)	-
	$ (4,039,875)	$ 3,522,341
Non-cash disclosures in investing and financing activities:		
Shares issued on acquisition	$ 1,124,395	$ 648,417
Shares issued related to acquisitions	258,685	814,937
Cashless options exercised	-	11,920
	$ 1,383,080	$ 1,475,274

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21. Administrative expenses and cost of revenue

	Three months ended		Nine months ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Compensation and benefits	$ 3,721,393	$ 3,256,501	$ 11,650,261	$ 7,647,459
Professional fees	988,273	832,294	3,686,478	2,882,970
Marketing and advertising	91,275	284,944	464,482	776,367
Investor relations and filing fees	57,826	118,316	228,186	505,571
Product development	-	-	-	243,000
Office and other expenses	483,002	103,167	1,649,926	569,705
Travel expense	139,427	49,463	400,045	154,721
Depreciation of property and equipment	76,914	33,513	194,556	55,920
Amortization of intangible assets	441,596	272,802	1,313,114	653,072
Exchange loss (gain)	120,722	63,022	(87,799)	(16,846)
Share-based compensation expense	241,484	84,949	411,186	237,303
Total administrative expenses	$ 6,361,912	5,098,971	$ 19,910,435	13,709,242

	Three months ended		Nine months ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Compensation and benefits	$ 3,778,308	$ 4,150,122	$ 11,659,524	$ 7,879,351
Subcontractor costs	4,001,923	699,067	9,956,590	1,930,545
Software and data expense	1,412,496	124,553	4,099,072	461,691
Amortization of intangible assets	82,538	130,944	253,387	370,954
Total cost of revenue	$ 9,275,265	$ 5,104,686	$ 25,968,573	$ 10,642,541

22. Financial instruments and risk management

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash, accounts receivable, unbilled receivable, taxes receivable, other current assets, accounts payable, accrued expenses and other current liabilities, long-term debt and consideration payable related to acquired companies approximates their fair value due to the short-term maturities of these items. The fair value of the warrants liability is determined using Level 2 valuation techniques. The fair values of equity and contingent consideration related to acquired companies are determined using Level 3 valuation techniques.

Risk

The Company's activities expose it to financial risks including credit risk, liquidity risk, market risk, currency risk, and interest rate risk.

Credit risk

The Company takes on exposure to credit risk, which is the risk that one party will cause a financial loss for another party by failing to discharge an obligation. The Company is exposed to the risk of non-payment of trade and other receivables balances. The Company's exposure to credit risk is $11,870,049 at September 30, 2023 (December 31, 2022: $4,703,310). The Company is also exposed to credit risk from cash held with banks and financial institutions. The maximum exposure is equal to the carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company might not be able to generate sufficient cash resources to settle its obligations in full as they fall due, or it can only do so on terms that are materially disadvantageous. The Company is exposed to liquidity risk through non-payment of its accounts payable, accrued expenses, other current liabilities, long-term debt and payables to previous shareholders. The Company's exposure to liquidity risk is $35,383,236 at September 30, 2023 (December 31, 2022: $27,846,595).

The table below summarizes the Company's contractual obligations into relevant maturity groups at the condensed consolidated interim statement of financial position date based on the expected contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of principal amounts.

	Carrying Value	Contractual Cash Flow	Year 1	Years 2 and 3	Years 4 and 5	Thereafter	Total
Long-term debt	$ 16,991,237	$ 16,989,394	$ 1,111,893	$ 6,713,353	$ 6,931,459	$ 2,234,532	$ 16,991,237
Other long-term liabilities	905,518	905,518	(614,585)	1,520,103	-	-	905,518
Convertible debt	2,854,713	2,854,713	-	2,854,713	-	-	2,854,713
Consideration payable to acquired companies	6,390,065	6,390,065	6,390,065	-	-	-	6,390,065
Contingent consideration related to acquired companies	648,588	648,588	-	648,588	-	-	648,588
Total	$ 27,790,121	$ 27,788,278	$ 6,887,373	$ 11,736,757	$ 6,931,459	$ 2,234,532	$ 27,790,121

The Company manages its capital structure on a consolidated level based on the funds available to it to support the continuation and expansion of its operations and to maintain a flexible capital structure, which optimizes the cost of capital at an acceptable risk. The Company defines capital to include share capital and its borrowings. The primary sources of the Company's cash flow are revenue collected from transactions completed for customers, debt financing and net cash proceeds from public offerings. The Company always intends to maintain sufficient liquidity to meet its liabilities as they come due. This is achieved by continuously monitoring cash flows and reviewing actual operating expenditures and revenue to budget.

Market risk

Market risk is the risk that changes in the market prices – such as interest rates, foreign exchange rates, equity prices and credit spreads – will affect the Company's income or the fair value of its holdings of financial instruments. The Company is exposed to market risk through currency risk, which results from both its operating and investing activities.

Currency risk

Currency risk is the possibility of financial loss due to unfavorable moves in exchange rates. The Company is exposed to currency risk, as its equity capital is raised in Canadian dollars, and a significant portion of its operating costs and obligations, and its acquisition prices, are denominated in U.S. dollars. A portion of the Company's operating costs are denominated in Argentine pesos, pound sterling and Colombian pesos but are significantly hedged by offsetting revenue. To mitigate exposure to foreign currency risk, exchange rates and cash requirements in various currencies are monitored, and funds are converted based on short-term rate forecasts.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument (ex. loans and borrowings) will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. The objective of the Company's interest rate management is to minimize the volatility of income. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk at this time. Please refer to Note 14 Long-term debt for interest rates on outstanding debt.

Price risk

Price risk is the risk that the value of a security or investment will decrease. The Company is not exposed to significant price risk, as the Company does not have securities or investments.

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23. Related party transactions

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 is a member of key management personnel. Key management personnel of the Company are its chief officers, executive members of the Board of Directors and non-executive directors. Key management personnel remuneration includes the following expenses:

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Salaries and bonuses	$ 272,492	$ 272,500	$ 938,390	$ 817,500
Share-based payments	228,329	33,410	344,969	96,560
Total related party transactions	$ 500,821	$ 305,910	$ 1,283,359	$ 914,060

24. Affinio Social Purchase Agreement

On May 10, 2023, the Company completed the sale of Affinio Social to a private UK-based intelligence platform provider, Audiense Ltd. ("Audiense"). Under the terms of the deal, the Company will receive an earn-out consideration based on the revenues collected (net of taxes) on sales of the Affinio Social product and Audiense products sold by the Company. Audiense is now an official reseller of the Company's vertical intelligence products and solutions. In addition, Audiense will pay $2.2 million of deferred payments in cash to the Company within 24 months of May 10, 2023, with acceleration events included. The Company also received an equity stake in Audiense equivalent to 2% of Audiense's share capital on a fully diluted basis as of May 10, 2023. As part of the transaction, Audiense purchased Affinio Social assets comprised primarily of IP and patents. The Company received perpetual, royalty-free license to use the transferred IP and patents, which the Company utilizes within its Snowflake product offering. As of September 30, 2023 the Company has received $220,000.

The effect of disposal on the financial position of the Company for the nine months ended September 30, 2023 is as follows:

Goodwill	$ (3,512,196)
Intangible assets	(917,339)
Deferred revenue	403,093
Net assets and liabilities	(4,026,442)
Consideration from sale	4,105,185
Transaction costs	(136,094)
Net loss on sale of asset	$ (57,351)

Consideration from sale includes deferred cash consideration of $2.2 million, estimated earn-outs based on future revenues, net of related costs, and an equity investment in Audiense Ltd.

25. Investments

	Nine months ended September 30, 2023	Year ended December 31, 2022
Balance, January 1	$ 482,610	$ -
Acquired through business combinations	326,652	372,386
Cash deposited (withdrawn)	213,954	(184,133)
Investing income	333,093	442,883
Foreign exchange differences	(235,440)	(148,526)
Ending Balance	$ 1,120,869	$ 482,610

Unaudited, Expressed in U.S. Dollars, except share information and unless otherwise noted

26. Prepaid expenses and other current assets

		September 30, 2023		December 31, 2022
Prepaid expenses	$	4,154,364	$	293,078
Security deposits		125,207		31,949
Employee receivable		280,914		59,403
Total prepaid expenses and other current assets	$	4,560,485	$	384,430

27. Subsequent events

On November 29, 2023, the Company entered into an amended loan agreement (Note 14d). The amending agreement deferred $954,000 of current principal payments until November 16, 2028.

On October 3, 2023, the Company amended the Share Purchase Agreement with the prior shareholders of CoreBI. The amended agreement provides for an earnout payment up to $3,250,000, which is contingent on CoreBI meeting specific cash flow targets.