NowVertical Group Inc.
Management's Discussion and Analysis
For the three and six months ended June 30, 2026

August 17, 2026

The following management's discussion and analysis ("**MD&A**") is intended to assist readers in understanding the business environment, strategies, performance and risk factors of NowVertical Group Inc. (the "**Company**", "**NowVertical**", "**NOW**", "**we**", "**us**" or "**our**"). All references to "$" are U.S. dollars and all references to "C$" are Canadian dollars.

This MD&A provides the reader with a view and analysis, from the perspective of management, of the Company's results of operations and financial position for the three and six months ended June 30, 2026 and should be read in conjunction with the Company's annual consolidated financial statements and notes thereto for the years ended December 31, 2025 and 2024 (the "**Audited Financial Statements**"), and the Interim Financial Statements for three and six month period ended June 30, 2026 (the "**Interim Financial Statements**") both of which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee in effect on January 1, 2024. The Interim Financial Statements and the notes thereto, along with this MD&A, were approved by the Company's board of directors (the "**Board**") on August 17, 2026.

Forward-Looking Statements

This MD&A may contain statements deemed "forward-looking statements" that involve risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company or its industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All statements in this MD&A, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward-looking statements, and words such as "may", "will", "expect", "believe", "plan", "intend", "should", "anticipate", "endeavour", "contemplate" and other similar terminology are intended to identify these forward-looking statements. These statements reflect management's current assumptions and expectations regarding future events and operating performance as of the date of this MD&A.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future events, performance, or results, and will not necessarily be accurate indications of whether or not such events, performance or results will be achieved. Several factors could cause actual events, performance, or results to vary significantly from the events, performance or results discussed in the forward-looking statements, including but not limited to the factors discussed below under "Risks and Uncertainties". The material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) the regulatory climate in which the Company operates; (ii) the continued sales success of the Company's services and products; (iii) the continued success of sales and marketing activities; (iv) there will be no significant reduction in the availability of qualified and cost-effective human resources; (v) the Company will be able to maintain compliance with applicable contractual and regulatory obligations and requirements; (vi) there will be adequate liquidity available to the Company to carry out its operations; (vii) products do not develop that would render the Company's current and future product offerings undesirable and the Company is otherwise able to minimize the impact of competition and keep pace with changing consumer preferences; and (viii) the Company will be able to successfully manage and integrate acquisitions, if any

Although the forward-looking statements contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual events, performance or results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation, except as required by law, to update any forward-looking statements to reflect new events or circumstances. This report should be viewed in conjunction with the Company's other publicly available filings, copies of which can be obtained electronically on SEDAR+ at www.sedarplus.com.

Non-IFRS Measures

This MD&A includes certain measures which have not been prepared in accordance with IFRS, such as “Adjusted EBITDA” and “EBITDA %”. These are not recognized measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers.

Adjusted EBITDA and EBITDA % provide investors with supplemental measures of the Company’s historical operating performance by adjusting for items that are not directly related to the Company’s operating performance or operating conditions and thus highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS measures.

The Company believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company’s management also uses non-IFRS financial measures to facilitate operating performance comparisons from period to period and to prepare annual budgets and forecasts. The non-IFRS financial measures referred to in this MD&A are defined below:

> “**Adjusted EBITDA**” adjusts net income (loss) before depreciation and amortization expenses (non-cash expenses), net interest costs, and provision for income taxes and items such as acquisition accounting adjustments, transaction expenses related to acquisitions, transactional gains or losses on assets (non-cash), asset impairment charges (non-cash), non-recurring expense items unrelated to day-to-day operations, non-cash stock compensation costs, and the full year impact of cost synergies related to restructuring activities, such as a reduction of employees.
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> “**EBITDA %”** is defined as Adjusted EBITDA as a percentage of Revenue.

For further details, please refer to the section entitled “Non-IFRS Results for the six months ended June 30, 2026” below.

Incorporation and Listing

NowVertical Group Inc. is an Ontario corporation listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “NOW.V”. The Company became publicly listed in June 2021 through a reverse-takeover of a capital pool company, Good2Go Corp., which constituted its qualifying transaction under TSXV Policy 2.4. Class A subordinate voting shares (“**SVS**” or “Subordinate Voting Shares”) commenced tradingon the TSXV under the symbol NOW.V on July 5, 2021, and its financial year end is December 31.

The Company’s full corporate history, including the terms of that transaction, is described in its filings available at www.sedarplus.com.

Description of the Business and Business Strategy

NowVertical helps enterprises turn their data into business insights using Artificial Intelligence (“**AI**”). NowVertical builds and runs the foundations that allows AI tools to function optimally for the client, delivering the results the client desires.

Nearly every business has a version of the same problem: data spread across systems that were never designed to work together and/or not properly integrated, combined with growing internal pressure to apply AI tools into their operations but lacking the foundations to properly benefit or execute an AI strategy. NowVertical solves these challenges and issues for its Clients.

The key elements as to why enterprises choose and become long-term client of NowVertical are the result of its delivery approach, domain expertise and pragmatic approach to pricing its engagements, The speed and value of NowVertical’s services are derived from a combination of senior domain expertise with a global delivery cost base whereby clients are paired with a team of consultants who know the client’s industry, sourced globally, creating superior value and return on client investment. NowVertical practices what it preaches and incorporates AI tools in the delivery process, namely agent-assisted methods that reduce project time.

NowVertical has two revenue streams: Core Services and Software Reselling. Core Services are fees earned for professional services, consulting engagements and other solutions provided to clients and software reselling are fees earned from the reselling of third-party software licenses and tools to be utilized by clients.

Geographic Regions and the Impact of Foreign Exchange

The Company operates in two main geographic regions: The first is Latin America ("**LATAM**") which comprises the countries of Mexico, Argentina, Brazil, Columbia and Chile with Argentina and Brazil generating the highest revenues. The Second region is North America, Europe, Middle East and Asia ("**NA and EMEA**") with various European countries driving the most revenue in that region.

It should be noted, for accounting purposes under IFRS, that Argentina is deemed a hyperinflationary market (International Accounting Standards rule 29.) Typically, foreign operations, when converting results from the local currency to the reporting currency, monetary assets and liabilities are revalued using the spot foreign exchange rate in effect at the reporting date and operating results on the income statement are converted using the average foreign exchange rate during the duration of the reporting period, with no changes or revaluations made to prior period results. There is no impact or revaluation performed on non-monetary assets and liabilities.

However, in a hyperinflationary environment (such as Argentina), at each reporting period the entire balance sheet (both monetary and non-monetary assets and liabilities) and income statement, including prior periods within the same reporting year, are converted as of the reporting period date, with any impacts arising from the revaluation of prior period reported results being captured as a gain or loss on the income statement in the current period. For example, when NowVertical reports its 2026 Q2 results, the results originating from Argentina are recalculated for all of Q1 and Q2 with any gain or loss from the adjustment of the previously reported Q1 results appearing as a foreign exchange gain or loss on the income statement. When results are reported for Q3, the revaluation calculation will cover Q1, Q2 and Q3.

The Markets Served

The market for data, analytics and AI services is large and continues to grow, driven by increasing enterprise adoption of artificial intelligence and the need to modernize the underlying data, technology and business processes required to deploy AI effectively. Gartner forecasts worldwide spending on AI services to reach approximately US$589 billion in 2026, compared with approximately US$439 billion in 2025.[1] Enterprises increasingly require integrated, reliable and accessible data and modern technology infrastructure to support AI deployment at scale, which management believes creates continued demand for the services provided by NowVertical.

Management seeks to capitalize on these market trends through continued organic growth, expansion of strategic client relationships and investment in the Company's data and AI capabilities.

[1] Gartner, "Gartner Says Worldwide AI Spending Will Total $2.5 Trillion in 2026," January 15, 2026.

How Management Measures the Business

Beginning with the 2026 Q2 results and moving forward, management intends to report a defined set of key operating measures (see below):

- **Data analytics solutions and services**: These are considered to be the core revenue of the company. Quarter over quarter growth of the underlying Core Services revenue streams (excluding reselling revenues). Management focus is aimed at growing this revenue stream based upon the market demand for services and higher gross margins compared to other product lines.
- **Reselling revenu**e: Quarter over quarter revenue and growth. Reselling has a lower gross margin than Core Services revenue due to a competitive market and lack of control over the price of the underlying software

licenses and management views reselling as a declining industry over the long-term and therefore is focussed on the higher margin Core Services revenue.

- **Strategic account revenue and Client tenure**: Revenue from the Company's top 30 accounts (total value and % of total revenue driven by the top 30 accounts) and revenue by length of client relationship. Most clients do not sign multi-year contracts; however, the repeatability of the NowVertical revenue streams can be captured based upon the length of client tenure.
- **Client Revenue Stratification**: The number of active clients in each revenue tier and the total revenue earned in each tier during the reporting period.
- **Google Cloud Platform ("GCP") related revenue**: NowVertical is a GCP Premier Partner and tracks revenue on engagements sourced through or delivered utilizing GCP.

<u>Revenue Metrics</u>

	Data analytics solutions and services	QoQ Growth ($)	QoQ Growth (%)	Reselling Revenue	QoQ Growth ($)	QoQ Growth (%)	Google Cloud Platform Revenue	QoQ Growth ($)	QoQ Growth (%)
2026 Q2	$ 8,579,367	$ 564,063	7.0%	$ 917,332	$ (606,423)	-39.8%	$ 2,494,094	$ 217,731	9.6%
2026 Q1	8,015,304	(83,460)	-1.0%	1,523,755	160,587	11.8%	$ 2,276,363	845,757	59.1%
2025 Q4	8,098,764	719,936	9.8%	1,363,168	(119,848)	-8.1%	$ 1,430,605	140,068	10.9%
2025 Q3	7,378,828	(188,405)	-2.5%	1,483,016	1,037,958	233.2%	$ 1,290,538	(117,133)	-8.3%
2025 Q2	7,567,233	(486,577)	-6.0%	445,058	(1,645,457)	-78.7%	$ 1,407,671	11,913	0.9%
2025 Q1	8,053,810	(457,504)	-5.4%	2,090,515	(18,515)	-0.9%	$ 1,395,758	(793)	-0.1%
2024 Q4	8,511,314	(314,566)	-3.6%	2,109,030	484,941	29.9%	$ 1,396,551	215,251	18.2%
2024 Q3	8,825,880	(1,489,076)	-14.4%	1,624,089	(329,299)	-16.9%	$ 1,181,300	367,796	45.2%

<u>Note: Google Cloud Platform Revenue is included within the Data Analytics and Resselling revenue streams</u>

Client Metrics

	2026 Q2	2026 Q1	2025 Q4	2025Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3
Revenue – Top 30 Accounts	$ 8,218,045	$ 7,338,336	$ 6,824,021	$ 6,782,221	$ 6,644,269	$ 7,870,082	$ 7,971,496	$ 8,290,781
% of Total Revenue	85.0%	75.3%	70.6%	74.7%	80.7%	75.9%	73.3%	77.5%
Total Revenue (under $100K customers)	2,164,267	3,102,448	3,557,632	3,131,023	2,242,141	2,396,054	2,474,776	2,513,082
Total Revenue (over $100K customers)	7,507,740	6,637,048	6,104,485	5,948,113	5,986,317	7,970,986	8,399,393	8,190,936
Revenue – Customers less than 1 year tenure	734,746	1,204,761	1,628,666	1,067,134	913,536	811,662	1,292,718	1,171,043
Revenue -Customers between 1-2 years tenure	2,633,328	2,091,234	1,536,942	2,412,789	913,534	2,580,165	1,787,599	2,509,231
Revenue – Greater than 2 years tenue	6,303,933	6,443,501	6,496,509	5,599,213	6,401,388	6,975,213	7,793,851	7,023,744

NowVertical does have one client that accounted for 12% of total revenue in the three months ended June 30, 2026 (10% for the six-months ended June 30, 2026).

Growth Strategy

Long-term growth is driven by three areas of focus. First, expansion within existing accounts, where long relationships and demonstrated results have established NowVertical as a key technology partner to its clients. Second, new client acquisition across all geographic regions, supported by focused propositions in the industries where the Company's prior success and reputation open the doors to new opportunities. Third, the Company's partnership with Google Cloud, where NowVertical has been named a Data & Analytics Partner of the Year for Latin America in consecutive years and is extending the same partner-led model to new industry and/or geographic markets.

NowVertical has an established client base, including 30+ accounts with lifetime values exceeding $5 million. The Company intends to focus on cross-sell and upsell opportunities with these accounts to support organic growth. For the six months ended June 30, 2026, the top 30 accounts represented 76% of revenue, consistent with prior periods. Any potential client-concentration risk is addressed under Risks and Uncertainties.

Solutions and Services

The Company's offerings address the recurring data challenges of its clients including customer acquisition and retention analytics, finance and revenue analytics (including linking to customer and product), data risk, data governance. Services are delivered as embedded solutions within client organizations. The Company has particular depth in technology, media and telecommunications; financial services; healthcare and pharmaceuticals; and energy.

Dispositions Completed May 24, 2024

On May 24, 2024, the Company completed the disposition of Allegient Defense, Inc ("**Allegient**") and all transaction details are described in prior filings. The transaction is still relevant to the current and future period reporting as the transaction has both an earn-out feature and earn-out obligation for NowVertical. NowVertical retains an earn-out obligation to the original founders of Allegient (from whom NowVertical had originally acquired Allegient) based upon the funds received from the subsequent acquirer of Allegient. If for any reason the proceeds are not received by

NowVertical there is no corresponding payout obligation to the original founders of Allegient. As of June 30, 2026 the receivable owned to NowVertical is greater than the payable to the original Allegient founders. During the six months ended June 30, 2026, the Company received $0.7 million, net of transaction costs and paid $nil to the original founders ($0.1 million was paid subsequent to June 30, 2026).

From the date of disposition through to June 30, 2026, the Company has received a cumulative total of $9.0 million (net of transaction costs) in gross proceeds and paid out $0.3 million to the Allegient founders. Based on current projections, the Company expects to receive earn-out proceeds net of the related payout obligations to the former founders of approximately $0.6 million in 2026, $0.6 million in 2027, and $0.5 million in 2028, which will contribute positively to operating cash flows.

Results from Operations

	Three months ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revenue	$ 9,672,007	$ 8,228,458	$ 19,411,503	$ 18,595,498
Cost of revenue	4,839,273	4,390,200	9,873,330	9,618,123
Gross profit	4,832,734	3,838,258	9,538,173	8,977,375
Gross profit margin	*50%*	*47%*	*49%*	*48%*
Administrative expenses	4,015,781	3,229,732	7,588,769	6,830,990
Income from operations	$ 816,953	$ 608,526	$ 1,949,404	$ 2,146,385

Revenue

Revenue increased by 18% to $9.7 million for the three months ended June 30, 2026, compared to $8.2 million for the same period in 2025, reflecting growth in both core services revenue and subscription and maintenance reseller revenue. The year-over-year increase also reflects the impacts of hyperinflation in Argentina (significant devaluation of the Argentine Peso occurred in 2025 Q2). The effects of the Argentine hyperinflation reduced reported revenue by $0.3 million for the six months ended June 30, 2026 (2025: $0.5 million).

Revenue increased by 4% to $19.4 million for the six months ended June 30, 2026, compared to $18.6 million for the same period in 2025. The increase was driven by growth in core services revenue, partially offset by the inflation impacts described above.

The following tables provide additional information about the types of revenue.

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Data analytics solutions and services				
Consulting and advisory services	$ 1,017,106	$ 668,352	$ 1,776,791	$ 700,735
Managed services	3,484,331	2,418,838	7,255,015	4,985,229
Transformation and project delivery	4,077,930	4,480,043	7,562,865	9,935,079
Total data analytics solutions and services	8,579,367	7,567,233	16,594,671	15,621,043
License and maintenance reselling	917,332	445,058	2,441,087	2,535,573
Software-as-a-service, license and maintenance	175,308	216,167	375,745	438,882
Total revenue	$ 9,672,007	$ 8,228,458	$ 19,411,503	$ 18,595,498

Gross Profit

Gross profit increased by 26% to $4.8 million for the three months ended June 30, 2026, compared to $3.8 million for the same period in 2025, primarily due to higher revenue during the period. The results of the current period were less impacted by the hyperinflation in Argentina due to a more stable exchange rate of the Argentine Peso. The foreign exchange impact reduced reported gross profit by only $0.1 million for the three months ended June 30, 2026 (2025: $0.2 million). There is no impact in the first quarter of any year as the revaluation is a year-to-date measure. Gross profit margin for the three months ended June 30, 2026 was 50% compared to 47% in the prior year period as the Company continues to improve its delivery efficiency.

Gross profit increased by 6% to $9.5 million for the six months ended June 30, 2026, compared to $9.0 million for the same period in 2025, primarily due to higher revenue during the period. Gross profit margin increased to 49% for the six months ended June 30, 2026, compared to 48% for the same period in 2025 due to improvements in both client pricing and delivery efficiencies.

Administrative Expenses

Administrative expenses include corporate costs, acquisition transaction costs (provided such costs are not included elsewhere in the income statement) and non-cash operating costs such as share-based compensation (see table below for a further breakdown of the components).

Total administrative expenses increased by 24% to $4.0 million for the three months ended June 30, 2026, compared to $3.2 million in the three months ended June 30, 2025.

Excluding share-based compensation expense, administrative expenses increased by 21% to $3.8 million for the three months ended June 30, 2026, compared to $3.1 million for the same period in 2025.

Total administrative expenses increased by 11% to $7.6 million for the six months ended June 30, 2026, compared to $6.8 million for the same period in 2025.

Excluding share-based compensation expense, administrative expenses increased by 7% to $7.1 million for the six months ended June 30, 2026, compared to $6.6 million for the same period in 2025.

Major components of administrative expenses were as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Compensation and benefits	$ 2,123,983	$ 1,575,391	$ 3,866,648	$ 3,036,482
Professional fees	536,689	247,086	978,293	693,672
Marketing and advertising	396,668	354,494	702,289	573,635
Investor relations and filing fees	19,147	62,697	48,769	111,675
Product development	77,719	66,175	130,106	52,139
Office and other expenses	190,294	419,522	705,107	905,231
Travel expense	101,508	109,028	160,883	186,806
Depreciation of property and equipment	35,400	92,475	67,338	169,091
Amortization of intangible assets	148,139	224,175	310,615	458,132
Exchange loss (gain)	143,313	(45,220)	108,754	411,365
Share-based compensation expense	242,921	123,909	509,967	232,762
Total administrative expenses	**$ 4,015,781**	**$ 3,229,732**	**$ 7,588,769**	**$ 6,830,990**

Compensation and benefits increased by 35% to $2.1 million for the three months ended June 30, 2026, compared to $1.6 million for the same period in 2025. For the six months ended June 30, 2026, compensation and benefits increased by 27% to $3.9 million compared to $3.0 million for the same period in 2025. The increase was mainly driven by annual salary adjustments and compensation increases for existing employees, as well as $0.1 million related to headcount growth in Mexico to support new client contracts. The increase also included $0.2 million in non-recurring severance and other termination-related costs.

Certain salary and wage costs are presented within the relevant functional expense lines, such as Marketing and Advertising and Product and Development costs and are therefore not included in Compensation and Benefits.

Professional fees increased by 117% to $0.5 million for the three months ended June 30, 2026, compared to $0.2 million for the same period in 2025, and increased by 41% to $1.0 million for the six months ended June 30, 2026, compared to $0.7 million for the same period in 2025, mainly driven by increased statutory audit costs, with the increase also reflecting non-recurring legal, business development and recruitment costs.

Marketing and advertising expenses remained consistent at $0.4 million for the three months ended June 30, 2026, compared to $0.4 million for the same period in 2025.

Marketing and advertising expenses increased by 22% to $0.7 million for the six months ended June 30, 2026, compared to $0.6 million for the same period in 2025, as a result of a non-recurring increase in marketing activities that took place in the first three months of 2026 arising from the Company's commitment to enhanced lead-generation initiatives aimed at supporting pipeline growth and market visibility at the start of the year. These costs align with management's strategic focus on driving revenue growth through strengthened commercial capabilities.

Investor relations expenses decreased by 69% to $0.02 million for the three months ended June 30, 2026, compared to $0.06 million for the same period in 2025, and decreased by 56% to $0.05 million for the six months ended June 30, 2026, compared to $0.11 million for the same period in 2025, mainly due to the reduction of non-recurring filing fees and shareholder services costs.

Product development costs increased by 17% to $0.08 million for the three months ended June 30, 2026, compared to $0.07 million for the same period in 2025, and increased by 150% to $0.13 million for the six months ended June 30, 2026, compared to $0.05 million for the same period in 2025. The increase was mainly driven by a non-recurring refund of $0.1 million recognized in the comparative period, which reduced product development costs in 2025, as well as higher recurring salary and wage costs in 2026.

Office and other expenses decreased by 55% to $0.19 million for the three months ended June 30, 2026, compared to $0.42 million for the same period in 2025, and decreased by 22% to $0.7 million for the six months ended June 30, 2026, compared to $0.9 million for the same period in 2025. The decreases were primarily attributable to a non-recurring expense recoveries in 2026, while the comparative period included non-recurring invoice write-offs. Excluding these items, office and other expenses were broadly in line with the prior year.

Travel expenses decreased by 7% to $0.10 million for the three months ended June 30, 2026, compared to $0.11 million for the same period in 2025, and decreased by 14% to $0.16 million for the six months ended June 30, 2026, compared to $0.19 million for the same period in 2025. The decrease was mainly driven by lower inter-office travel during 2026.

Depreciation expenses decreased by 62% to $0.04 million for the three months ended June 30, 2026, compared to $0.09 million for the same period in 2025, and decreased by 60% to $0.07 million for the six months ended June 30, 2026, compared to $0.17 million for the same period in 2025, due to certain assets becoming fully depreciated by the end of 2025.

Amortization expenses decreased by 34% to $0.15 million for the three months ended June 30, 2026, compared to $0.22 million for the same period in 2025, and decreased by 32% to $0.31 million for the six months ended June 30, 2026, compared to $0.46 million for the same period in 2025, due to certain assets becoming fully amortized but still in use.

Share-based compensation expense increased by 96% to $0.2 million for the three months ended June 30, 2026, compared to $0.1 million for the same period in 2025, and increased by 119% to $0.5 million for the six months ended June 30, 2026, compared to $0.2 million for the same period in 2025, primarily due to higher expense recognized in connection with Performance Share Units (PSUs) issued during 2025 and stock options.

Income from Operations

Income from operations increased by 34% to $0.8 million for the three months ended June 30, 2026, compared to $0.6 million for the same period in 2025, primarily attributable to higher revenue and gross profit, partially offset by increased administrative expenses. The variance also benefits from the prior-year impact of the Argentine peso devaluation (greater in the prior year than the current year).

Income from operations decreased by 9% to $1.9 million for the six months ended June 30, 2026, compared to $2.1 million for the same period in 2025 with the decrease occurring during the first three months of 2026 as the second quarter of 2026 saw income growth as a result of plans and investments made in the early part of the year which have and will continue to provide future benefit.

Other Income/Expenses

Other expenses include revaluations of financial liabilities, one-time costs, inflation impact and net interest, as follows:

Revaluation of equity consideration relates to the fair value adjustment of shares to be issued in the future in relation to acquisitions. Revaluation of contingent and deferred consideration relates to the revaluations of contingent earn-out consideration and deferred consideration in relation to acquisitions. The inflation effect on the net monetary position relates to the IAS 29 (adjustment for the impacts of hyperinflation in Argentina).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revaluation of warrant liability	$ -	$ (175,528)	$ 34,961	$ (175,528)
Revaluation of equity consideration	-	-	-	(35,355)
Revaluation of contingent and deferred consideration	-	-	-	(592,848)
Inflation effect on the net monetary position	(218,930)	(227,408)	(854,728)	(553,758)
Investing income	26,705	49,012	68,106	145,363
Interest expense	(317,338)	(529,013)	(524,411)	(1,151,739)
Amortization of debt issuance costs	(106,423)	-	(212,643)	-
Gain on debt settlement	-	36,030	-	36,030
Gain on disposal of asset	-	-	47,826	-
Total other income (expenses)	$ (615,986)	$ (846,907)	$ (1,440,889)	$ (2,327,835)

Income Tax Expense

Income tax expense or benefit is recognized at an amount determined by multiplying the profit (loss) before tax for the 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 period.

For the three months ended June 30, 2026, the Company recorded an income tax expense of $0.03 million (2025: $0.4 million of an income tax expense) on net income before tax of $0.2 million (2025: $0.2 million on net loss before tax).

For the six months ended June 30, 2026, the Company recorded an income tax expense of $0.3 million (2025: $1.1 million of income tax expense) on net income before tax of $0.5 million (2025: $0.2 million on net loss before tax).

Net Income (Loss) and Earnings (Loss) Per Share

For the three months ended June 30, 2026, net income was $0.2 million, compared to net loss of $0.6 million for the same period in 2025.

For the six months ended June 30, 2026, net income was $0.2 million, compared to net loss of $1.3 million for the same period in 2025.

On a per share basis, the Company earned net income per share of $0.002 for the three months ended June 30, 2026, compared to a net loss per share of $0.01 for the same period in 2025.

On a per share basis, the Company earned net income per share of $0.002 for the six months ended June 30, 2026, compared to a net loss per share of $0.01 for the same period in 2025.

Summary of Quarterly Results

The selected financial information provided below is derived from the Company's Interim Financial Statements.

Amounts in millions except income (loss) per share	Q2 26	Q1 26	Q4 25	Q3 25	Q2 25	Q1 25	Q4 24	Q3 24
Revenue	$ 9.672	$ 9.739	$ 9.662	$ 9.079	$ 8.228	$ 10.367	$ 10.874	$ 10.704
Gross profit	4.833	4.705	5.149	4.672	3.838	5.139	5.667	5.271
Administrative expenses	4.016	3.573	5.297	4.298	3.230	3.601	2.965	3.942
Income (loss) from operations	0.817	1.132	(0.148)	0.373	0.609	1.538	2.702	1.330
Net income (loss)	0.170	0.051	(2.038)	(0.626)	(0.624)	(0.684)	0.581	0.575
Basic net income (loss) per share	$ 0.00	$ 0.00	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ 0.01	$ 0.01
Diluted net income (loss) per share	$ 0.00	$ 0.00	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ 0.01	$ 0.01
Weighted average shares outstanding	97.815	97.815	97.815	97.346	96.515	91.241	87.268	87.126
Shares outstanding, end of period	97.815	97.815	97.815	97.815	96.533	96.436	87.268	87.268
Adjusted revenue	$ 9.672	$ 9.739	$ 9.662	$ 9.079	$ 8.228	$ 10.367	$ 10.874	$ 10.690
Adjusted EBITDA	$ 1.454	$ 1.751	$ 1.820	$ 1.848	$ 1.033	$ 2.519	$ 2.583	$ 2.020
Adjusted EBITDA %	15%	18%	19%	20%	13%	24%	24%	19%
Gross Profit %	50%	48%	53%	51%	47%	50%	52%	49%

Effects of Argentina Hyperinflationary Accounting

The devaluation of the Argentine peso on June 30, 2026, resulted in a non-cash accounting impact on the Company's Argentine subsidiary's 2026 financial results. Result of the Argentine subsidiary are fully included in the consolidated results of the NowVertical. The Argentine peso (ARS) experienced a devaluation of 7% from March 31, 2026, to June 30, 2026, against the U.S. dollar from 1,373 to 1,473. IAS 29 requires that operations in hyperinflationary economies are reported by restating year-to-date results to reflect the change in general purchasing power of the local currency. The following table illustrates the impact of the 2026 devaluation on the Company's Argentine subsidiary's revenue, gross profit and income from operations. The table shows that while revenue increased sequentially in ARS, the devaluation of the Argentine peso resulted in a decrease in the U.S. dollar-equivalent revenue. Gross profit and income from operations increased sequentially in both ARS and U.S. dollar terms, despite the impact of the devaluation.

Argentina Revenue		**Q1 2026**		**Q2 2026**		**Q2 2026 YTD**
Revenue reported in ARS		5,527,207,307		6,206,062,896		11,733,270,203
Exchange rate ARS/USD		1,373		1,473		1,473
Revenue reported in USD	$	4,025,643	$	3,939,918	$	7,965,560

Argentina gross profit		**Q1 2026**		**Q2 2026**		**Q2 2026 YTD**
Gross profit in ARS		1,733,047,824		3,006,749,096		4,739,796,920
Exchange rate ARS/USD		1,373		1,473		1,473
Gross profit reported in USD	$	1,262,234	$	1,955,550	$	3,217,785

Argentina income from operations		**Q1 2026**		**Q2 2026**		**Q2 2026 YTD**
Income from operations in ARS		746,572,678		1,742,697,088		2,489,269,767
Exchange rate ARS/USD		1,373		1,473		1,473
Income from Operations in USD	$	543,753	$	1,146,179	$	1,689,932

Argentina Adjusted EBITDA		**Q1 2026**		**Q2 2026**		**Q2 2026 YTD**
Adjusted EBITDA in ARS		1,116,819,157		1,274,177,267		2,390,996,425
Exchange rate ARS/USD		1,373		1,473		1,473
Adjusted EBITDA in USD	$	813,415	$	809,800	$	1,623,215

FX and Hyperinflation impact on Company Consolidated EBITDA in USD		**Q1 2026**		**Q2 2026**		**Q2 2026 YTD**
Inflation	$	5,692	$	(46,673)	$	(40,981)
FX		(10,533)		79,464		68,931
Net impact of Hyperinflation and FX adjustments on EBITDA		**(4,841)**		**32,791**		**27,950**

Non-IFRS Results for the six months ended June 30, 2026

Reconciliation of Revenue to Adjusted EBITDA

		Three months ended				**Six Months Ended**		
		June 30, 2026		**June 30, 2025**		**June 30, 2026**		**June 30, 2025**
Revenue	**$**	**9,672,007**	**$**	**8,228,458**	**$**	**19,411,503**	**$**	**18,595,498**
Income from operations	**$**	**816,953**	**$**	**608,526**	**$**	**1,949,404**	**$**	**2,146,385**
Adjustments								
Depreciation and amortization		278,619		392,321		602,275		779,057
Expenses incurred in connection with acquisitions		(322,671)		(96,741)		(259,796)		(67,947)
Foreign exchange loss (gain)		143,313		(45,220)		108,754		411,365
Non-cash stock-based compensation		242,921		123,909		509,967		232,762
Impact of cost synergies related to reduction of employees		294,578		50,053		294,578		50,168
Adjusted EBITDA	**$**	**1,453,713**	**$**	**1,032,848**	**$**	**3,205,182**	**$**	**3,551,790**

"Expenses incurred in connection with acquisitions" represents the recovery of costs previously incurred and recorded as operating expenses

For the three months ended June 30, 2026, Adjusted EBITDA increased by 41% to $1.5 million, compared to $1.0 million in the same period in 2025 as a result of increased revenue and gross profit growth in the current period.

For the six months ended June 30, 2026, Adjusted EBITDA decreased by 10% to $3.2 million compared to $3.6 million in the same period in 2025 as a result of the year over decrease experienced in the first quarter of 2026 compared to the prior year.

Adjusted EBITDA, as a percentage of revenue, increased to 15% for the three months ended June 30, 2026, compared to 13% in the same period in 2025.

Adjusted EBITDA, as a percentage of revenue, decreased to 17% for the six months ended June 30, 2026, compared to 19% in the same period in 2025. The six-month decline reflects the commercial capacity added in the first three months of 2026.

Segment Reporting

For segment reporting purposes, the Chief Executive Officer 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 CODM makes decisions and assesses performance of the Company on the basis such that the Company has two reportable operating segments: Operations and Corporate. The accounting policies of the reportable segments are the same as the Company's accounting policies. The Corporate segment represents overhead and various public company costs that are not part of operational delivery.

Information related to each reportable segment is set out below. Segment EBITDA is used to measure performance, as management believes this information is the most relevant in evaluating the results of the Company.

Non-IFRS Results by operating segment for the three and six months ended June 30, 2026

	Three months ended					
	June 30, 2026			June 30, 2025		
	Operations	**Corporate**	**Total**	**Operations**	**Corporate**	**Total**
Revenue	$ 9,672,007	$ -	$ 9,672,007	$ 8,228,458	$ -	$ 8,228,458
Cost of revenue	(4,744,092)	(99)	(4,744,191)	(4,314,528)	-	(4,314,528)
Gross profit	4,927,915	(99)	4,927,816	3,913,930	-	3,913,930
Gross profit %	*51%*	*0%*	*51%*	*48%*	*0%*	*48%*
Administrative expenses	(2,529,551)	(944,552)	(3,474,103)	(2,395,498)	(485,584)	(2,881,082)
Adjusted EBITDA	$ 2,398,364	$ (944,651)	$ 1,453,713	$ 1,518,432	$ (485,584)	$ 1,032,848
Adjusted EBITDA %	*25%*	*-10%*	*15%*	*18%*	*-6%*	*13%*

	Six Months Ended					
	June 30, 2026			June 30, 2025		
	Operations	**Corporate**	**Total**	**Operations**	**Corporate**	**Total**
Revenue	$ 19,411,503	$ -	$ 19,411,503	$ 18,595,498	$ -	$ 18,595,498
Cost of revenue	$ (9,648,907)	$ (99)	(9,649,006)	(9,466,249)	(39)	(9,466,288)
Gross profit	9,762,596	(99)	9,762,497	9,129,249	(39)	9,129,210
Gross profit %	*50%*	*0%*	*50%*	*49%*	*0%*	*49%*
Administrative expenses	$ (4,849,198)	$ (1,708,117)	(6,557,315)	(4,544,793)	(1,032,627)	(5,577,420)
Adjusted EBITDA	$ 4,913,398	$ (1,708,216)	$ 3,205,182	$ 4,584,456	$ (1,032,666)	$ 3,551,790
Adjusted EBITDA %	*25%*	*-9%*	*17%*	*25%*	*-6%*	*19%*

Liquidity and Capital Resources

The Company defines “capital” to include share capital and borrowings, which are managed on a consolidated level. Over the past six quarters, the Company has undergone a major shift in the discipline of its capital allocation strategy. While in the periods prior to this, the Company relied on equity and debt financings to fund its operations. Moving forward the Company is focussed on improving operating cashflows to fund ongoing operations combined with increased profitability as a pathway to significantly restructure its debt obligations.

The Company has not completed any equity financing transactions since February 28, 2023. Any Subordinate Voting Shares issued since that date have been in settlement of debt, equity incentives, or acquisition-related liabilities rather than to raise capital.

As of June 30, 2026, the Company had positive working capital of $2.3 million, which includes deferred revenue of $0.5 million. Excluding deferred revenue, the Company had a positive working capital of $2.9 million.

In May 2025, the Company completed a refinancing transaction in which NowVertical Group Inc. and its subsidiary NowVertical UK Ltd., entered into a Term Loan and Revolving Facility Agreement with HSBC UK Bank Plc. The Company initially drew total proceeds of $14.7 million, excluding debt issuance costs, consisting of a $6.0 million term loan and $8.7 million revolving facility. The proceeds were primarily used to repay and discharge $10.3 million of existing debt obligations.

The term loan is subject to quarterly principal repayments of $0.3 million, which commenced in September 2025, and had an outstanding principal balance of $4.8 million as at June 30, 2026. As at June 30, 2026, the Company had drawn $12.0 million under the revolving facility. The revolving facility matures in 2028 and is repayable as a bullet payment at maturity, with an option to extend the maturity by one year, subject to lender consent. An additional $8.0 million of revolving capacity may be made available under an accordion feature, subject to lender approval.

The term loan and revolving facility bear interest at variable rates ranging from SOFR + 2.25% to 3.75% and SOFR + 1.75% to 3.25%, respectfully, depending on the Company’s net leverage ratio. The facilities are secured against certain NowVertical entities.

As of the date of this MD&A, the Company has cash of $3.9 million. The cash includes $0.9 million held at banks located in Argentina.

Since its inception and through the date of this MD&A, the Company has raised over $22.9 million in net cash from equity and convertible note financings.

Cash Flows from Operations

For the six months ended June 30, 2026, the Company generated $1.0 million of cash from operations, compared with $4.0 million consumed in the same period in 2025, an improvement of $5.0 million. The improvement is the result of the return to profitability in 2026 combined with improved cash management.

Cash Flows from Investing Activities

For the six months ended June 30, 2026, the Company generated $0.1 million of cash from investing activities (2025: $2.1 million) mainly due to $0.7 million of net proceeds received from the divestiture of Allegient and Affinio Social. These proceeds were partially offset by $0.3 million investment in intangible assets, $0.2 million net purchases of short-term investments and $0.1 million consideration paid in conjunction with prior acquisitions.

Cash Flows from Financing Activities

For the six months ended June 30, 2026, the Company used cash of $0.7 million (2025: $3.2 million generated from debt proceeds) in financing activities due to the repayment of debt obligations.

Contractual Obligations

As discussed above, NowVertical Group Inc. and its subsidiary NowVertical UK Ltd. entered into a Term Loan and Revolving Credit Facility Agreement with HSBC UK Bank Plc on May 30, 2025. Under this facility, NowVertical UK Ltd. has a $6.0 million term loan amortizing through 2030, with $1.2 million of principal due within the next twelve months. NowVertical Group Inc. has drawn $12.0 million under the revolving facility, comprising an initial draw of $8.7 million and a subsequent draw of $3.3 million. The term facility is serviced with quarterly principal and interest payments. Interest on the revolving facility is also paid quarterly, with separate interest payments made on the $8.7 million and $3.3 million draws, and the full principal balance outstanding is repayable at maturity in 2028. The revolver has a committed capacity of $12.0 million and includes an accordion feature permitting the facility to be increased to up to $20.0 million, subject to HSBC approval. The Company also has the option to extend the maturity of the revolver by one additional year to 2029. Both facilities are secured against certain NowVertical entities. The total balance outstanding as at June 30, 2026 is $16.9 million (2025: $17.6 million). NowVertical Group Inc. has three unsecured, non-interest-bearing loans outstanding of $0.3 million in the aggregate, of which $0.1 million is due within twelve months.

As at June 30, 2026, the consideration payable related to acquired companies is as follows:

	June 30, 2026	December 31, 2025
Consideration payable	$ 398,851	$ 564,877
Contingent consideration payable	1,320,000	1,078,244
Total current liabilities	$ 1,718,851	$ 1,643,121
Contingent consideration payable	100,085	320,050
Total long-term liabilities	$ 100,085	$ 320,050
Total considerable payable	$ 1,818,936	$ 1,963,171

On January 2, 2025, the Company amended the Purchase Agreement dated December 9, 2022, between the Company and the former shareholders of Acrotrend. In particular, the remaining holdback amount owing of $65,000, previously due on December 31, 2024, was settled through the issuance of 283,419 SVS and $750,000 of the remaining earn-out owing of $990,000, previously due on or before January 1, 2026, was settled through the issuance of 3,270,227 SVS during the six months ended June 30, 2026. The Company settled all remaining obligations during the year ended December 31, 2025.

On December 22, 2024, the Company amended the Purchase Agreement dated January 12, 2023, and amended on May 23, 2023, October 3, 2023, and April 10, 2024, between the Company and the former shareholders of CoreBI. In particular, $600,000 of the remaining deferred payments owing were settled through the issuance of 2,607,818 SVS and $650,000 of the remaining earn-out owing in equity, was settled through the issuance of 2,825,136 SVS during the six months ended June 30, 2025. As of December 31, 2025, the Company had a remaining deferred payment obligation of $165,000 due on or before June 30, 2026. As at the date of this MD&A, the Company has no remaining obligations to the Sellers.

On April 30, 2024, the Company and the seller of Smartlytics Consultancy Limited agreed to amend the existing share purchase agreement dated December 10, 2022, as amended to restructure the remaining earn-out obligations and defer the acquisition holdback. The Company settled all remaining obligations during the year ended December 31, 2025.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

The Company considers a related party a person or entity which has control, joint control or significant influence over the Company, or is a member of key management personnel (chief officers), and members of the Board of Directors. Key management personnel remuneration includes the following expenses:

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Salaries and bonuses	$ 312,641	$ 208,841	$ 626,777	$ 410,342
Share-based payments	44,200	106,063	169,898	189,914
Shares issued for provision of services	-	-	-	47,220
Total related party transactions	$ 356,841	$ 314,904	$ 796,675	$ 647,476

Changes in Accounting Policies including Initial Adoption

New standards and interpretations adopted in the period:

During the period, the Company adopted the amendments issued by the International Accounting Standards Board ("IASB") as part of its annual improvements and narrow-scope amendments to existing standards, including IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IAS 7 Statement of Cash Flows, and IFRS 1 First-time Adoption of International Financial Reporting Standards, which are effective for annual reporting periods beginning on or after January 1, 2026.

Management has assessed the impact of these amendments on the Company's consolidated financial statements and determined that the adoption did not have a material impact on the Company's financial position, results of operations, cash flows, or related disclosures.

New standards and interpretations not yet adopted:

IFRS 18, Presentation and Disclosure of Financial Statements ("IFRS 18") — IFRS 18 replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of income and comprehensive income, new requirements for the disclosure of management-defined performance measures, and new requirements for the location, aggregation and disaggregation of financial information. In addition, narrow-scope amendments have been made to IAS 7, Statement of Cash Flows ("IAS 7"), which include changing the starting point for determining cash flows from operations under the indirect method and the removal of the optionality around the classification of cash flows from dividends and interest. The amendments are effective for reporting periods beginning on or after January 1, 2027.

The Company expects that the adoption of IFRS 18 will have a material impact on the Company's financial statements given the new presentation requirements and the requirement to disclose management-defined performance measures. All new standards and amendments to existing standards will be adopted by the Company as of their effective date.

Financial Instruments and Other Instruments

The Company's financial assets categorized at amortized cost include trade and other receivables, unbilled revenue, taxes receivable, and cash. The Company does not have any financial assets categorized as fair value through profit and loss ("**FVTPL**") or fair value through other comprehensive income ("**FVOCI**").

The Company's financial liabilities are initially measured at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Subsequently, financial liabilities are measured either at amortized cost using the effective interest method or at FVTPL. For financial liabilities measured at amortized cost, all interest-related charges and, if applicable, changes in fair value that are reported in profit and loss are included within finance costs or finance income.

The Company's financial instruments categorized at amortized cost include long-term debt, convertible debenture, loan payable, accounts payable, accrued expenses and other current liabilities, and consideration payable related to acquired companies. The Company's financial instruments categorized at FVTPL are contingent consideration payable related to acquired companies and equity consideration payable related to acquired companies.

Derivative instruments, including derivative instruments embedded in other contracts (such as warrants) and instruments designated for hedging activities, are recognized as either asset or liabilities in the statement of financial position and measured at fair value. The Company has not used derivative instruments to hedge exposures to cash flow or foreign currency risks. Any change in the fair value of a derivative instrument or an embedded derivative not designated as a hedging instrument is recognized as an unrealized gain or loss in the statement of loss and comprehensive loss.

Outstanding Share Data

The Company is authorized to issue an unlimited number of class A Subordinate Voting Shares and an unlimited number of class B proportionate voting shares ("**Proportionate Voting Shares**"). As of the date of this MD&A, the following securities of the Company were issued and outstanding: (i) 95,438,135 Subordinate Voting Shares, (ii) 23,765 Proportionate Voting Shares, which are convertible into 2,376,500 Subordinate Voting Shares (iii) 4,382,942 stock options to purchase 4,382,942 Subordinate Voting Shares, (iv) 1,919,532 Restricted Stock Units and (v) 2,984,465 Performance Share Units.

Risks and Uncertainties

The Company's business is subject to a number of risk factors, which are described below as well as in the Company's final short form base shelf prospectus dated January 21, 2022, a copy of which is available on SEDAR+ at www.sedarplus.com, which are incorporated by reference herein. Particularly, the Company's activities expose it to financial risks, including credit risk, liquidity risk, and currency risk. It is the Company's opinion that it is not exposed to other significant market risks, including price, or variable 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 from Trade Receivables and Unbilled Receivables was $15.2 million as of June 30, 2026.

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 may only be able to do so on materially disadvantageous terms. As of June 30, 2026, the Company had cash of $3.9 million, other current assets of $17.2 million, and current liabilities of $18.2 million (excluding deferred revenue). The Company had fully drawn its $12.0 million committed revolving credit facility as of June 30, 2026. Under the accordion feature of the facility, the Company may access up to an additional $8.0 million of borrowing capacity, subject to lender approval, in the lender's discretion, which would increase the total revolving facility to $20.0 million.

Interest Rate risk

The interest-bearing term and revolving facilities under the HSBC credit facility have variable interest rates. Any significant increases in prevailing rates may impact debt servicing costs and overall liquidity. The Company monitors interest rate developments but does not currently utilize hedging instruments.

Currency risk

The Company is exposed to foreign currency fluctuations. Such exposure arises from translation of monetary assets and liabilities denominated in foreign currencies, such as the Canadian dollar and the Argentinian peso, the impact of which is recorded in the Company's Statement of Operations; and translation of entities that have a functional currency that differs from the U.S. dollar reporting currency of the Company, the impact of which is recorded through the Company's Other Comprehensive Income.

The Company continually monitors its exposure to foreign currency risks arising from foreign currency balances and transactions. The Company does not utilize any financial instruments to hedge this risk.

Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial also may impair our business and operations and cause the price of the Subordinate Voting Shares to decline. If any of the noted risks actually occur, the Company's business may be harmed, and the financial condition and results of operations may suffer significantly. In that event, the trading price of the Subordinate Voting Shares could decline, and shareholders may lose all or part of their investment.

Client Concentration

A significant portion of the Company's revenue is derived from a limited number of key clients. For the six months ended June 30, 2026, the Company's top 30 accounts represented 76% of total revenue (the largest customer accounted for 10% of total revenue). The loss of one or more of these key clients, or a significant reduction in business from any such client, whether due to competitive factors, changes in client budgets or priorities, failure to perform under existing contracts, or other reasons, could have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, the Company's dependence on a concentrated client base may result in reduced negotiating leverage and increased exposure to payment delays or defaults by individual clients. There can be no assurance that the Company will be able to maintain or expand its relationships with its key clients or that it will be successful in diversifying its client base to reduce concentration risk.

Google Cloud

The Company has a significant strategic relationship with Google Cloud and derives a material portion of its revenue from engagements sourced through or delivered on the Google Cloud platform. The Company has been named a Data & Analytics Partner of the Year for Latin America in consecutive years and is extending this partner-led model to new markets. A deterioration of the Company's relationship with Google Cloud, changes to Google Cloud's partner program terms or economics, the loss of the Company's partner status, or any reduction in Google Cloud's market share or strategic focus on the services provided by the Company could materially and adversely affect the Company's business, financial condition and results of operations. The Company's success is partially dependent on the continued growth and adoption of cloud services and the Google Cloud platform specifically. Any disruption to Google Cloud services, negative perception of Google Cloud in the marketplace, or shift in enterprise preference to competing cloud platforms could reduce demand for the Company's services. Additionally, there can be no assurance that the Company will maintain its current partner status or be able to achieve similar recognition in new geographic or industry markets, and the failure to do so could limit the Company's growth prospects.

Ability to Achieve the Desired Synergies and Benefits of Acquisitions

As part of the Company's growth strategy, it has and plans to continue to complete acquisitions. NowVertical's ability to integrate newly acquired companies into its global operating model is an integral part of how the Company achieves and plans to continue to achieve its growth targets. In recent years, the Company has consummated a number of acquisitions. The Company evaluates, and expects in the future to evaluate, potential strategic acquisitions of, and partnerships or joint ventures with, businesses providing services or technologies that are complementary to the Company's existing services and technologies. The Company's acquisition strategy involves a number of risks related to the realization of synergies and overall integration of the Company's operations, including but not limited to, human resources, company culture, product pricing, information technology, data integrity, information systems, business processes and financial management. However, the Company may not be successful in identifying acquisition, partnership and joint venture targets or the Company may use estimates and judgments to evaluate the operations and future revenue of a target that turn out to be inaccurate. In addition, the Company may not be able to successfully finance or integrate a particular business, service or technology that the Company acquires or with which the Company forms a partnership or joint venture, and the Company may not achieve the anticipated benefits of such project or the Company may lose clients as a result. Furthermore, the integration of any acquisition, partnership or joint venture may divert management's time and resources from the Company's existing business and disrupt its operations. Certain acquisitions, partnerships and joint ventures the Company has and may in the future make may prevent the Company from competing for certain clients or in certain lines of business and may lead to a loss of clients to the extent the

Company acquires businesses with non-competes or exclusivity provisions in their agreements with corporate clients. Certain acquisitions may also enmesh the Company in outstanding or unforeseen legal, regulatory, contractual, employee or other issues. As a result of any of the foregoing, the Company may spend time and money on projects that do not increase its revenue or profitability. Moreover, the Company's competitors may be willing or able to pay more than the Company for acquisitions, which may cause the Company to lose certain acquisitions that the Company would otherwise desire to complete. Even if the Company successfully competes for a certain acquisition, partnership or joint venture, the Company may finance the project with cash on hand, equity or debt, or a combination thereof, which could decrease the Company's cash reserves, dilute the Company's shareholders or significantly increase the Company's level of indebtedness or place other restrictions on the Company's operations. The Company cannot ensure that any acquisition, partnership or joint venture the Company makes will not have a material adverse effect on the Company's business, financial condition and results of operations.

Credit Facilities

If the Company's cash flows, cash and cash equivalents are insufficient to fund its debt service obligations, including repayment or renewal of the credit facilities at the end of each of their terms, the Company could face liquidity problems and could be forced to seek amendments to the credit facilities, or reduce or delay investments and capital expenditures, dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the Company's indebtedness. The Company may not be able to affect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations. There can be no certainty that the Company will be able to repay or renew the credit facilities at maturity and the failure to do so would have a material adverse effect on the Company. In addition, a breach of the covenants under the credit facilities could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross acceleration or cross default provision applies. In the event the lender accelerates the repayment of the Company's borrowings, the Company may not have sufficient assets to repay its indebtedness. The security interests provided by the Company under the credit facilities may adversely affect the Company's ability to secure other types of financing.

Claims against a seller

There may be liabilities assumed in any acquisition or business combination that the Company did not discover or that it underestimated in the course of performing the Company's due diligence. Although a seller generally will have indemnification obligations to the Company under an acquisition or merger agreement, these obligations usually will be subject to financial limitations, such as deductibles and maximum recovery amounts, as well as time limitations. The Company cannot assure you that its right to indemnification from any seller will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the amount of any undiscovered or underestimated liabilities that it may incur. Any such liabilities could have a material adverse effect on the Company's business, financial condition, operating results, liquidity and prospects.

Disposition Risks

The Company may from time to time dispose of businesses or assets as part of its strategic initiatives. In connection with such dispositions, the Company may be entitled to receive earn-out payments or other contingent consideration from purchasers based on the future performance of the disposed business. The Company's ability to earn and collect such amounts is subject to risks and uncertainties, including the performance of the disposed business under new ownership, the financial condition and creditworthiness of the purchaser, and potential disputes regarding the calculation or payment of earn-out amounts. There can be no assurance that the Company will receive the full amount of any earn-out or contingent consideration to which it believes it is entitled, whether due to underperformance of the disposed business, disputes with the purchaser, purchaser insolvency, or other factors. The failure to collect expected earn-out payments could have an adverse effect on the Company's cash flows, financial condition and results of operations.

Incorporation of AI May Present Risks

We have incorporated, and plan to incorporate in the future, AI, into our products. AI is a new and emerging technology that is in its early stages of commercial use. If any of our products that incorporate AI have perceived or actual negative impacts on our clients, we may experience brand or reputational harm, competitive harm or legal liability. The rapid evolution of AI may also require the application of significant resources to develop, test and maintain our products and services that incorporate AI in order to help ensure that it is implemented in a socially responsible manner, to minimize any real or perceived unintended harmful impacts. In addition, AI is subject to a complex and evolving regulatory landscape, including data protection, privacy, and potentially other laws and different jurisdictions have taken and may take in the future varying approaches to regulating AI. Compliance with these laws and regulations can be complex, costly and time-consuming, and there is a risk of regulatory enforcement actions or litigation if we fail to comply with these requirements. As regulations evolve, we may have to alter our business practices or products in order to comply with regulatory requirements.

Risks Related to the Company's Services and Effects on Revenues

Certain markets in which the Company competes are subject to rapid and significant changes. In order to remain competitive and continue to acquire new clients, the Company is continually involved in a number of projects to develop new services and improve the Company's existing services. These projects may not be successful and carry some risks, such as cost overruns, delays in delivery, performance problems, and may cause the Company to become subject to additional regulation. Any inability to develop or delay in the delivery of new services or the failure to differentiate the Company's services or to accurately predict and address market demand could render the Company's services less desirable, or even obsolete, to the Company's clients. In addition, many current or prospective clients may find competing services more attractive if the Company does not keep pace with market innovation or changes.

The Company relies in part, and may in the future rely in part, on third parties, including some of the Company's competitors and potential competitors, for the development of, and access to, new technologies. If the Company is unable to maintain these relationships, it may lose access to new technologies or may not have the speed-to-market necessary to successfully launch new offerings.

The Company's future success will depend on the Company's ability to adapt to technological changes and evolving industry standards. The Company cannot predict the effects of technological changes on the Company's business. If the Company is unable to adapt to technological changes or evolving industry standards on a timely and cost-effective basis by introducing new services and improving existing services, the Company's business, financial condition and results of operations could be materially adversely affected.

Risk Related to Marketing and Selling Products

Future sales of our products will depend in large part on our ability to effectively market and sell our products and services and increase the scope of our marketing efforts. If sales, including through recurring clients decline, the Company's overall revenue and revenue growth may decline.

Because we have limited experience in marketing and selling our products, our ability to forecast demand, the infrastructure required to support such demand and the sales cycle to clients is unproven. If we do not build an efficient and effective marketing and sales force, our business and operating results will be adversely affected.

Potential for Software System, Database or Network Related Failures or Defects

The Company relies on software systems and networks to process, transmit and store digital information. The Company also relies on technological solutions from a number of vendors and business units to effectively work together in order to deliver its digital solutions and services to its clients. A software bug, failure or defect may negatively impact software systems, databases and networks from operating properly which could result in the inability of our clients from receiving our services for an indeterminate per iod of time. Further, a cyber-attack, security breach, theft, or other destruction, invasion or interruption, or unauthorized access to our systems, by employees, others with authorized access to our systems or unauthorized persons, could negatively impact our business and operations. These threats are increasing in number and severity and broadening in type of risk, including with the Russian invasion of Ukraine and cyber-attacks ongoing in that context, which may broaden.

Risks Associated with New or Changing Laws and Regulations and Governmental Action

The Company operates in a complex regulatory and legal environment and are subject to a wide variety of laws and regulations in the jurisdictions in which the Company operates. Some of the provincial and federal laws and regulations in Canada and other jurisdictions in which the Company operates that affect or may affect it include: consumer products, product liability and consumer protection; those relating to negligence; those relating to the manner in which the Company advertises, markets and sells products and services; labour and employment laws, including wage and hour laws; tax laws or interpretations thereof; data protection and privacy laws and regulations. Continuing to achieve and sustain compliance with these laws may prove costly.

The laws and regulations specifically applicable to the Company may also change on the basis of a change in the nature of the Company's products or services, or a change in the jurisdictions in which those products or services are being offered, including, but not limited to, as a result of acquisitions. There can be no guarantee that the Company will have sufficient resources to comply with new laws, regulations or government action, or to successfully compete in the context of a shifting regulatory environment. Moreover, these laws and regulations may change, sometimes significantly, as a result of political, economic and social events.

Although the Company maintains that its operations are in compliance with existing laws, there can be no assurance that the Company's operations will not be challenged in the future and, if challenged, that they will not be found to violate applicable laws. Any such ruling against the Company could subject it to potential damages, injunctions and/or civil and criminal penalties or require it to restructure the Company's arrangements in a way that would affect the control or quality of the Company's services or change the amounts that the Company receives from its operations, which could have a material adverse effect on the Company's business.

Internal controls over financial reporting

Effective internal controls over financial reporting are necessary to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure of the Company's internal controls could have an adverse effect on stated results of operations and increase legal, regulatory, and reputational risks. As a result, the Company may experience higher than anticipated operating expenses, as well as higher independent auditor fees during and after the implementation of these ongoing changes. If the Company is unable to implement any required changes to its internal control over financial reporting effectively or efficiently or is required to do so earlier than anticipated, it could adversely affect the Company's operations, financial reporting and results of operations. If the Company fails to maintain an effective system of disclosure controls and internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely impacted.

Limited Operating History

The Company has a limited operating history. While members of the Company's management team and the Board have significant expertise within the sector, the Company itself has a limited history of operations and there can be no assurance that the business will be successful or profitable or the Company will be able to successfully execute its business model and growth strategy. If the Company is unable to execute its business model and growth strategy, it may have a material adverse effect on the Company's business, results of operations and financial condition. Further, the Company will therefore be subject to many of the risks common to early-stage enterprises, including under capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and limited revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Competition

The industry in which the Company operates is highly competitive, is evolving and is characterized by technological change. Current or future competitors may have longer operating histories, larger corporate client bases, greater brand recognition and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing and other resources than the Company. As a result, the Company's competitors may be able to develop products and services better received by corporate clients or may be able to respond more quickly and effectively than the Company can to new or changing opportunities, technologies, regulations or corporate client requirements. In addition, larger competitors may be able to leverage a larger client base to adopt more aggressive pricing policies, which could cause the Company to lose potential clients or corporate clients, or to sell its solutions at lower prices.

Competition may intensify as the Company's competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into the Company's market segments or geographic markets. The Company also expects to face additional competition from new entrants. If the Company cannot compete against existing and future competitors, its business, results of operations and financial condition could be materially and adversely affected.

Growth Management

To manage the Company's growth effectively, the Company must continue to strengthen its existing infrastructure, develop and improve its processes and internal controls, create and improve its reporting systems, and timely address issues as they arise. As the Company continues to strengthen its existing infrastructure and systems, the Company will also be required to hire additional personnel. These efforts may require substantial financial expenditures, commitments of resources, developments of the Company's processes, and other investments and innovations. Furthermore, the Company encourages employees to quickly develop and launch new features for the Company's products and services. As the Company grows, the Company may not be able to execute as quickly as smaller, more efficient organizations. In addition, as the Company grows, the Company may not be able to maintain its entrepreneurial company culture, which fosters innovation and talent. If the Company does not successfully manage its growth, its business may be adversely affected.

Intellectual Property

The Company's success depends, in part, on its ability to develop and commercialize its services and technologies without infringing, misappropriating or otherwise violating the intellectual property rights (the "**IP Rights**") of third parties. However, the Company may not be aware that the Company's products, services, solutions or technologies are infringing, misappropriating or otherwise violating third-party IP Rights, and such third parties may bring claims alleging such infringement, misappropriation or violation. Third parties may have issued, or may eventually issue, patents that could be infringed by the Company's services or technology. Any of these third parties could make a claim of infringement against the Company with respect to its services or technology. The Company may also be subject to claims by third parties for breach of copyright, trademark, license usage or other IP Rights. When any such claims are asserted against the Company, the Company may seek to license the third party's IP Rights, which could be expensive. The Company maybe unable to obtain the necessary licenses on satisfactory terms, if at all. Any claim from third parties may result in a limitation on the Company's ability to use the intellectual property subject to these claims or could prevent the Company from registering its brands as trademarks. Even if the Company believes that intellectual property-related claims are without merit, defending against such claims is time-consuming and expensive, and could result in the diversion of the time and attention of the Company's management and employees. Claims of intellectual property infringement also might require the Company to redesign affected services, enter into costly settlement or license agreements, pay costly damage awards, change the Company's brands or face a temporary or permanent injunction prohibiting the Company from importing, marketing, selling or operating certain of the Company's services, using certain of the Company's brands or operating the Company's business as presently conducted. Even if the Company has an agreement for indemnification against such costs, the indemnifying party, if any in such circumstances, may be unable to uphold its contractual obligations.

The Company may be subject to adverse publicity or reputational harm, even if claims against the Company are later shown to be unfounded or unsubstantiated. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of the Company's securities. The award of damages, or the Company's entry into any license or settlement agreement in connection with such claims, could affect the Company's ability to compete with third parties and have a material adverse effect on the Company's business, financial condition and results of operations.

Insurance Policies

The Company's insurance policies may not adequately cover all risks to which the Company is exposed and may not be adequate for all liabilities actually incurred or indemnification claims against the Company. A significant claim not covered by the Company's insurance, in full or in part, may result in significant expenditures by the Company. Moreover, the Company may not be able to maintain insurance policies in the future at reasonable costs, on acceptable terms or at all, which may adversely affect the Company's business and the trading price of its securities. The successful assertion of one or more large claims against the Company that exceed available insurance coverage, or the occurrence of changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect the Company's business, financial condition and results of operations.

Current economic and geopolitical events

Rising interest rates, significant and persistent inflationary pressures, the Russia-Ukraine war, conflict in Israel, and other associated recent geopolitical developments continue to have an uncertain and potentially adverse impact on global economic conditions. The severity and duration of any of these factors, or a combination of these conditions, could continue to impact the global economy and lead to lower demand for the Company's products and services.

Interest rates may impact the Company's ability to finance its future growth and cause the Company to slow the pace of its technological innovations and commercial partnerships, which could impact its ability to raise revenue and negatively impact its financial condition and performance. The inflationary impact on operating costs such that capital and credit markets and industry sentiment are adversely affected, may make it more difficult for the Company to access the necessary capital or credit markets, or if able to do so, at a higher cost or less advantageous terms than existing borrowings.

No Dividends

No dividends on the Subordinate Voting Shares have been paid to date. The Company anticipates that, for the foreseeable future, it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board of Directors after taking into account many factors, including the Company's earnings, operating results, financial condition, current and anticipated cash needs, and restrictions in financing agreements.

Additional Information Relating to the Company

Additional information relating to the Company, can be found on the Company's profile at SEDAR+ at www.sedarplus.com and on the Company's website at www.nowvertical.com.