

A copy of this second amended and restated preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, except Québec, and a copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authority in the province of Québec, but neither has become final for the purpose of the sale of securities. Information contained in this second amended and restated preliminary prospectus and this amended and restated preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or solicitation of an offer to buy any of these securities in the United States. See “Plan of Distribution”.

This prospectus has been filed under procedures in each of the provinces and territories of Canada that permit certain information about these securities to be determined after the prospectus has become final and that permit the omission of that information from this prospectus. The procedures require the delivery to purchasers of a supplemented PREP prospectus containing the omitted information within a specified period of time after agreeing to purchase any of the securities. All of the information contained in the supplemented PREP prospectus that is not contained in the base PREP prospectus will be incorporated by reference into the base PREP prospectus as of the date of the supplemented PREP prospectus.

SECOND AMENDED AND RESTATED PRELIMINARY BASE PREP PROSPECTUS
(amending and restating the amended and restated preliminary base PREP prospectus dated June 10, 2021 in each of the provinces and territories other than Québec)

– AND –

AMENDED AND RESTATED PRELIMINARY BASE PREP PROSPECTUS IN THE PROVINCE OF QUÉBEC
(amending and restating the preliminary base PREP prospectus dated June 10, 2021 in the province of Québec)

Initial Public Offering

October 7, 2021

and Secondary Offering (if the Over-Allotment Option is exercised)

Q4

Q4 INC.

C\$150,000,000

• **Common Shares**

This prospectus qualifies the distribution of an aggregate of • common shares of Q4 Inc. (“Q4”, the “Company”, “us” or “we”). We are offering common shares at a price of C\$ • per common share (the “offering price”). It is anticipated that the offering price will be between C\$14.00 and C\$17.50 per common share. This offering consists of an initial public offering of • common shares by the Company from treasury and, if the Over-Allotment Option (as defined below) is exercised, a secondary offering of up to an aggregate of • common shares held by Darrell Heaps (the “Selling Shareholder”) and up to an aggregate of • additional common shares from the Company. See “Principal and Selling Shareholders” and “Plan of Distribution”. We will not receive any proceeds from the secondary offering of common shares sold by the Selling Shareholder. We intend to use the net proceeds from the treasury issuance as described in this prospectus. See “Use of Proceeds”. Our common shares are being offered by CIBC World Markets Inc., National Bank Financial Inc. and Credit Suisse Securities (Canada), Inc. (together, the “Joint Bookrunners”) and Canaccord Genuity Corp., Raymond James Ltd., RBC Dominion Securities Inc., Stifel Nicolaus Canada Inc., TD Securities Inc. and INFOR Financial Inc. (together with the Joint Bookrunners, the “Underwriters”).

At Q4, our mission is to become the largest capital markets communications platform in the world, connecting publicly-listed companies, investment banks and investment managers along a variety of workflows, including investor relations, corporate access, deal management and research. We are working to disrupt the traditional capital markets communication model by leveraging our technology platform and our proprietary data to provide all participants in the capital markets ecosystem with improved communication, engagement, actionable insights and recommendations. We believe this will transform the way that publicly-listed companies, investment banks and investment managers make decisions and facilitate efficient discovery, communication and engagement with each other. See “Our Business”.

We have applied to list our common shares on the Toronto Stock Exchange (“TSX”) under the symbol “QFOR”. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved the listing application and there is no assurance that it will do so. See “Plan of Distribution”.

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POWERED BY

Q4

63%
OF DOW 30¹ COMPANIES

50%
OF S&P 500¹ COMPANIES

48%
OF RUSSELL 1000¹ COMPANIES

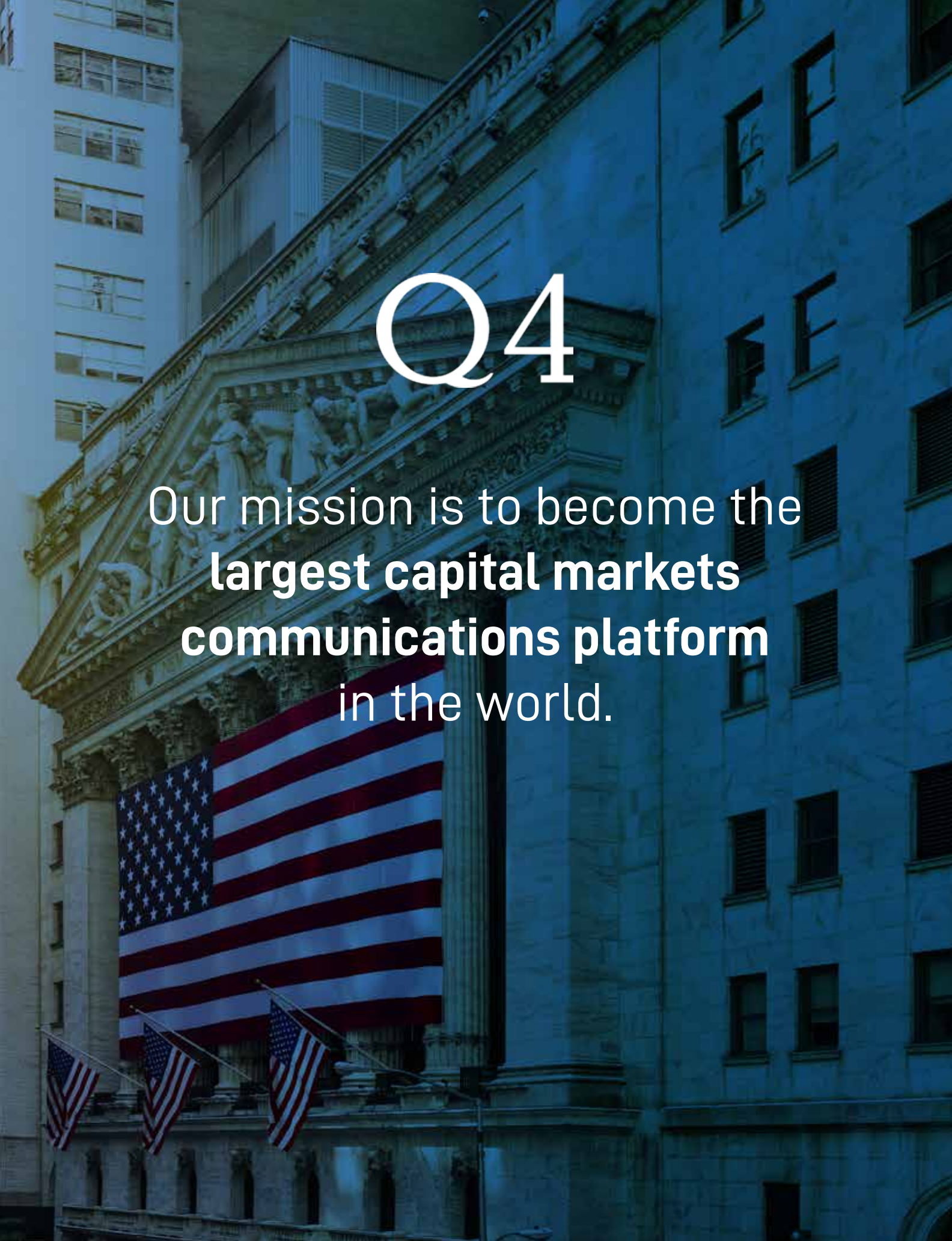
Each quarter **~500,000+**¹
investors attend a virtual
event hosted by Q4.

Every month our **~2,500 clients**¹
interact with **~12 million**¹ investors
on our platform.

If you touch the global equity markets
you are likely already using the Q4 platform.

¹ As of June 30, 2021



A blue-tinted photograph of the New York Stock Exchange building. The image shows the classical architecture with columns and a pediment. A large American flag is draped across the front of the building. Several smaller American flags are flying from poles in the foreground. The text 'Q4' is overlaid in the upper center, and a mission statement is overlaid in the center.

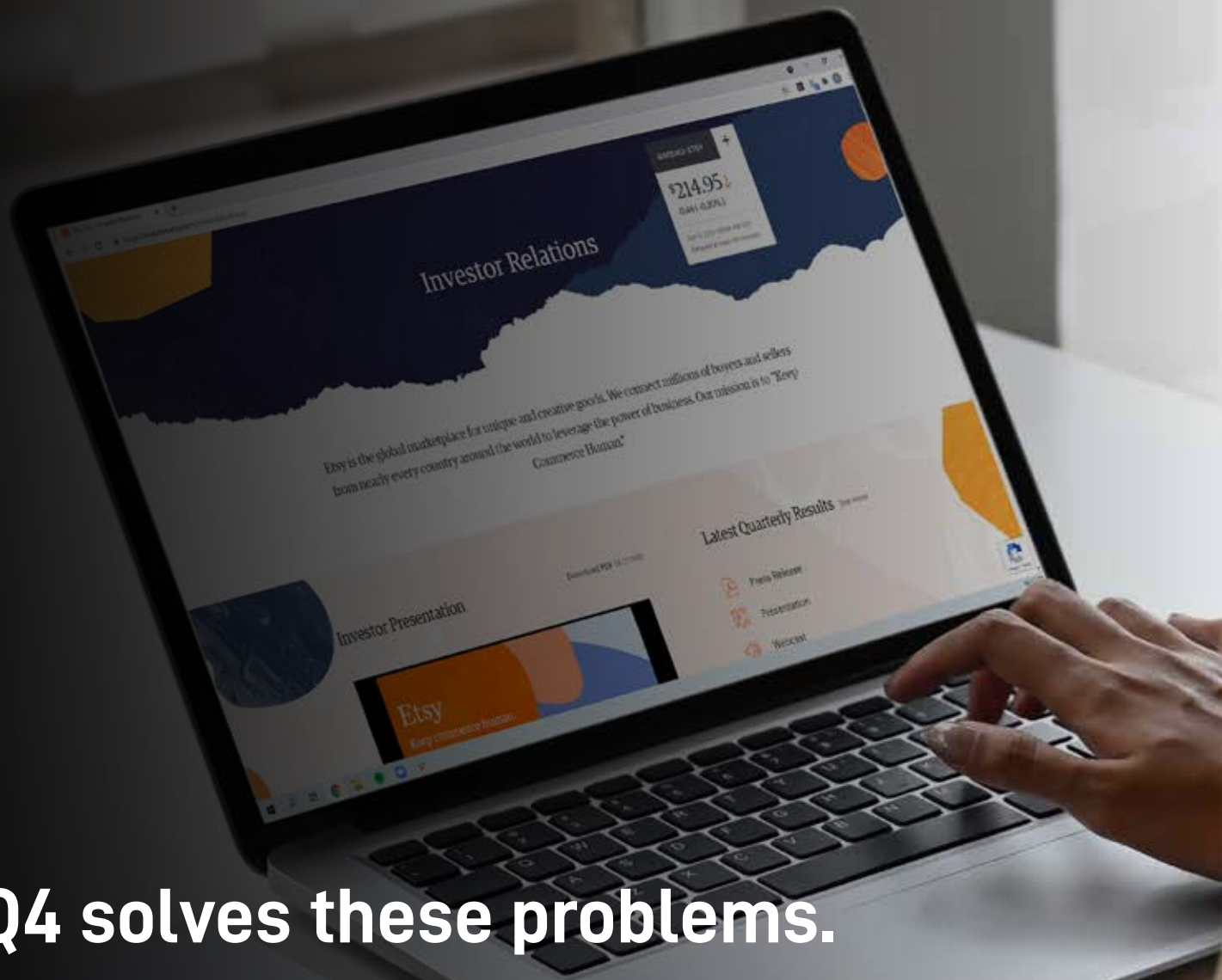
Q4

Our mission is to become the
**largest capital markets
communications platform**
in the world.



The capital markets are experiencing significant disruption.

Fee compression, changing investor preferences, new regulatory hurdles, shift to virtual and ESG.

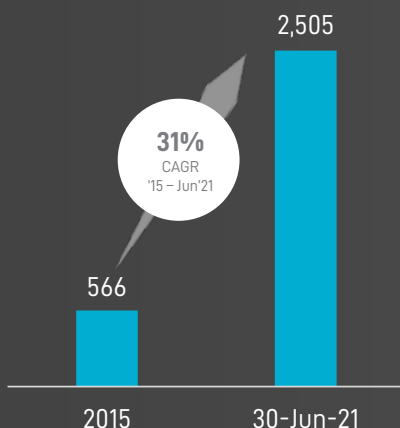


Q4 solves these problems.

Providing the most comprehensive communication platform for corporates, investors and investment banks to discover, communicate and engage with each other.

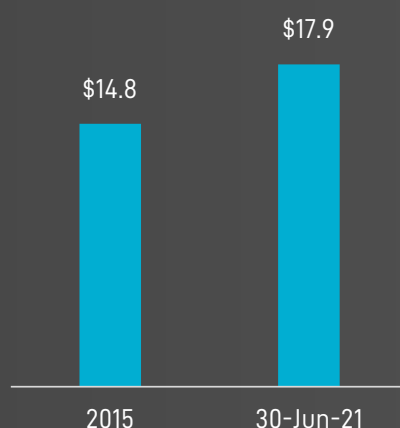
STRONG FUNDAMENTALS & GROWTH MOMENTUM

Platform Customers¹



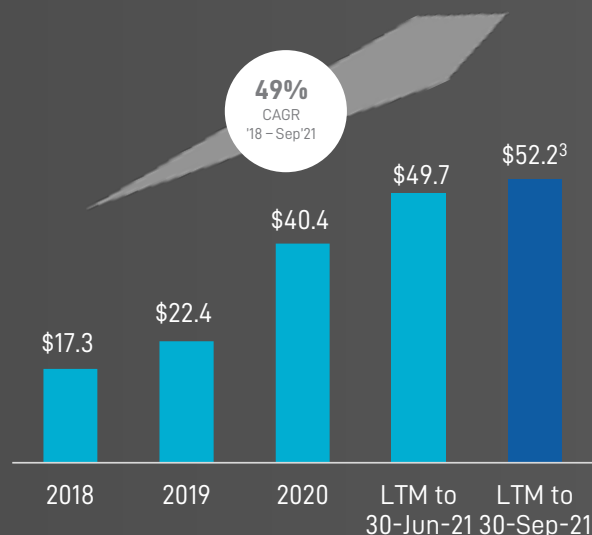
Annual Revenue Per Account²

(US\$ thousands)



Revenue

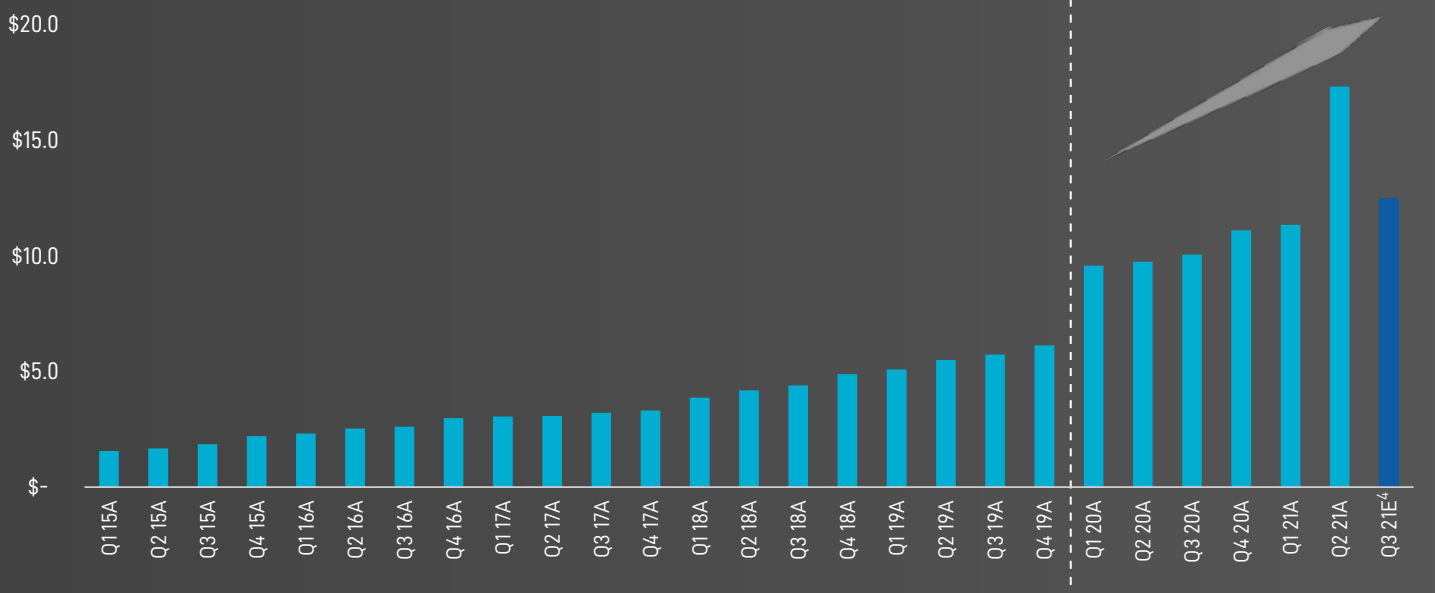
(US\$ millions)



PREDICTABLE GROWTH ENHANCED BY M&A

Revenue

(US\$ millions)



93%

LOGO RETENTION⁵

113%

NRR SINCE 2017⁶

\$50.0M

ANNUAL RECURRING REVENUE⁷

¹ Contracted as of June 30, 2021. As at December 31, 2018, 2019 and 2020, the number of platform customers that have subscribed to our products or that were in our backlog was 1,155, 1,411 and 2,306, respectively

² Calculated as annual recurring revenue of contracts in effect, divided by the number of customer accounts in effect as of the date being measured. As at December 31, 2018, 2019 and 2020, the annual revenue per account, expressed in thousands, was US\$15.7 thousand, US\$17.0 thousand, and US\$17.6 thousand, respectively

³ Represents the midpoint of the estimated revenue range for the last twelve months ended September 30, 2021

⁴ Represents the midpoint of the estimated revenue range for the last three months ended September 30, 2021

⁵ Represents controllable retention of customer logos, which excludes churn due to M&A, de-listing or bankruptcies

⁶ Represents net dollar revenue retention of all organic cohorts since 2017, as at December 31, 2020

⁷ Represents the midpoint of the estimated ARR range as of September 30, 2021

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There is currently no market through which our common shares may be sold and purchasers may not be able to resell common shares purchased under this prospectus. This may affect the pricing of our common shares in the secondary market, the transparency and availability of trading prices, the liquidity of our common shares, and the extent of issuer regulation. An investment in our common shares is subject to a number of risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described under “Risk Factors” before purchasing common shares. Closing of this offering is conditional on our common shares being approved for listing on the TSX.

Price: C\$ • per common share

	Price to the Public ⁽¹⁾	Underwriters’ Fee	Net Proceeds to Us ⁽²⁾	Net Proceeds to the Selling Shareholder ⁽²⁾
Per common share	C\$ •	C\$ •	C\$ •	—
Total offering ⁽³⁾	C\$ •	C\$ •	C\$ •	—

Notes:

- (1) The offering price has been determined by negotiation between us, the Selling Shareholder and the Underwriters.
- (2) Before deducting expenses of this offering, estimated to be C\$ • , which, together with the Underwriters’ fee in respect of the common shares sold in connection with the treasury issuance, will be paid from the proceeds of this offering. We will pay the expenses associated with this offering other than the Underwriters’ fee in respect of the common shares sold in connection with the secondary offering by the Selling Shareholder, which will be borne by the Selling Shareholder. The Selling Shareholder will not be responsible for any further fees or expenses of the Underwriters in connection with the offering as the incremental expenses of the secondary offering are not anticipated to be material.
- (3) We and the Selling Shareholder have granted the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part, at any time for a period of 30 days after the Closing Date (as defined herein), to purchase up to an additional • common shares from the Selling Shareholder and up to an additional • common shares from us (representing in aggregate 15% of the aggregate number of offered common shares sold under the base offering), on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the total “Price to the Public”, “Underwriters’ Fee”, “Net Proceeds to Us” and “Net Proceeds to the Selling Shareholder” will be C\$ • , C\$ • , C\$ • and C\$ • , respectively. This prospectus also qualifies the grant of the Over-Allotment Option and distribution of the common shares issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires common shares forming part of the Underwriters’ over-allocation position acquires such common shares under this prospectus, regardless of whether the Underwriters’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

The following table sets out the number of common shares that may be sold by us and the Selling Shareholder to the Underwriters pursuant to the Over-Allotment Option:

Underwriters’ Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option.	• common shares	For a period of 30 days after the Closing Date	C\$ • per common share

The Underwriters, as principals, conditionally offer the common shares qualified under this prospectus, subject to prior sale, if, as and when sold by us and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement (as defined herein) among us, the Selling Shareholder and the Underwriters referred to under “Plan of Distribution” and subject to the approval of certain legal matters on our behalf by Osler, Hoskin & Harcourt LLP and on behalf of the Underwriters by McCarthy Tétrault LLP.

In connection with this offering, the Underwriters have been granted the Over-Allotment Option and may, subject to applicable law, over-allocate or effect transactions which stabilize or maintain the market price of our common shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer our common shares at a price lower than that stated above. See “Plan of Distribution”.**

Upon completion of the offering, certain affiliates of Ten Coves Capital II, LP (“**Ten Coves**”) will, directly or indirectly, own and control approximately 24.1% of our issued and outstanding common shares and, as a result, will also retain influence with respect to certain matters submitted to the Company’s shareholders for approval through their voting power. On closing of this offering, we will enter into the Investor Rights Agreement (as defined in this prospectus) with Ten Coves, which will provide Ten Coves with registration rights and the ability to nominate one director to our board. See “Principal and Selling Shareholders”, “Agreement with Principal Shareholders” and “Risk Factors”.

CIBC World Markets Inc. (“**CIBC**”) is a subsidiary of Canadian Imperial Bank of Commerce, a Canadian chartered bank, which is the lender to the Company under its credit facilities. See “Description of Material Indebtedness”. **Consequently, we may be considered a “connected issuer” (as such term is defined in National Instrument 33-105 — Underwriting Conflicts) of CIBC under applicable securities laws in Canada in connection with this offering.** See “Plan of Distribution — Relationship Between Us and Certain of the Underwriters”.

Subscriptions will be received subject to rejection or allocation in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. The closing of this offering is expected to occur on or about • , 2021 or such other date as we and the Underwriters may agree, but in any event no later than • , 2021 (the “**Closing Date**”). The common shares offered under this prospectus will

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be deposited with CDS Clearing and Depository Services Inc. (“**CDS**”) in electronic form on the Closing Date. A purchaser of common shares will receive only a customer confirmation from the registered dealer from or through which common shares are purchased. See “Plan of Distribution”.

We are a corporation governed by the laws of the Province of Ontario. Our head and registered office is located at 469A King Street West, Toronto, Ontario, M5V 1K4.

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ABOUT THIS PROSPECTUS

An investor should rely only on the information contained or incorporated by reference in this prospectus. None of the Company, the Selling Shareholder or any of the Underwriters has authorized anyone to provide investors with additional or different information. The information contained on our website at www.q4inc.com is not intended to be included in or incorporated by reference into this prospectus and prospective investors should not rely on such information when deciding whether or not to invest in our common shares. Any graphs, tables or other information demonstrating our historical performance, or the performance of any other entity contained in this prospectus, are intended only to illustrate past performance and are not necessarily indicative of our or such entities' future performance. The information contained in this prospectus is accurate only as of the date of this prospectus or the date otherwise indicated, regardless of the time of delivery of this prospectus or of any sale of our common shares.

None of the Company, the Selling Shareholder or any of the Underwriters is offering to sell common shares in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside Canada, none of the Company, the Selling Shareholder or any of the Underwriters has done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, this offering and the possession or distribution of this prospectus.

This prospectus includes a summary description of certain material agreements of the Company. See "Material Contracts". The summary description discloses attributes that we consider material to an investor in our common shares but is not complete and is qualified in its entirety by reference to the terms of the material agreements, which will be filed with the applicable Canadian securities regulatory authorities and available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"). Investors are encouraged to read the full text of such material agreements.

Any graphs, tables and diagrams included in this prospectus to demonstrate our historical performance are (i) intended to illustrate past performance and are not necessarily indicative of future performance of the Company, and (ii) may include approximations due to rounding.

Unless otherwise indicated, all information in this prospectus assumes (a) completion of the Pre-Closing Capital Changes, (b) that the Over-Allotment Option has not been exercised, and (c) an offering price of C\$15.75 per common share, being the midpoint of the estimated price range set forth on the cover page of this prospectus.

MEANING OF CERTAIN REFERENCES

Unless otherwise noted or the context otherwise requires: (i) information contained in this prospectus (a) gives effect to the Pre-Closing Capital Changes as described under "Description of Share Capital — Pre-Closing Capital Changes"; and (b) assumes that the Over-Allotment Option has not been exercised; and (ii) all references in this prospectus to the "**Company**", "**Q4**", "**we**", "**us**" or "**our**" refer to Q4 Inc. together with our subsidiaries, on a consolidated basis, as constituted on the Closing Date after giving effect to the Pre-Closing Capital Changes.

"**Fiscal 2018**" means the year ended December 31, 2018;

"**Fiscal 2019**" means the year ended December 31, 2019;

"**Fiscal 2020**" means the year ended December 31, 2020; and

"**Fiscal 2021**" means the year ending December 31, 2021.

We present our financial statements in U.S. dollars. In this prospectus, all dollar amounts are expressed in U.S. dollars unless otherwise indicated. All references to "US\$" are to U.S. dollars, and all references to "C\$" are to Canadian dollars. Certain totals, subtotals and percentages throughout this prospectus may not reconcile due to rounding.

EXCHANGE RATE DATA

The following table sets forth, for the periods indicated, the high, low, average and period-end daily exchange rates for one U.S. dollar, expressed in Canadian dollars, in each case based on the daily rate of exchange published by the Bank of Canada for conversion of U.S. dollars into Canadian dollars.

	Six Months Ended June 30,		Year Ended December 31,		
	2021 (C\$)	2020 (C\$)	2020 (C\$)	2019 (C\$)	2018 (C\$)
Highest rate during the period	1.2828	1.4496	1.4496	1.3600	1.3642
Lowest rate during the period	1.2040	1.2970	1.2718	1.2988	1.2288
Average rate for the period	1.2470	1.3651	1.3415	1.3269	1.2957
Rate at the end of the period	1.2394	1.3628	1.2732	1.2988	1.3642

On October 5, 2021, the daily rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was US\$1.00 = C\$1.2575. No representation is made that Canadian dollars could be converted into U.S. dollars at that rate or any other rate.

NON-IFRS MEASURES AND INDUSTRY METRICS

This prospectus makes reference to certain non-IFRS measures and industry metrics. These measures are not recognized measures under International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”) and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures, including “Adjusted EBITDA”, and “Free cash flow”. This prospectus also makes references to “ARR” or “annual recurring revenue”, “ARPA” or “annual revenue per account”, “logo retention”, “LTV/CAC ratio”, “NRR” or “net dollar revenue retention” and “product adoption”, which are operating metrics used in our industry. These non-IFRS measures and industry metrics are used to provide investors with supplemental measures of operating performance and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and industry metrics in the evaluation of issuers. Our management also uses non-IFRS measures and industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

Non-IFRS Measures

“**Adjusted EBITDA**” represents net loss excluding taxes, adjusted for the following: share-based compensation, depreciation and amortization, unrealized foreign exchange (gain) loss, fair value adjustment on contingent consideration, finance expenses, finance income, (gain) loss on derivative financial instruments, transaction related expenses and income taxes. We believe Adjusted EBITDA is useful in assessing our operating performance as it eliminates the effects of non-cash expenses and one-time or non-recurring items recorded in the statement of operations and comprehensive loss.

“**Free cash flow**” represents cash flow from (used in) operating activities, less additions to property and equipment. We believe that Free cash flow is a useful supplemental measure to assess our cash flows as it excludes property and equipment purchases, which are a necessary component of our ongoing operations and our liquidity assessment.

See “Selected Consolidated Financial Information and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Non-IFRS Financial Measures” for a reconciliation of the foregoing non-IFRS measures to their most directly comparable measures calculated in accordance with IFRS.

Industry Metrics

“**ARPA**” or “**annual revenue per account**” means our ARR (as defined below), net of contracts that have not become effective, divided by the number of customer accounts in effect as of the date being measured. ARPA provides us visibility into our ability to increase the base value of contracts for newly onboarded customers as well as driving platform adoption by up-selling and cross-selling additional products to our existing customer base.

“**ARR**” or “**annual recurring revenue**” means our annual recurring revenue, which we calculate based on the annualized equivalent value of the subscription revenue of all existing contracts as at the date being measured, including contracted subscription revenues that have yet to become effective. Our calculation of ARR assumes that customers will renew the contractual commitments on a periodic basis as those commitments come up for renewal. We believe that this measure provides a timely and relevant measure of our subscription revenue. ARR provides us with visibility for consistent and predictable growth of our cash flows. We believe total revenue growth, in conjunction with ARR growth, provides a leading indicator for the continued expansion of our business since we consider the majority of our non-ARR revenue to be reoccurring in nature, providing strong visibility into future revenue for the business.

“**backlog**” represents the number of customers who have contracted subscription revenues which have yet to become effective.

“**logo retention**” means controllable retention of customers, which excludes churn due to mergers and acquisitions, de-listings or bankruptcies.

“**LTV/CAC ratio**” means the ratio of the lifetime value of our customers (or “**LTV**”) to our new customer acquisition costs (“**CAC**”). LTV is calculated based on the total gross profit of our new customers, assuming an average lifetime of 10 years estimated by management and our current gross profit on a total gross profit basis. CAC is calculated to include all sales and marketing expenses to acquire new customers during the same period.

“**net promoter score**” or “**NPS**” is an industry metric that we calculate based on customer survey feedback measuring the willingness of customers to recommend Q4. We conduct NPS surveys on a periodic basis.

“**NRR**” or “**net dollar revenue retention**” means our net dollar revenue retention rate, which is calculated by considering the revenue retention from the cohort of customers on our platform as at the end of the fiscal year being measured and dividing the revenue retention attributable to the same cohort in the preceding fiscal year. The net dollar revenue retention measures our ability to sell incremental products to customers on our platform.

“**product adoption**” means the number of products subscribed to by each of our customers.

FORWARD-LOOKING INFORMATION

This prospectus contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business operations, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. In certain cases, forward-looking statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as “expect,” “continue,” “anticipate,” “intend,” “aim,” “plan,” “believe,” “budget,” “estimate,” “forecast,” “foresee,” “close to,” “target” or negative versions thereof and similar expressions, and/or state that certain actions, events or results “may,” “could,” “would,” “might” or “will” be taken, occur or be achieved. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

Discussions containing forward-looking information may be found, among other places, under “Letter from Darrell Heaps”, “Prospectus Summary”, “Summary of the Offering”, “Summary Consolidated Financial Information and Other Data”, “Our Business”, “Management’s Discussion and Analysis of

Financial Condition and Results of Operations”, “Selected Consolidated Financial Information and Other Data”, “Use of Proceeds”, “Description of Share Capital”, “Dividend Policy”, “Principal and Selling Shareholders”, “Agreement with Principal Shareholders”, “Description of Material Indebtedness”, “Consolidated Capitalization”, “Options to Purchase Shares”, “Directors and Executive Officers”, “Executive Compensation”, “Director Compensation”, “Plan of Distribution” and “Risk Factors”.

The forward-looking information in this prospectus includes, among other things, statements relating to:

- the offering price, the completion, size, expenses and timing of the closing of this offering;
- expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies;
- expectations regarding our revenue and the revenue generation potential of our platform and products, including our estimated revenues for the three and nine months ended September 30, 2021;
- expectations around the total addressable markets for our platform and products;
- our business plans and strategies;
- our platform and plans regarding expanded platform capabilities and enhanced and additional products and services that we may offer in the future;
- our competitive position in our industry;
- our ability to execute on our strategic growth priorities and to successfully complete and integrate acquisitions;
- the adoption by our customers and the marketplace of new products and services we may offer;
- expectations regarding laws, rules and regulations that impact the industries we operate in;
- the long-term impact of the novel coronavirus (“COVID-19”) on our business;
- the Pre-Closing Capital Changes;
- expectations regarding the execution of the Investor Rights Agreement in connection with this offering;
- expectations regarding future director and executive compensation levels and plans;
- the proposed use of proceeds from the offering; and
- the market price for our common shares.

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions underlying the forward-looking information in this prospectus include: our ability to continue investing in infrastructure to support our growth and brand recognition; our ability to continue maintaining and enhancing our technological infrastructure and the functionality of our platform; our ability to develop and implement new product offerings; our ability to capitalize on growth opportunities and implement our growth strategy; our ability to build our market share and enter new geographies; the total addressable market for our products; our ability to retain key personnel; our ability to maintain existing customer relationships and to continue to expand our customers’ use of our platform and products; our ability to maintain existing relationships on similar terms with our current service providers, suppliers, channel partners and other third parties; our ability to maintain and expand our geographic scope; our ability to execute on our expansion plans; our ability to obtain financing on acceptable terms or at all; the impact of competition; the successful integration of future acquisitions; the changes and trends in our industry or the global economy; changes in laws, rules, regulations, and global standards; and that the risks and uncertainties described under “Risk Factors” will not materialize.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known

and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following risk factors described in greater detail under the heading entitled “Risk Factors”:

- the market in which we participate is competitive;
- if our customers do not expand their use of our platform beyond their current engagements or renew their existing contracts with us;
- if we are not able to develop new platform features that respond to the needs of our customers;
- failure to effectively expand our sales and marketing capabilities or to select appropriate marketing channels could harm our ability to increase our customer base and achieve broader market acceptance of our platform;
- market adoption of a broad multi-service capital markets platform for all market stakeholders is relatively new and unproven and may not grow as we expect;
- if customer information or data is disclosed prematurely or otherwise obtained, whether due to a breach of our security measures or other unauthorized access, our platform may be perceived as insecure, we may lose existing customers or fail to attract new customers, our reputation may be harmed, and we may incur significant liabilities;
- privacy, data protection, and information security concerns, and data collection and transfer restrictions and related domestic or foreign regulations;
- the success of our relationships with strategic partners and third party vendors and suppliers, including the risk that a strategic partner could terminate its relationship with us;
- if we fail to execute our growth strategy;
- any failure to offer high-quality customer support and a high level service experience;
- our growth strategy depends, in part, on completing acquisitions, which could divert our management’s attention or result in dilution to our shareholders;
- we might require additional capital to support our growth, and this capital might not be available on acceptable terms, if at all;
- if we fail to effectively manage our growth;
- we may be unable to achieve or maintain data transmission capacity or our technology may experience unexpected issues resulting in downtime or disruption of services for our customers;
- if we cannot maintain our corporate culture as we grow, we could lose the innovation, teamwork, passion, and focus on execution that we believe contribute to our success;
- regulatory requirements placed on our products and services could impose increased costs on us, delay or prevent our introduction of new products and services, and impair the function or value of our existing products and services;
- if we fail to retain key employees or to recruit qualified technical and sales personnel;
- if we are unable to hire, retain and motivate qualified personnel;
- we rely upon SaaS and other technologies from third parties to operate our business;
- if we fail to manage our hosting network infrastructure capacity, our existing customers may experience service outages and our new customers may experience delays in accessing our platform;
- our quarterly and annual results of operations may vary significantly and may be difficult to predict;
- our sales cycles can be unpredictable and our sales efforts require considerable time and expense;
- we recognize revenue from subscriptions over the term of our customer contracts, and as such our reported revenue may differ significantly in a given period, and our revenue in any period may not be indicative of our financial health and future performance;

- we have incurred operating losses and negative cash flows in the past and may incur operating losses and negative cash flows in the future;
- if we fail to develop, maintain, and enhance our brand and reputation cost-effectively;
- estimates of market opportunity and growth forecasts included in this prospectus may prove to be inaccurate and may not be indicative of our future growth;
- risks associated with international sales and operations;
- our recent rapid growth makes it difficult to evaluate our future prospects and may increase the risk that we will not continue to grow at or near historical rates;
- if we are not able to keep pace with technological developments or new versions or updates of operating systems and internet browsers, the process by which our customers interface with our platform could be adversely impacted;
- mergers or other strategic transactions involving our competitors or customers could weaken our competitive position;
- if we fail to adequately protect our proprietary rights, our competitive position could be impaired;
- an assertion by a third-party that we are infringing its intellectual property could subject us to costly and time consuming litigation;
- the use of open source software in our products may expose us to additional risks;
- issues in the use of artificial intelligence in our platform may result in reputational harm or liability;
- real or perceived errors, failures, vulnerabilities or bugs in our platform could harm our business;
- we may not receive significant revenue as a result of our current research and development efforts;
- if we are unable to successfully refresh or update our source code or other aspects of our platform or detect and adequately address technological deficiencies in a timely and adequate manner;
- if our software contains serious errors or defects;
- we may become defendants in legal proceedings;
- we may face exposure to foreign currency exchange rate fluctuations;
- we may not be able to generate sufficient cash to service our indebtedness;
- our business is subject to a variety of international laws;
- changes in internet access for our customers or laws specifically governing the internet;
- our international operations subject us to potentially adverse tax consequences;
- we may have exposure to greater than anticipated tax liabilities and may be affected by changes in tax laws or interpretations;
- if we are required to collect sales or other related taxes for our subscription services in jurisdictions where we have not historically done so;
- we may not be able to utilize a significant portion of our net operating loss;
- the nature of our business requires the application of complex revenue and expense recognition rules;
- if our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect;
- if we fail to maintain an effective system of internal controls;
- our by-laws provide that any derivative actions, actions relating to breach of fiduciary duties and other actions asserting a claim relating to relationships among us, our affiliates and their respective shareholders, directors and/or officers are required to be litigated in Canada;
- we will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies;

- our senior management team has limited experience managing a public company;
- adverse economic and market conditions;
- public health outbreaks, epidemics or pandemics, including the global COVID-19 outbreak (and COVID-19 variants);
- trade wars and changes in international trade law and policies;
- natural disasters, public health crises, political crises, or other catastrophic events;
- we do not have the history with our platform, products or pricing models necessary to accurately predict optimal pricing necessary to attract new customers and retain existing customers;
- it may be difficult or impossible for investors to enforce judgements against foreign subsidiaries and resident directors or officers of the Company;
- there has been no prior public trading market for our common shares and an active trading market may not develop or be sustained following this offering;
- the market price of our common shares may be volatile and may decline;
- future sales of common shares by existing shareholders could cause the price of our common shares to decline;
- we have broad discretion in the use of the net proceeds that we receive in this offering;
- if securities or industry analysts do not publish research or reports about our business, or if they change their recommendations regarding our common shares adversely;
- our issuance of additional common shares in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute all other shareholders;
- any issuance of preferred shares could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common shares;
- we generally do not intend to pay dividends following the completion of this offering; and
- our shareholders will have limited control over our operations.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in “Risk Factors” should be considered carefully by readers.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this prospectus represents our expectations as of the date of this prospectus (or as of the date they are otherwise stated to be made) and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

All of the forward-looking information contained in this prospectus is expressly qualified by the foregoing cautionary statements. Investors should read this entire prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in our common shares.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this prospectus was obtained from third party sources, websites and other publicly available information, including S&P Global Market Intelligence and Pitchbook Data, Inc., as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the markets in which we operate. We believe that the market and economic data presented throughout this prospectus is accurate and, with respect to data prepared by us or on our behalf, that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this prospectus are not guaranteed and none of us, the Selling Shareholder or any of the Underwriters makes any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, none of us, the Selling Shareholder or any of the Underwriters has independently verified any of the data from third party sources referred to in this prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

TRADEMARKS AND TRADE NAMES

This prospectus includes certain trademarks we own or have the right to use, including the word mark for “Q4” in Canada, which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Company, and McCarthy Tétrault LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”), on the date of this offering, provided that the Company’s common shares are listed on a “designated stock exchange” for purposes of the Tax Act (which currently includes the TSX), the common shares acquired pursuant to this offering on the Closing Date will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), deferred profit sharing plan, registered retirement income fund (“**RRIF**”), registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”), or a tax-free savings account (“**TFSA**”), each as defined in the Tax Act.

Notwithstanding that the common shares may be qualified investments for a trust governed by a RRSP, RRIF, RESP, RDSP or TFSA, the holder of such RDSP or TFSA, the subscriber of such RESP or the annuitant under such RRSP or RRIF will be subject to a penalty tax under the Tax Act in respect of the common shares if such common shares are a “prohibited investment” and not “excluded property” (each as defined in the Tax Act) for the RRSP, RRIF, RESP, RDSP or TFSA. Shares will generally be a “prohibited investment” for a TFSA, RRSP, RRIF, RESP, RDSP if the holder of a RDSP or TFSA, the subscriber of a RESP or the annuitant under a RRSP or RRIF (i) does not deal at arm’s length with the Company for purposes of the Tax Act or (ii) has a “significant interest” (within the meaning of subsection 207.01(4) of the Tax Act) in the Company.

Individuals who intend to hold common shares in a RRSP, RRIF, RESP, RDSP or TFSA should consult their own tax advisors as to whether such shares will be a “prohibited investment” or “excluded property” in their particular circumstances.

MARKETING MATERIALS

A “template version” of the following “marketing materials” (each such term as defined in National Instrument 41-101 — *General Prospectus Requirements*) for this offering filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada are specifically incorporated by reference into this prospectus:

1. the investor presentation dated • , 2021 and filed on SEDAR on • , 2021;
2. the investor presentation dated • , 2021 and filed on SEDAR on • , 2021;
3. the investor presentation dated • , 2021 and filed on SEDAR on • , 2021;
4. the term sheet dated • , 2021 and filed on SEDAR on • , 2021;
5. the term sheet dated • , 2021 and filed on SEDAR on • , 2021; and
6. the final term sheet dated • , 2021 and filed on SEDAR on • , 2021.

The term sheets and investor presentations referred to above are available under our profile on SEDAR at www.sedar.com.

In addition, any template version of any other marketing materials filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada in connection with this offering, after the date hereof, but prior to the termination of the distribution of the common shares under this prospectus (including any amendments to, or an amended version of, any template version of any marketing materials), is deemed to be incorporated by reference herein. Any template version of any marketing materials utilized in connection with this offering are not part of this prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this prospectus.

LETTER FROM DARRELL HEAPS

When I started Q4 back in 2005, it was based on two overarching beliefs: (1) that the internet and web technologies would rewrite all industries, and (2) that the capital markets are an integral part of the global economy and an overall force for good that would last forever. Q4 was conceived from the idea that if we could offer solutions at the intersection of these two beliefs, we could build a business that would be incredibly durable and be able to consistently evolve and expand for a long time.

We started by building a platform to help public companies manage the investor aspects of their corporate websites. This turned out to be an amazing place to begin our journey as we learned that, regardless of market conditions, times of uncertainty such as the financial crisis of 2008 or the global coronavirus pandemic, all public companies must continue to engage with new and existing investors. We started with one of the most essential requirements of being a public company: consistent and effective communication with the market, in good times and bad, through successes and challenges, no matter what. As a result of this philosophy, our initial platform became an industry utility, integrated into the daily workflows of corporates and investors.

Over time, we executed on our platform vision, building out a suite of solutions to serve the broader needs of public companies and their investor relations efforts. Through both significant investment in our product and a series of highly complementary acquisitions, we have built the industry's only comprehensive investor relations platform across web, virtual events, analytics and CRM.

With each product added to our platform, we continued to grow, crossing 1,000 customers in 2018 to over 2,500 today including our backlog. We are proud and honoured that 50% of the S&P 500, 63% of the DOW 30 and 48% of the Russell 1000 constituents have entrusted Q4 to power their capital markets investor relations programs as of June 30, 2021. If you have visited a public company's investor relations website or joined an earnings call in recent years, you have likely used Q4's software. You may not have noticed the Q4 brand, as we put our customers' brand first, but you have leveraged our platform. As of June 30, 2021, over 500,000 investors attend Q4 hosted virtual events each quarter, and approximately 12 million investors use our platform every month. If you touch the U.S. equity markets, you are likely already using the Q4 platform.

The amazing thing about the scale we've reached is the amount of data flowing through our platform. Today, we have unmatched, proprietary insights into the behaviour of capital market participants, and we are just beginning to realize the ways these insights can benefit our customers. As we grow, we expect our data will only expand in depth, quantity, and value.

Our trusted, secure, and highly scalable platform is designed to help all participants in the financial markets discover, communicate, and engage with the right participants at the right time. As we continue to scale, we expect that our data and insights will become stronger and we believe that we will be able to help each customer segment of the markets we serve be more efficient and make better decisions. Interactions between companies, investors and their advisors are essential to how the markets work. Our mission is to become the largest capital markets communications platform in the world.

The culture at Q4 is based on our core values: to hustle, grind, compete, iterate and care. These values form the basis of how we operate and enable us to be innovative with the products we develop and the experience we deliver to our customers. We have spent years focused on building Q4 to drive consistent growth and expansion. We are committed to executing our mission, for the benefit of our community, our customers and our investors.

Becoming a great public company has been an objective of ours for many years. I am proud of our accomplishment to bring the business to where it is today and firmly believe the brand reputation and trust we have built with our customers have set us on a trajectory of remarkable growth into the next evolution of Q4. The time to partner with public investors to execute on our growth strategy is now.

I would like to thank our loyal customers, amazing team members, investors, board members, partners, friends and family for all of your dedication and unwavering support over the years. It is an exciting time for Q4 and I look forward to all that we will achieve in the years to come.

All the best,

Darrell Heaps

PROSPECTUS SUMMARY

This summary highlights principal features of this offering and certain information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common shares. You should read this entire prospectus carefully, especially the “Risk Factors” section of this prospectus and the consolidated financial statements and related notes appearing elsewhere in this prospectus, before making an investment decision. Capitalized terms used but not defined in this prospectus summary are defined elsewhere in this prospectus.

Business of Q4

At Q4, our mission is to become the largest capital markets communications platform in the world, connecting publicly-listed companies (“**corporates**”, “**public companies**” or “**issuers**”), investment banks (the “**sell-side**”) and investment managers (the “**buy-side**”) along a variety of workflows, including investor relations, corporate access, deal management and research.

The capital markets have become increasingly digital and data driven. Although sales and trading functions have adopted advanced technologies and interconnected data systems, communication among the broader participants continues to be managed through numerous manual processes and legacy platforms that are siloed and are lacking a shared system of interaction and identity data. We believe this often results in lost productivity, inefficient interactions and missed opportunities in connecting the right investors to the right corporates at the right time.

Corporate investor relations (“**IR**”) teams are shifting away from relying on inbound investor introductions traditionally facilitated by corporate access teams at investment banks, to a proactive, outbound, direct-to-investor approach. Issuers recognize they are limited in their ability to identify and engage the right investors and are increasingly demanding intuitive platforms and real-time, data-driven tools. However, many issuers and their advisors lack the predictive insights required to understand patterns and sentiment within their shareholder bases and, as a result, are challenged in their ability to harness necessary insights from trading activity to proactively identify potential buyers and sellers of their shares in a timely manner.

The buy-side, which has traditionally also relied on the sell-side to connect them with public company management teams, is also now seeking to engage directly with issuers. Members of the sell-side, facing increasing pressure from regulation and lower fees, are narrowing the scope of their clients to those who justify the technology infrastructure required to provide their services to these clients.

These market dynamics are interdependent for all participants, which creates an opportunity for Q4 to implement its platform to unite all participants, drive efficiencies and bring utility to the entire ecosystem.

We are working to disrupt the traditional capital markets communication model by leveraging our technology platform and our proprietary data to provide all participants in the capital markets ecosystem with improved communication, engagement, actionable insights and recommendations. We believe this will transform the way that corporates, the sell-side and the buy-side make decisions and facilitate the efficient discovery, communication and engagement with each other.

Corporate Customers

We provide our corporate customers with a comprehensive cloud-based software platform that enables effective interactions with other capital markets participants. Our platform, which is made up of a number of differentiated product offerings, currently provides corporates with critical technology infrastructure and data that may be used to support their IR teams, including:

- *Websites*: building and managing an effective investor-focused IR website, using modern, responsive designs and best practice content. Our platform leverages automated tools, including share price charting, news and regulatory filing feeds, as well as advanced workflow management for large IR teams and features that enable investors to engage directly with corporate management.
- *Virtual Events*: hosting virtual events, from one-on-one meetings to large, complex, multi-meeting conferences with thousands of participants, including non-deal roadshows, environmental, social and

governance (“ESG”) themed events, corporate town halls and quarterly conference calls. All of our virtual events leverage our modern software that is feature rich and personalized with our high-touch customer support.

- *Analytics*: providing analytics and shareholder intelligence on behaviour and perceptions of current and prospective shareholders. We use public and proprietary data to monitor changes in shareholdings in real-time and have the ability to alert and report those changes to the issuer.
- *CRM*: enabling and managing relationships with investors using our sophisticated IR-focused investor relationship management application. Corporate IR teams are able to use our CRM to track investor contact information, investment parameters and communications, to conduct investor targeting and to benchmark their success in attracting their desired investors.



Investor Relations	Earnings Call	Activism Monitoring	Contact Database
Newsroom	Investor Day	Capital Flows	Targeting Workflow
Corporate Website	Investor Conference	Options Intelligence	Board Reporting
Newswire Integration	Virtual Non-Deal Roadshow	Shareholder Identification	Web & Event Analysis
	ESG Investor Days	Mutual Fund Updates	Market Intelligence
		Settlement Analysis	

We believe our customers consider our platform to be a premium solution and the industry standard addressing the communications needs of any public company. We are one of the most trusted communications platforms used by many of the world’s largest and most recognizable brands.

The Q4 platform gives our corporate customers a proprietary, unified view of individual investor identities as well as the institutions they represent. Regardless of where in our platform an interaction occurs, our platform captures and analyzes a large dataset, consolidated from both proprietary and public sources, to track and provide insights about these users. These insights can help corporate customers identify potential new investors, strategically aligned to invest based on their interests and industry dynamics, thematic growth and ESG considerations. Our platform can also monitor investor activity in real time, which corporates can use to identify investor behaviour and patterns, with the goal of being able to ultimately translate their actions into intent, such as the intent to purchase or sell securities. Our ability to apply artificial intelligence and machine learning and analyst expertise to this unique dataset is a competitive differentiator and a key to our success.

Sell-side Customers

Our platform aims to create the same degree of efficiency for all participants in the capital markets. We provide our sell-side customers with platform solutions that enable their corporate access teams to build and manage complex virtual and hybrid investor events, such as investor conferences, non-deal roadshows and one-on-one meetings at scale. We provide the technology infrastructure, data and analytics to enable our sell-side customers’ corporate access teams to build and manage complex investor conference schedules, including multiple company presentation types, breakout rooms and virtual networking, and manage hundreds of concurrent meetings between public companies and investors, on a stand-alone basis and through light touch integration with institutional customer relationship management systems.

In the future, we plan to expand the capabilities of our platform by offering products for the management of broader corporate access, deal management (including investor targeting) and research management workflows.

Buy-side Customers

We provide our prospective buy-side customers, mainly sophisticated public markets investors, with access to corporate information, corporate events and direct communication with issuers, and are expanding our platform to allow buy-side firms to self-manage their identities across our platform, enabling them to better connect with capital markets participants. We believe we are well positioned to benefit from shifts in the regulatory environment that require investment managers to directly compensate other market participants for services such as deal participation and research, as we expect buy-side customers to seek out more effective and efficient ways of conducting business. The data we collect and the analytics we derive can serve to focus investors on, and connect them with, public companies in a more efficient and cost-effective manner.

The Q4 Platform

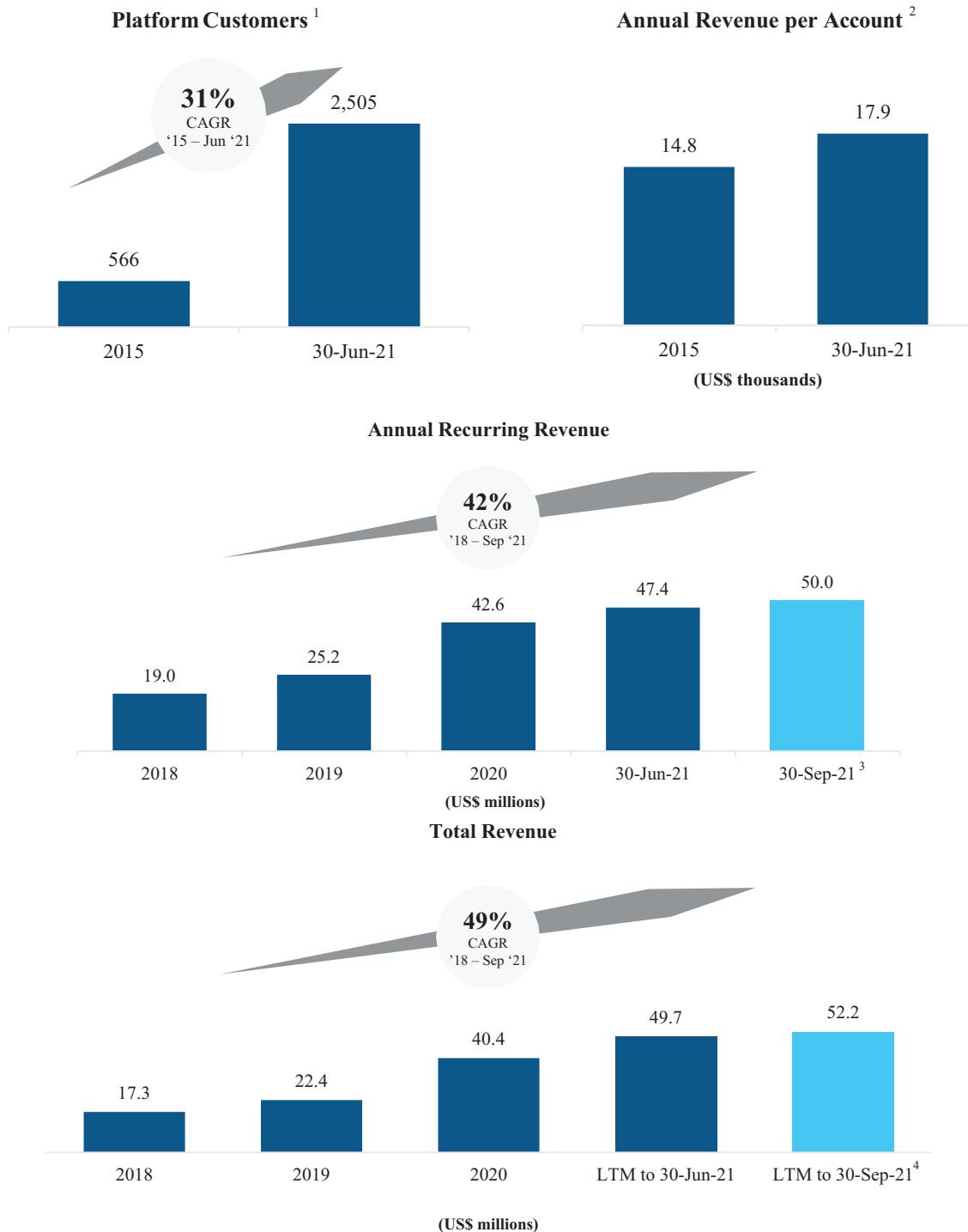
As of June 30, 2021, over 500,000 investors attended virtual events hosted by Q4 each quarter and approximately 12 million investors engaged with our corporate customers each month through our network of investor websites. As of June 30, 2021, we maintained the profiles of approximately 350,000 buy-side and sell-side contacts, their firms and underlying funds. We recognize the value of the data we collect and hold ourselves to the highest standards of protecting this information, including through the anonymization of all proprietary data and information. Our commitment is to leverage data only to enhance our product offering and add value to all capital markets participants alike. As new customers adopt our solutions and existing customers increase their usage of our platform, we expect that the number of investors engaging with our platform and the size of our identity and interactions database will grow exponentially. As we continue to apply our algorithms to our expanding dataset, we will be able to generate better investor behaviour predictions and sell recommendation engines to our customers to improve their investor targeting.

We have dedicated sales teams that sell access to our platform to each of our corporate, sell-side and buy-side customers in North America and Europe. We also leverage large industry service providers that serve as our channel partners. Our products are suitable for public companies of any size and can scale with the needs of our customers. These include small and mid-cap companies at the smallest end, all the way up to some of the largest companies in the market globally. As we continue to roll out our products for the sell-side and buy-side, we intend to target a wide range of customers within these groups such as large global asset managers, pensions, hedge funds and top-tier investment banks. As of June 30, 2021, we had over 2,500 customers subscribe to our solutions or that were in our backlog. Our sales force is trained to sell access to our platform to a large and growing funnel of new prospects, as well as to sell additional product offerings to our existing customers. Our major channel partners include S&P, NYSE and BusinessWire, all of whom recommend our products to their customers. Our channel partners provide us with access to thousands of public issuers who could be targeted to become our customers in the near-term.

We believe we are unique in our platform approach and that we deliver a high quality of service and insights to our customers that puts us in a distinct leadership position. The Q4 platform hosts approximately 500,000 investors at virtual events each quarter and has been adopted by some of the largest, blue chip, public companies globally, including Shopify Inc., Visa Inc., Spotify Technology S.A. and McDonald's Corporation. As at June 30, 2021, approximately 50% of the companies that comprise the Standard and Poor's 500 Index ("S&P 500"), 63% of the companies that comprise the Dow Jones Industrial Average ("DOW 30") and 48% of the companies that comprise the Russell 1000 Index ("Russell 1000") are Q4 customers, and these numbers and their associated revenues continue to grow quickly. We sell access to our platform mainly on an annual subscription basis, priced per product or bundle, typically prepaid on an annual or quarterly basis. Our customers generally enter into contracts having terms of one to three years that most often do not provide for termination for convenience. The majority of our customer contracts, including those on one-year terms, automatically renew with a contracted price increase, unless our customers elect not to renew at the end of the term. We have a positive history of increasing the rate of product adoption and the related revenue per customer, which combined with the contracted nature of our revenue, results in a relatively gradual increase in

revenue with clear visibility into near-term revenue growth. Our goal is to continue to grow revenues from our existing customer base as well as by adding new subscription customers to our platform.

In 2020, nearly 90% of our revenue was recurring, derived from subscriptions. We also consider the majority of our remaining revenue to be reoccurring in nature, providing strong visibility into future revenue for the business. Our revenues increased by 80% in 2020, driven by a combination of growth in customer count that has been increasing at a compounding annual growth rate of 31% since 2015, a growing ARPA and the January 2020 acquisition of many new customers through our acquisition of customer agreements from S&P Global Market Intelligence. Our net dollar revenue retention is 113% on all organic cohorts since 2017, as at December 31, 2020.



Notes:

- (1) As at December 31, 2018, 2019 and 2020, the number of platform customers that have subscribed to our products or that were in our backlog was 1,155, 1,411 and 2,306, respectively.
- (2) As at December 31, 2018, 2019 and 2020, the annual revenue per account, expressed in thousands, was US\$15.7 thousand, US\$17.0 thousand and US\$17.6 thousand, respectively.
- (3) Represents the midpoint of the estimated ARR range as of September 30, 2021. See “Summary Consolidated Financial Information and Other Data — Preliminary Estimated Results for the Third Quarter and Last Twelve Months Ended September 30, 2021”.
- (4) Represents the midpoint of the estimated revenue range for the last twelve months ended September 30, 2021. See “Summary Consolidated Financial Information and Other Data — Preliminary Estimated Results for the Third Quarter and Last Twelve Months Ended September 30, 2021”.

We strive to become the world’s largest premier platform connecting the capital markets. Our vision is to empower issuers in their communications with the sell-side and buy-side communities and to create utility across the entire ecosystem. We want to help our customers optimize how they interact and exchange information to help them form stronger and more productive relationships with each other.

Industry Overview and Trends

Structural changes are disrupting the capital markets

The capital markets are experiencing a structural transformation driven by a number of market forces, including fee compression, changing investor preferences and regulatory requirements.

Sell-side firms historically served as facilitators between their corporate and buy-side clients and were compensated indirectly in the form of deal-related and trading-related fees. The manner in which the buy-side is compensating the sell-side is changing, accelerated by regulatory requirements such as the European Union’s Markets in Financial Instruments Directive (“**MiFID II**”). In response, the buy-side is seeking ways to mitigate these additional fees with automation, direct access to corporations and by creating internal corporate access and research capabilities. Individual investor preferences are also changing as investors seek lower fees, resulting in the increased demand for passive investment vehicles such as no-fee or low-fee products, along with ESG-themed products.

These changes have resulted in sell-side firms shifting their focus to a narrower scope of clients, typically those that are larger, trade higher volumes of shares and that generate adequate fees to justify the resources required to provide their services to these clients. This narrowed focus has limited both the corporate access and equity research services that the sell-side traditionally provided to small and mid-size public companies. Investment banks have become resource-constrained in their ability to deliver corporate access and research services at scale across a wide client base. Pressure is continuing to mount on the sell-side community to continuously increase the value-add of services while doing so at a lower cost.

Due to the increasing market pressures, participants in the capital markets ecosystem are looking to technology to scale their operations cost effectively, by leveraging data-driven decision-making.

Corporates are shifting their investor communications approach from reactive to proactive

Public companies have traditionally relied on the sell-side to meet prospective investors. Increasing regulation and a changing fee environment has resulted in the sell-side not being able to serve corporates as effectively. As a result, these public companies are increasingly employing a more proactive strategy in seeking out the right shareholders. To do so, they are looking for better data sources to help them focus on and communicate with their investors. This also creates more competition for actively managed investors, which has pushed companies to market themselves better and become more effective at targeting these money managers by leveraging technology and data.

As active investors and fund managers become increasingly vocal about topics such as corporate and ESG strategies, issuers need to be aware and able to focus on targeting and impactful communication with these investors. Though passive investment funds have traditionally not been as vocal, those with scale are becoming increasingly active on issues related to ESG, such as raising proposals to shape corporate governance policies. As the rise of passive funds continues, it will create additional pressure on the active money

management community, which is likely to further drive the need for data driven solutions to allow public companies to focus on the investors that are aligned across key investment criteria.

The capital markets communications environment lacks sufficient data

Capital markets interactions often involve manual processes such as data mining from siloed legacy data service providers who may not have a system to record and track the identity of participants over multiple interactions and over time. This makes even the most basic analytics difficult, including for corporates who may not be able to identify in real-time who their shareholders are, when and how to communicate with them and how to craft their message. Without an organized dataset, it is nearly impossible for these public companies to derive advanced insights, such as the ability to track and measure investor behaviour or intent. Accurate, comprehensive data is required to solve these problems and to create utility across the capital markets. As the demand for advanced analytics, such as real-time shareholder intelligence, increases, the need for quality data will increase as well.

Virtual technology adoption is well underway accelerated by the COVID-19 pandemic

The COVID-19 pandemic appears to have permanently shifted the way interactions, particularly meetings, are being conducted. It has accelerated the speed of virtual event adoption across all meeting types: one-on-one meetings, corporate roadshows, shareholder meetings, investor conferences and quarterly earnings calls. Virtual events have allowed public companies to reach a larger audience of investors at a lower cost. The acceleration of this adoption curve has also laid the groundwork for how meetings are expected to continue to be conducted post-COVID-19. We believe interactions and events will increasingly become a hybrid model involving meetings conducted both in-person and virtually. In this hybrid world, identity tracking will become even more critical as public companies may face challenges tracking their shareholders across multiple mediums. Events are expected to become increasingly dual-mode, both virtual and physical, and are quickly evolving towards including identity tracking during the registration process. We believe the lines between physical and virtual meetings will continue to blur and mutually trend towards digital solutions.

Investors are increasingly focused on an ESG mandate

ESG has become an increasingly important element driving investment decisions and the allocation of capital. Investors are increasingly incorporating ESG scores and data in their investment processes. Regulations and guidance are evolving and publicly-listed companies are increasingly being asked to identify and include ESG-related reporting in their public disclosure. Several ESG-related advisors, standard setters and data providers have emerged to help provide guidance and frameworks on ESG metric reporting. ESG rating and data providers base their analyses on publicly available disclosures and evaluate companies against ESG metrics and standards in an attempt to assess a company's ability to manage ESG risks.

Investors are changing their approach to investments based on an overarching market demand for ESG driven decision making, creating a large, new opportunity in the market, impacting corporates and their decisions around what information to disclose. The manner in which investors use these disclosures to drive investment decisions is also changing and is becoming increasingly focused on socially-minded objectives. This is creating an entirely new set of criteria against which companies are being benchmarked and changing the way public companies and investors must target and engage with each other.

In response to this evolving investor focus, management teams and corporate boards are seeking transparency around the composition of their shareholders and more streamlined channels of communication. Internal IR teams have become increasingly responsible for effectively communicating an ESG strategy, including online, and understanding the needs of their shareholders, which has expanded the scope of their responsibility and roles.

The Opportunity

In light of the foregoing industry trends and based on data available from large financial data providers, we believe that we sit at the intersection of a global market opportunity of approximately US\$20 billion between corporates, the sell-side and the buy-side, taking into account our current product offering and our near-term expectations of expanding into deal management and research services. We offer a comprehensive

capital markets communications platform for corporates, the sell-side and the buy-side to discover, communicate and engage with each other.

We believe that any public company can benefit from subscribing to the Q4 platform. We estimate that there are approximately 41,500 public companies globally¹ and, based on the annual price point of our complete corporate platform, we believe this represents a global market opportunity of approximately US\$13 billion annually.

We currently offer certain products in our platform for the sell-side to facilitate the functions of their corporate access teams, including virtual conferencing services, with near-term plans to expand to deal management and research services. We believe that there is a significant need in the global market for these services as we estimate there are approximately 8,000 sell-side firms², approximately 1,000 annual sell-side investor conferences and approximately 24,000 public offerings¹ annually. Based on the cost of our solutions and what we believe the market price is for our upcoming sell-side focused products, we believe the global sell-side opportunity represents an annual market of approximately US\$5 billion.

We also sell access to our platform to the buy-side and, in the near-term, plan to add additional products to our platform focused on the buy-side, including virtual meeting management and research services. Globally, there are approximately 25,000 buy-side firms² and, based on the average cost of our buy-side focused solutions, we estimate a global buy-side market opportunity of approximately US\$2 billion annually.

Competitive Strengths

Simple, comprehensive platform

We enable capital markets participants to communicate effectively and gain valuable insights into each other's online behaviours through a single platform. Across this ecosystem, we facilitate interactions through numerous channels, including investor focused web content and investor events, whether physical or virtual. We allow our customers to manage these interactions in a centralized way using our software to identify and nurture relationships across multiple touchpoints and devices. Our plan to develop deeper shareholder intelligence and analytics capabilities is expected to expand our platform and strengthen our customer relationships.

This platform approach contrasts that of other product providers who are focused on only offering a subset of our platform offerings (those who offer point products), which we believe does not allow them to capture the same quality of data from different interactions over time or to leverage the network effect as effectively as we do. Despite the comprehensive nature of our platform, we believe we differentiate on the simplicity and flexibility of our products. Onboarding new customers is a simple process as our software is easy to use and quick to set up. User interfaces are intuitive for new customers, including our most advanced features, and our products are priced based on simple and consumable products or product bundles.

¹ Data sourced from S&P Global Market Intelligence.

² Data sourced from PitchBook Data, Inc.



Proprietary and public data and analytics powering actionable insights

Our platform is uniquely positioned to collect an immense amount of proprietary data. We recognize the value of this data and hold ourselves to the highest standard to protect it, with the commitment to leverage it only to enhance our product offering and add value to all capital markets participants. This data allows us to understand the behaviour of investors engaging with our corporate customers across our network of websites and virtual events, such as non-deal roadshows, earnings calls, ESG investor days, corporate town halls and investor conferences. We complement this data with public sources, such as regulatory filings and historical trading data, to form a holistic view of investors, their research behaviour and trading decisions.

This unique combination of unmatched proprietary and public data sources allows us to extract insights that we believe no other solution provider can replicate. We expect that our ability to leverage this data will continue to expand over time. Using artificial intelligence and machine learning, we analyze this data to generate actionable insights and recommendations. We are starting to see a network effect emerge where the utility we provide to our customers across the capital markets continues to increase as more users actively engage with our platform. This positive momentum is what we consider our adoption flywheel that we believe will accelerate our growth. We are planning to further leverage the data we collect and plan to eventually offer our customers predictive, recommendation-based products.

Q4 is deeply committed to protecting the privacy rights of our customers and all users across our platform and we have hardwired privacy safeguards into our platform. We have a robust compliance and privacy program in place supporting our strong belief that we comply with all privacy regulation frameworks in the relevant jurisdictions in which we do business and empower our users to have full control of all of their data stored within our platform. Our dedication to privacy is embedded in the fabric of how we build and develop our products and services. As a “privacy-by-design” organization, privacy is not simply a compliance checkbox in a workstream; it is a conscious company-wide mindset as evidenced by our structured privacy program and policies. We provide identity information to our customers only in instances where a direct interaction has occurred; otherwise, the data we leverage is anonymized and aggregated to protect user privacy.



Our trusted brand, technology and approach to customer service model

We strive to be the leading premium capital markets communication platform. We believe that our technology is best-in-class and provides a feature rich, modern, and engaging content experience. We constantly iterate our product portfolio to add new features and respond to customer requests for new functionality. We complement this best-in-class technology with a holistic, personalized, high-touch approach to customer service. We are fanatical about providing the best customer experience possible, and pair our services with proactive and live 24/7 customer support (for example, during critical events such as earnings calls and other live events).

For our corporate customers, we created our Investor Relations Success Platform (“**IRSP**”), which is designed to help teams optimize, deploy best practices and run impactful IR programs using the Q4 platform. Our team of experienced, former IR practitioners work with our customers to understand their unique goals, identify opportunities for improvement and optimize programs to ensure success. Our market analysts work alongside our analytics to provide additional insights to our customers during their most critical periods.

We consider our positive brand reputation to be a distinct advantage and we believe we are seeing an increasing number of new customers join our platform because of word-of-mouth. Through our commercial partnerships, we are a trusted technology provider with some of the most reputable institutions in financial services including S&P Global, NYSE and BusinessWire. In 2020, our controllable logo retention was 93% and our net promoter score stood at 52. We strive to be the premium, trusted brand in the market.

We are ESG focused both internally and externally

As companies globally shift from being shareholder-focused to stakeholder-focused, management teams and boards are increasingly adopting ESG initiatives and attracting socially-focused investors. Our platform empowers both sides of this equation to align common goals and values-based systems. Our platform allows for increased stakeholder engagement and we deliver greater transparency across the capital markets. This results in a stronger corporate governance system for our corporate customers. This includes ESG-focused websites and virtual events and specific investor targeting based on ESG-centric investment criteria. We

improve the ability for corporates to discover and communicate with the right investors and believe that this levels the playing field by shifting away from the traditional model of larger, name-brand investors having undue influence.

While ESG sits near the top of many strategic priority lists for both investors and corporates, the regulatory and investment landscape currently lacks standards and structure. Most companies struggle to find clarity on what is expected of them by investors. Conversely, investors rarely publicly share the unique criteria they apply to their investment decisions. A positive record of improving ESG metrics is clearly a competitive edge when attracting capital within the public markets, but what metrics are important and to which investors should they be told? The ability to package up a relevant ESG narrative and deliver it to those who value those strategic elements creates real value for both corporates and investors. The resulting confusion on how and to whom a public company should tell their ESG story, and our goal of solving real business problems for our customers, has led to unique solutions from Q4. This is another example of our ability to improve how market participants discover one another.

In August 2021, we introduced our first of several new offerings that enable public companies to effectively tell their ESG story. We have established a set of best practice, industry-focused templates for corporate websites and virtual ESG investor days. We plan to launch additional innovative ESG solutions to our platform of products in the coming quarters, with the goal of further enriching this communications channel between public companies and the capital markets. We believe that ESG best practices related to reporting and communication are evolving, especially in regions with developed capital markets, into what could become a global standardized reporting standard. We intend on being a key enabler in helping our clients manage their ESG-related reporting and communication.

We believe that we improve the ability for corporates to discover and communicate with the right investors and believe that this levels the playing field by shifting away from the traditional model of larger, name-brand investors having undue influence.

As the world shifts to a digital-first approach, events and meetings are increasingly conducted virtually, with adoption timelines accelerated by the impact of the COVID-19 pandemic. We actively aim to be contributors to this structural shift and believe it will have long-term benefits in the economy through an improved environmental footprint because of a decrease in physical travel and emissions.

We consciously develop our product to be socially focused because we are ESG focused internally. Our core value system at Q4 rests on a culture of diversity, equity and inclusion. While we have built a solid foundation, we are early in our ESG journey and still have many exciting initiatives to implement.

Platform designed to scale, both organically and by leveraging acquisitions

We have invested meaningfully toward developing a leading product, an exceptional service model and a strong brand reputation. Our platform infrastructure, comprised of both technical and human capital, is set up to support a much larger base of customers as we continue to grow. Though we will continue to invest to sustain our advantage in the market, we believe our financial profile will benefit from the investments we have already made and that we are positioned to scale efficiently. We expect our growth to include strategic acquisitions. Our platform is designed and priced per product or product bundle, allowing us to integrate acquired capabilities and sell new products to our existing and new customers effectively.

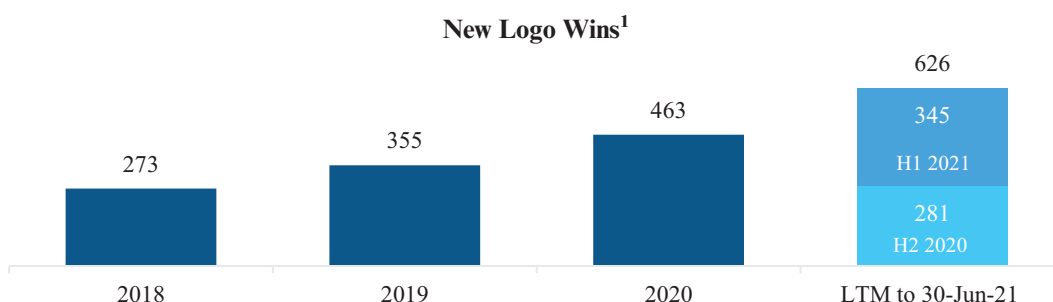
Growth Strategies

As our platform continues to improve the quality and efficiency of interactions amongst capital markets participants, we plan to continue to grow. The key elements of our growth strategy include:

- ***Leverage effective go-to-market strategy to add new customers.*** The market we serve is large and the over 2,500 customers who subscribe to our platform or are in our backlog are only a small subset of the total corporate, sell-side and buy-side customers that we believe we can address. We plan to invest meaningfully in our sales and marketing strategy to attract new customers both in our existing geographies, as well as new markets globally including Western and Central Europe, Australia, Asia and South America.

We have invested strategically in our sales systems and processes to develop a data-driven approach to identify and convert the highest probability opportunities into active customers. Our primary sales approach involves a direct sales team, which leverages what we believe to be our position as the market leader and utilizes a sophisticated demand generation process. Knowing who our potential customers are, we are able to track them effectively and identify optimal opportunities to make a sale. Our sales force measures the level of their success based on the lifetime value of a customer compared to the cost to acquire that customer. This metric, LTV/CAC, stood at 5.2x for the twelve months ended June 30, 2021.

We believe that our brand reputation is important to our ability to expand our customer base, as it is increasingly leading to organic sales based on word-of-mouth advertising. Word-of-mouth referrals have represented an important source for new customer leads as more and more public companies become aware of our company and our services. However, word-of-mouth referrals and leads do not detract from our intention to maintain and grow a strong sales and marketing team in order to effectively attract new customers and to educate and promote our platform solutions so as to successfully convert existing customers into customers that will adopt multiple products. As a rapidly growing company, we have invested and will continue to meaningfully invest in our sales and marketing team in order to continue our organic growth. See “Use of Proceeds”.



Notes:

- (1) New Logo Wins refers to the incremental new customers that have signed contracts within the respective time period.

We complement our direct sales strategy with an impactful channel partner strategy, including collaborations with leading capital markets technology and services providers:

- *New York Stock Exchange (“NYSE”)*, in an effort to compete effectively with their stock exchange peers, leverages Q4 as a preferred vendor, providing their largest and newly public companies with products and best practices to support their investor relations efforts. In the last three years, Q4 has established a commercial relationship with nearly 200 public companies who have completed an initial public offering on the NYSE. On July 23, 2021, we renewed our partnership with the NYSE for an additional three year period.
- *BusinessWire*, a global leader in newswire and press release distribution, directs their customers to Q4 for web and virtual event solutions. Through the relationship, we have access to BusinessWire’s global client base of corporate customers. In turn, Q4 provides newswire referrals to BusinessWire. Our recent integration with BusinessWire’s NX technology ensures the real-time display of corporate news announcements released on BusinessWire, onto our customers’ websites.
- *S&P Global Market Intelligence (“S&P”)*, a division of S&P Global Inc. and a strategic partner and shareholder, sold us their customer contracts in respect of IR website and virtual events in early 2020, providing us with the opportunity to service a pool of additional customers. S&P is now a referral partner in the sale of our products to their global client base. Our partnership with S&P includes a broader integration with their proprietary industry data, enabling us to offer industry specific datasets to our approximately 690 shared clients. Moving forward, we plan to continue to build these reseller and data opportunities.
- *Various marketing agencies*, namely IR firms, refer our platform to their corporate customers. In the second quarter of 2021, our agency partners contributed a meaningful amount to our sales.

We have a program and team in place to provide our agency partners white glove services, ensuring a consistent source of new business. We view this as a critical ecosystem in all markets we are committed to growing.

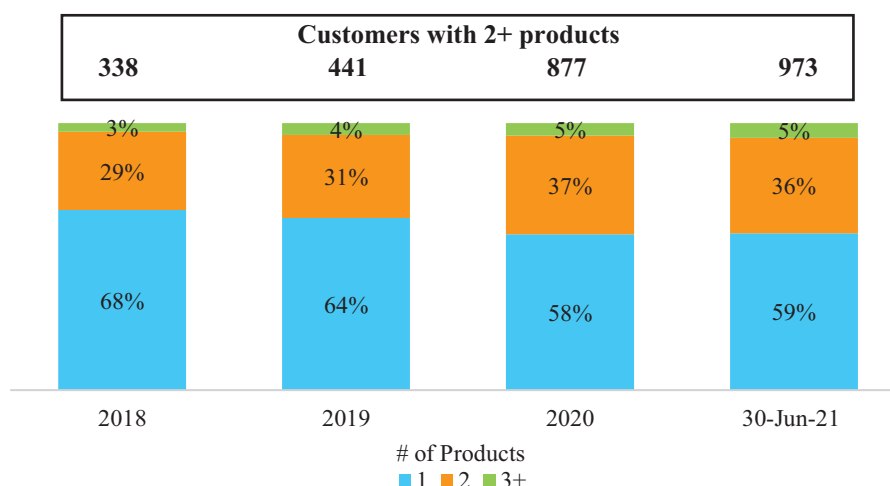
We intend to continue expanding and deepening our channel partner relationships to extend our reach, including complementing our direct sales efforts as we expand into new geographies. Our near term geographic focus is on North America, the United Kingdom, certain Scandinavian countries and Central Europe, with plans to eventually expand globally into other regions with a developed capital markets system, including Western Europe, Australia, Asia and South America, and beyond. We have advanced licensing partnerships to provide us access to prominent European exchange issuers and related datasets. We have also partnered with EQS Newswire as a new provider of news distribution services. We believe that by licensing the right data, and by taking advantage of these and other partnerships, we can leverage our existing infrastructure to enter new markets quickly and effectively.

In the second quarter of 2021, we launched a new virtual shareholder meeting (“VSM”) product in partnership with Broadridge Investor Communication Solutions, Inc. (“Broadridge”) and delivered approximately 1,500 events during the quarter. On June 10, 2021, we received correspondence from Broadridge raising issues with specific elements of the VSM service level agreement. This prompted us to undertake a thorough analysis of the VSM business to review its strategic fit and financial profile within the context of our overall product offering. Following this review, both companies determined to mutually terminate the partnership and Broadridge withdrew their earlier correspondence. With this termination, we exited the VSM business. We believe that this will enable us to focus valuable resources on other strategic initiatives that better align with our long term commercial and financial targets. As a result, we have accelerated the migration of our customers onto our own earnings platform, thereby reducing our reliance on third-party vendors. We believe our innovative and proprietary platform will deliver attractive levels of recurring revenue while ultimately driving overall margin expansion.

- **Upsell additional products to captive customer audience.** We sell access to our platform on a per product or bundled basis, and our solutions are designed to scale as our customers’ needs grow. There are multiple entry points to our platform via our web, virtual events or shareholder intelligence products. Once new customers join the Q4 platform, we expect them to adopt additional products over time, as we have historically had success upselling additional products to our existing customers. This includes customers joining our platform from a strategic partnership or acquisition. We realized a 56% compounded annual growth rate of the revenue we generated from our top 50 customers between 2018 and 2020.

The following chart presents our product adoption mix for the last three years:

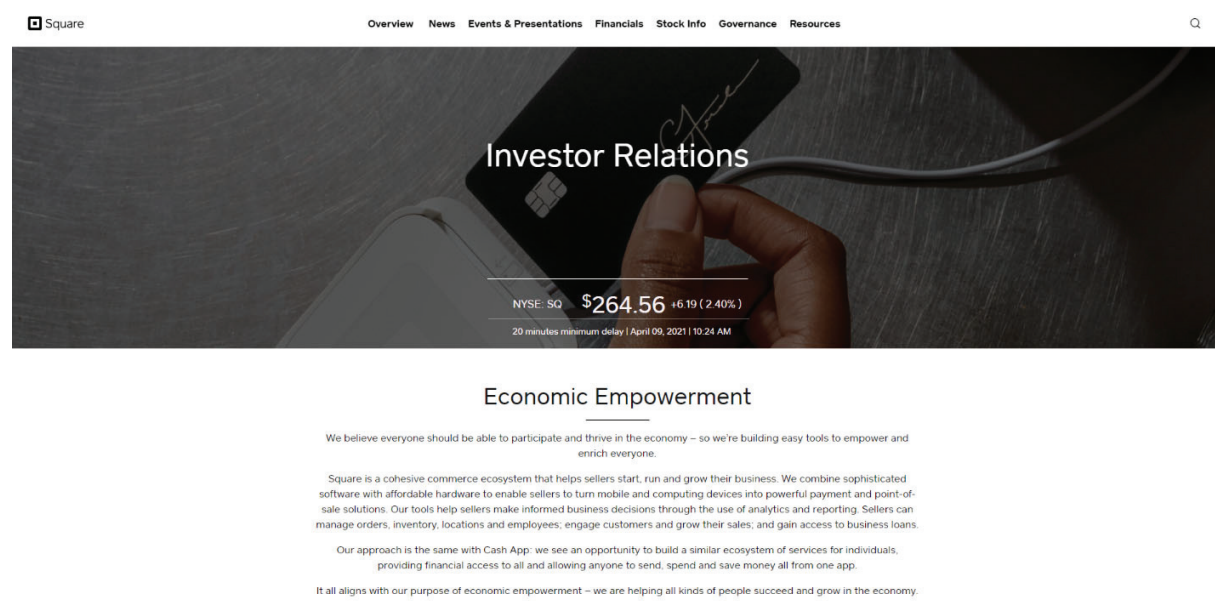
Product Adoption



Square Inc., which has been a Q4 customer since 2015, initially leveraged the Q4 platform to develop its online investor relations presence. Between 2017 and June 30, 2021, the annual recurring revenue we generated

from Square Inc. has grown by approximately six times as they adopted additional products across our platform over time. Adoption of additional products across our platform over time is a common behaviour of a Q4 customer. In addition to incremental revenue, customers who adopt additional products experience higher customer satisfaction and are less likely to leave our platform. Our NRR, which measures our ability to sell incremental products to our customers relative to any customers who leave the platform stood at 113% as of December 31, 2020 (an increase from 108% and 109% in 2018 and 2019, respectively), in each case measured since 2017.

Our sales force is focused on regular communication with our existing customers to educate and promote our platform solutions. As at June 30, 2021, we had over 2,500 customers as subscribers with contracts in effect and in our backlog. We estimate that if we sold our entire platform suite to each of these customers, we could generate approximately US\$200 million of incremental revenue.



- **Expand our platform with new products and capabilities.** Our platform is constantly evolving and our internal product development pipeline is based on regular monitoring of our customers' needs, both unmet and those currently provided by third parties.

The addition of new products to our platform increases our opportunity to expand revenue within our existing customer base and allows us to find additional ways to monetize our dataset and the network effect which exists within our platform.

We plan to create solutions for all participants in the capital markets ecosystem:

- **Corporates:** additional analytics capabilities, including shareholder behaviour and predictive analytics; tools and workflows to effectively present ESG-related themes; and provide metrics to the investment community.
- **Sell-side:** expand corporate access and virtual event management tools; deal management capabilities; and research management.
- **Buy-side:** facilitate better direct-to-corporate communications tools; self-identity management tools; and research access capabilities.
- **Pursue meaningful strategic, accretive acquisitions.** The landscape of capital markets communication technology solutions is broad and defined by products which address one specific need. We believe this market is fragmented and defined by point solutions which would benefit from being part of our platform. Many of these solutions comprise non-core segments of larger financial data service providers, stock exchanges, news services or other capital markets related industries. We believe we are

well positioned to become the consolidator in this industry and that our platform can benefit from strategic acquisition opportunities. These opportunities could include:

- *Platform expansion*: acquiring value-added products and capabilities for our corporate, sell-side and buy-side customers, including products focused on supporting our clients' ESG initiatives.
- *Harnessing data and the network effect*: acquiring additional data sources that connect the capital markets ecosystem and leverage artificial intelligence and machine learning to improve identity tracking and analytics.
- *Customer acquisition*: acquiring additional customers to expand our footprint in new and existing geographies and bring these customers into our platform ecosystem.

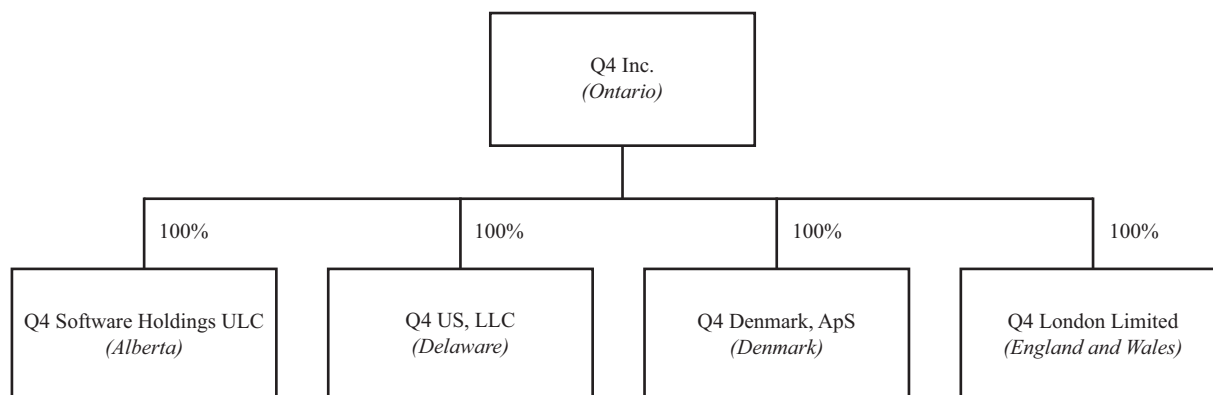
We actively monitor and intend to pursue a pipeline of near-term acquisitions focused on both expanding our core business, including providing IR websites, virtual events, CRM and data and analytics products, as well as expanding into new, adjacent capital markets communication technologies, such as IR workflow, corporate access, deal management and research management.

Our executive team includes individuals with a strong track record of identifying, acquiring and integrating acquisitions and a reputation in the capital markets. We have recently strengthened and intend to continue to strengthen our Corporate Development team. We approach acquisitions with discipline, focusing on strategic fit and long-term shareholder value creation, with the intention to augment our growth and margin profile, as well as provide meaningful commercial synergies. This positions us well to source and execute proprietary acquisitions, and we are currently cultivating several attractive opportunities which are in our pipeline. To date, Q4 has completed and successfully integrated five acquisitions (2015: acquisition of Oxford Intelligence Partners, LLC; 2016: acquisition of the Euroinvestor — IR Solutions division; 2017: acquisition of CapMark Clarity LTD; 2019: acquisition of IR customers from BusinessWire¹; and 2020: acquisition of customer agreements from S&P Global Market Intelligence) which have enhanced the capabilities of our platform and increased the number of customers using our products.

Corporate Structure

Initially founded in 2005, Q4 Inc. was formed by way of an amalgamation of Q4 Web Systems Inc. and 1955312 Ontario Inc. on May 13, 2016 pursuant to the *Business Corporations Act* (Ontario), with the amalgamated company's name being "Q4 Inc."

The following chart identifies our subsidiaries (including the governing jurisdiction of each entity), after completion of the offering and the Pre-Closing Capital Changes described under "Description of Share Capital — Pre-Closing Capital Changes":



Note:

¹ The BusinessWire acquisition consisted of an exclusive customer referral relationship rather than an acquisition of assets; Q4 considers this a historical acquisition due to the resulting increase in customers.

SUMMARY OF THE OFFERING

Issuer:	Q4 Inc.
Offering:	Between 8,571,428 and 10,714,285 common shares (9,857,142 and 12,321,427 common shares, including approximately 287,428 to 359,285 common shares on a secondary basis, if the Over-Allotment Option is exercised in full).
Offering Price:	C\$ • per common share. It is expected that the offering price will be between C\$14.00 and C\$17.50 per common share.
Offering Size:	C\$150,000,000 (C\$172,500,000 if the Over-Allotment Option is exercised in full).
Over-Allotment Option:	We and the Selling Shareholder have granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part, at any time for a period of 30 days after the Closing Date, to purchase up to an additional • common shares from the Selling Shareholder and up to an additional • common shares from us (representing in aggregate 15% of the aggregate number of common shares sold under the base offering) at the offering price solely to cover over-allotments, if any. The Selling Shareholder has agreed to sell up to an aggregate of US\$4.0 million common shares pursuant to the Over-Allotment Option (approximately 319,365 common shares, assuming an offering size of C\$150,000,000 and an offering price of C\$15.75, being the midpoint of the estimated price range). See “Plan of Distribution”.
Shares Outstanding:	Upon completion of this offering, assuming an offering size of C\$150,000,000 and an offering price of C\$15.75 (the midpoint of the estimated price range) an aggregate of 40,588,804 common shares will be issued and outstanding on a non-diluted basis (and 43,491,129 on a fully diluted basis) and if the Over-Allotment Option is exercised by the Underwriters in full, 41,698,010 common shares will be issued and outstanding on a non-diluted basis (44,600,335 on a fully diluted basis) and no preferred shares will be issued and outstanding. See “Description of Share Capital”.
Selling Shareholder:	Darrell Heaps, our President and Chief Executive Officer.
Common Shares held by the Selling Shareholder following Closing:	Upon completion of this offering, the Selling Shareholder will, directly or indirectly, own or control an aggregate of 1,940,288 common shares, representing 4.8% of the issued and outstanding common shares. See “Principal and Selling Shareholders”.
Use of Proceeds:	The net proceeds to us from the treasury issuance under this offering are estimated to be approximately C\$136,214,980 (C\$157,364,980 if the Over-Allotment Option is exercised in full), assuming an offering size of C\$150,000,000 and an offering price of C\$15.75 (the midpoint of the estimated price range), after deduction of the Underwriters’ fee and the estimated expenses of this offering. The Underwriters’ fee related to the treasury issuance and the expenses of this offering will be paid out of the gross proceeds of this offering. We will not receive any proceeds from the secondary offering of common shares sold by the Selling Shareholder. We intend to use the net proceeds to us from the treasury issuance under this offering as follows: (i) to repay all of the outstanding indebtedness under the Credit Facilities of approximately US\$20.6 million (approximately C\$25.8 million) as of the date of this prospectus; (ii) to allow us to pursue our growth strategies, which includes expanding our customer base through strategic investments in our sales and marketing strategy (including the hiring of employees to expand our sales and marketing team) and our channel partner strategy, supporting the growth in services to our existing customers to enhance product adoption, and expanding our product offerings with new

products and capabilities for all participants in the capital markets ecosystem — we estimate that approximately US\$20.0 to US\$25.0 million (approximately C\$25.2 to C\$31.4 million) of the net proceeds will be used to pursue our organic growth strategy by investing in sales and marketing and that approximately US\$15.0 to US\$20.0 million (approximately C\$18.9 to C\$25.2 million) of the net proceeds will be used to drive product development to grow our capital markets platform and for general corporate purposes and to fund working capital; and (iii) to selectively pursue acquisitions — we estimate that approximately US\$50.0 to US\$70.0 million (approximately C\$62.9 to C\$88.0 million) of the net proceeds of this offering will be allocated to pursue our inorganic growth strategy through mergers and acquisitions. As a result of our significant growth in recent periods and the fact that we operate in a dynamic and rapidly-evolving market, we do not believe we can provide the approximate amounts of the proceeds that will be allocated to each of these purposes with certainty. As such, we have not specifically allocated the net proceeds amongst these purposes as at the date of this prospectus. Such decisions will depend on market and competitive factors as they evolve over time. Pending their use, we intend to invest the net proceeds from this offering in short-term, investment grade, interest bearing instruments or hold them as cash.

See “Use of Proceeds”, “Our Business — Growth Strategies”, “Our Business — Growth Strategies — Leverage effective go-to market strategy to add new customers” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Outlook”.

Description of Share Capital:

Upon the completion of the Pre-Closing Capital Changes and this offering, our authorized share capital will consist of: (i) an unlimited number of common shares; and (ii) an unlimited number of preferred shares, issuable in series. See “Description of Share Capital”.

Dividend Policy:

We do not currently anticipate paying cash dividends on the common shares in the foreseeable future. The Company’s current policy is to retain cash flows to finance the development and enhancement of its services and to otherwise reinvest in the Company’s business. See “Dividend Policy”, “Description of Share Capital” and “Risk Factors”.

Lock-Up Arrangements:

We and each of our directors and executive officers and certain of our shareholders have agreed (other than in respect of Darrell Heaps and the Ten Coves Entities, who are subject to the lock-up arrangements described below) that he, she or it will not, directly or indirectly, without the prior written consent of the Joint Bookrunners, on behalf of the Underwriters, acting reasonably, sell, offer to sell, issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including, without limitation, by entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common shares) any of our common shares, or other securities convertible or exchangeable into or otherwise exercisable into our common shares, secure or pledge any common shares or any securities convertible or exchangeable into common shares, or agree or publicly announce any intention to do any of the foregoing for a period commencing on the Closing Date and ending 180 days after the Closing Date, subject to certain limited exceptions, including the sale of common shares by us pursuant to the exercise of the Over-Allotment Option, the issuance of our securities pursuant to or in connection with our equity incentive compensation plans or the transfer or assignment of our securities by a shareholder to one or more of its affiliates.

Pursuant to the lock-up agreements to be entered into by Mr. Heaps and the Ten Coves Entities, Mr. Heaps and the Ten Coves Entities have agreed that they will not, directly or indirectly, without the prior written consent of the Joint Bookrunners, on behalf of the Underwriters, acting reasonably, sell, offer to sell, issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including, without limitation, by entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our equity securities) any of our common shares, or other securities convertible or exchangeable into or otherwise exercisable into our common shares, or agree or publicly announce any intention to do any of the foregoing for a period commencing on the Closing Date and ending: (1) in the case of Mr. Heaps, 12 months after the Closing Date, provided that Mr. Heaps will have the right to sell, offer to sell issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including, without limitation, by entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our equity securities) up to an aggregate of US\$4.0 million of his shares or other equity securities of the Company pursuant to the Over-Allotment Option and in transactions occurring at least 180 days after the Closing Date, and (2) in the case of the Ten Coves Entities, (a) 180 days after the Closing Date with respect to up to two-thirds of their shares or other equity securities of the Company, and (b) 12 months after the Closing Date with respect to any and all of their remaining shares or other equity securities of the Company, in each case, subject to certain limited exceptions, including the transfer or assignment of our securities by such shareholder to one or more of its affiliates.

Holders of at least 95% of our common shares immediately prior to the closing of this offering will be subject to these lock-up arrangements. See “Plan of Distribution - Lock-up Arrangements”.

Investor Rights Agreement:

Upon completion of the offering and assuming no exercise of the Over-Allotment Option, the Ten Coves Entities will, directly or indirectly, own and control approximately 24.1% of our issued and outstanding common shares and, as a result, will retain influence with respect to certain matters submitted to the Company’s shareholders for approval through their voting power. On closing of this offering, we will enter into the Investor Rights Agreement with Ten Coves, which will provide the Ten Coves Entities with registration rights and the ability to nominate one director to our board. See “Principal and Selling Shareholders”, “Agreement with Principal Shareholder” and “Risk Factors”.

Proposed TSX Trading Symbol:

“QFOR”.

Risk Factors:

An investment in our common shares is subject to a number of risk factors that should be carefully considered by prospective investors. Prospective purchasers should carefully consider the information set out under “Risk Factors” and the other information in this prospectus before purchasing common shares. These risk factors include, but are not limited to:

- the market in which we participate is competitive;
- if our customers do not expand their use of our platform beyond their current engagements or renew their existing contracts with us;
- if we are not able to develop new platform features that respond to the needs of our customers;

- failure to effectively expand our sales and marketing capabilities or to select appropriate marketing channels;
- market adoption of a broad multi-service capital markets platform for all market stakeholders is relatively new and unproven and may not grow as we expect;
- if customer information or data is disclosed prematurely or otherwise obtained, whether due to a breach of our security measures or other unauthorized access, our platform may be perceived as insecure;
- privacy, data protection, and information security concerns, and data collection and transfer restrictions and related domestic or foreign regulations;
- the success of our relationships with strategic partners and third party vendors and suppliers, including the risk that a strategic partner could terminate its relationship with us;
- if we fail to execute our growth strategy;
- any failure to offer high-quality customer support and a high level service experience;
- our completion of acquisitions;
- we might require additional capital to support our growth, and this capital might not be available on acceptable terms, if at all; and
- if we fail to effectively manage our growth, our business and results of operations could be harmed.

See “Risk Factors”.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The following tables present selected summary consolidated financial information for the periods and as at the dates indicated therein. The selected consolidated financial information below has been derived from: (i) the consolidated audited financial statements of the Company as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018, and (ii) the unaudited interim condensed consolidated financial statements of the Company as at June 30, 2021 and for the three and six months ended June 30, 2021 and 2020, in each case, included elsewhere in this prospectus. This information is a summary only. Historical results are not necessarily indicative of the results that may be expected for any future period.

Prospective investors should review this information in conjunction with the historical financial statements, including the notes thereto, as well as “About this Prospectus”, “Meaning of Certain References”, “Non-IFRS Measures and Industry Metrics”, “Market and Industry Data”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Use of Proceeds”, “Consolidated Capitalization”, “Description of Material Indebtedness” and “Description of Share Capital” included elsewhere in this prospectus.

Summary Consolidated Statements of Income (Loss):

(U.S. dollars in thousands, except per share amounts)	Year Ended December 31,			Six Months Ended June 30,	
	2020	2019	2018	2021	2020
Revenue	40,381	22,400	17,301	28,614	19,279
Direct cost of revenue	18,706	10,429	8,098	12,635	8,675
Gross profit	21,675	11,971	9,203	15,979	10,604
Operating Expenses					
Sales and marketing	11,677	8,072	5,172	8,837	5,231
Research and development	6,540	3,272	2,054	5,624	2,944
General and administrative	10,549	8,036	5,572	9,609	4,724
Depreciation and amortization	4,117	1,598	1,467	2,082	2,037
Foreign exchange (gain) loss	528	280	(501)	166	15
Fair value adjustment on contingent consideration	—	—	(233)	—	—
Other expenses	499	610	121	272	62
Total operating expenses	33,910	21,868	13,652	26,590	15,013
Loss from operations	(12,235)	(9,897)	(4,449)	(10,611)	(4,409)
Finance expenses	326	370	3,514	440	137
Finance income	(73)	(241)	—	(8)	(49)
(Gain) loss on derivative financial instruments	386	843	(18)	3,463	193
Loss before income taxes	(12,874)	(10,869)	(7,945)	(14,506)	(4,690)
Income taxes	245	184	320	66	74
Net loss for the period	(13,119)	(11,053)	(8,265)	(14,572)	(4,764)
Other comprehensive income (loss)					
Foreign exchange gain (loss) on foreign operations	49	26	16	(14)	2
Net loss and comprehensive loss	(13,070)	(11,027)	(8,249)	(14,586)	(4,762)
Basic and diluted loss per share	(0.32)	(0.28)	(0.22)	(0.33)	(0.12)
Basic and diluted pro forma loss per share ⁽¹⁾	(•)	(•)	(•)	(•)	(•)

Note:

(1) Assuming the completion of the Pre-Closing Capital Changes.

Reconciliation of Non-IFRS Financial Measures:

EBITDA, Adjusted EBITDA and Free cash flow are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. See “Non-IFRS Measures and Industry Metrics.”

Adjusted EBITDA

We define EBITDA as net loss, adjusted for depreciation and amortization, finance expenses, finance income and income taxes. Adjusted EBITDA is a supplemental measure used by management to assess our financial and operating performance without regards to financing methods or capital structure. Adjusted EBITDA represents net loss excluding taxes, adjusted for the following: share-based compensation, depreciation and amortization, unrealized foreign exchange gain (loss), fair value adjustment on contingent consideration, finance expenses, finance income, (gain) loss on derivative financial instruments, transaction related expenses and income taxes. The Company's definition of Adjusted EBITDA and EBITDA may be different than similarly titled measures used by other companies. The following table reconciles Adjusted EBITDA and EBITDA to net loss for the periods indicated.

(U.S. dollars in thousands)	Year Ended December 31,			Six Months Ended June 30,	
	2020	2019	2018	2021	2020
Net loss	\$(13,119)	\$(11,053)	\$(8,265)	\$(14,572)	\$(4,764)
Depreciation and amortization	4,117	1,598	1,467	2,082	2,037
Finance expenses ⁽¹⁾	326	370	3,514	440	137
Finance income	(73)	(241)	—	(8)	(49)
Income taxes	245	184	320	66	74
EBITDA	<u>\$ (8,504)</u>	<u>\$ (9,142)</u>	<u>\$(2,964)</u>	<u>\$(11,992)</u>	<u>\$(2,565)</u>
Other adjustments					
Fair value adjustment on contingent consideration ⁽²⁾	—	—	(233)	—	—
Share-based compensation expense ⁽³⁾	754	567	163	455	377
Unrealized foreign exchange (gain) loss	543	56	(223)	266	66
(Gain) loss on derivative financial instruments ⁽⁴⁾	386	843	(18)	3,463	193
Transaction related expenses ⁽⁵⁾	—	—	—	819	—
Adjusted EBITDA	<u><u>\$ (6,821)</u></u>	<u><u>\$ (7,676)</u></u>	<u><u>\$(3,275)</u></u>	<u><u>\$ (6,989)</u></u>	<u><u>\$(1,929)</u></u>

(1) Finance expenses are primarily related to interest and accretion of financial liabilities.

(2) This adjustment represents the adjustment of the contingent consideration recorded on a business acquisition in 2016.

(3) Share-based compensation expense represents non-cash expenditures recognized in connection with the issuance of options under our Legacy Equity Incentive Plan (as defined in this prospectus) to our employees and directors. Options granted under the Legacy Equity Incentive Plan will become options under our Omnibus Plan in connection with the Pre-Closing Capital Changes.

(4) These adjustments represent fair value adjustments relating to outstanding warrants.

(5) Represents expenses relating to this offering and include professional, legal, consulting and accounting fees that are non-recurring and would otherwise not have been incurred.

Free cash flow

Free cash flow is defined as cash flow from (used in) operating activities, less additions to property and equipment. The following tables reconciles our cash flow from (used in) operating activities to Free cash flow.

(U.S. dollars in thousands)	Year Ended December 31,			Six Months Ended June 30,	
	2020	2019	2018	2021	2020
Cash flow used in operating activities	\$(3,515)	\$(6,092)	\$(3,114)	\$(9,530)	\$(4,959)
Additions to property and equipment	(626)	(33)	(31)	(191)	(237)
Free cash flow	<u><u>\$(4,141)</u></u>	<u><u>\$(6,125)</u></u>	<u><u>\$(3,145)</u></u>	<u><u>\$(9,721)</u></u>	<u><u>\$(5,196)</u></u>

Preliminary Estimated Results for the Third Quarter and Last Twelve Months Ended September 30, 2021 (unaudited)

Set out below are certain preliminary and unaudited estimates of selected financial results and other information for the three months ending September 30, 2021 and the year-to-date and last twelve months ended September 30, 2021. These preliminary estimated results represent management's estimates which are based on currently available information, are not a comprehensive statement of our financial results and are subject to completion of our financial closing procedures which will not occur until after this offering is complete. Our actual results may change as a result of such financial closing procedures, final adjustments, management's review of results, and other developments that may arise between now and the time the financial results are finalized, and results could vary, including materially, from our preliminary estimates and be outside of the ranges set forth below. These preliminary estimated results do not present all information necessary for an understanding of the Company's financial condition as of September 30, 2021 or the Company's results of operations for the quarter and twelve months ended September 30, 2021.

These preliminary estimated results constitute forward-looking information within the meaning of applicable securities laws and are not necessarily indicative of the results to be expected for any future period as a result of various factors, including, but not limited to, those assumptions, risks and uncertainties discussed in the sections titled "Risk Factors" and "Forward-Looking Information". The preliminary estimated results should be read in conjunction with, and should not be viewed as a substitute for, our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for prior periods included elsewhere in this prospectus. Neither our independent auditor, nor any other independent accountants or auditors, have compiled, examined, or performed any procedures with respect to the preliminary estimated results presented below, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, such preliminary estimated results.

The following table provides an expected range for select financial results and other information for our third quarter of 2021 and the year-to-date and last twelve months ended September 30, 2021:

(U.S. dollars, in millions)	Three Months Ending September 30			Nine Months Ending September 30			Last Twelve Months Ending September 30		
	Estimated 2021 Range		Actual 2020	Estimated 2021 Range		Actual 2020	Estimated 2021 Range		Actual 2020
Revenue	\$12.0	\$13.0	\$10.0	\$40.6	\$41.6	\$29.3	\$51.7	\$52.7	\$29.3

(U.S. dollars)	As of September 30		
	Estimated 2021 Range		Actual 2020
Annual Recurring Revenue (in millions of U.S. dollars)	\$49.0	\$51.0	\$40.3

OUR BUSINESS

Business of Q4

At Q4, our mission is to become the largest capital markets communications platform in the world, connecting publicly-listed companies (“corporates”, “public companies” or “issuers”), investment banks (the “sell-side”) and investment managers (the “buy-side”) along a variety of workflows, including investor relations, corporate access, deal management and research.

The capital markets have become increasingly digital and data driven. Although sales and trading functions have adopted advanced technologies and interconnected data systems, communication among the broader participants continues to be managed through numerous manual processes and legacy platforms that are siloed and are lacking a shared system of interaction and identity data. We believe this often results in lost productivity, inefficient interactions and missed opportunities in connecting the right investors to the right corporates at the right time.

Corporate investor relations (“IR”) teams are shifting away from relying on inbound investor introductions traditionally facilitated by corporate access teams at investment banks, to a proactive, outbound, direct-to-investor approach. Issuers recognize they are limited in their ability to identify and engage the right investors and are increasingly demanding intuitive platforms and real-time, data-driven tools. However, many issuers and their advisors lack the predictive insights required to understand patterns and sentiment within their shareholder bases and, as a result, are challenged in their ability to harness necessary insights from trading activity to proactively identify potential buyers and sellers of their shares in a timely manner.

The buy-side, which has traditionally also relied on the sell-side to connect them with public company management teams, is also now seeking to engage directly with issuers. Members of the sell-side, facing increasing pressure from regulation and lower fees, are narrowing the scope of their clients to those who justify the technology infrastructure required to provide their services to these clients.

These market dynamics are interdependent for all participants, which creates an opportunity for Q4 to implement its platform to unite all participants, drive efficiencies and bring utility to the entire ecosystem.

We are working to disrupt the traditional capital markets communication model by leveraging our technology platform and our proprietary data to provide all participants in the capital markets ecosystem with improved communication, engagement, actionable insights and recommendations. We believe this will transform the way that corporates, the sell-side and the buy-side make decisions and facilitate the efficient discovery, communication and engagement with each other.

Corporate Customers

We provide our corporate customers with a comprehensive cloud-based software platform that enables effective interactions with other capital markets participants. Our platform, which is made up of a number of differentiated product offerings, currently provides corporates with critical technology infrastructure and data that may be used to support their IR teams, including:

- *Websites*: building and managing an effective investor-focused IR website, using modern, responsive designs and best practice content. Our platform leverages automated tools, including share price charting, news and regulatory filing feeds, as well as advanced workflow management for large IR teams and features that enable investors to engage directly with corporate management.
- *Virtual Events*: hosting virtual events and providing meeting services, from one-on-one meetings to large, complex, multi-meeting conferences with thousands of participants, including non-deal roadshows, environmental, social and governance (“ESG”) themed events, corporate town halls and quarterly conference calls. All of our virtual events leverage our modern software that is feature rich and personalized with our high-touch customer support.
- *Analytics*: providing analytics and shareholder intelligence on behaviour and perceptions of current and prospective shareholders. We use public and proprietary data to monitor changes in shareholdings in real-time and have the ability to alert and report those changes to the issuer.

- **CRM:** enabling and managing relationships with investors using our sophisticated IR-focused investor relationship management application. Corporate IR teams are able to use our CRM to track investor contact information, investment parameters and communications, to conduct investor targeting and to benchmark their success in attracting their desired investors.



Investor Relations	Earnings Call	Activism Monitoring	Contact Database
Newsroom	Investor Day	Capital Flows	Targeting Workflow
Corporate Website	Investor Conference	Options Intelligence	Board Reporting
Newswire Integration	Virtual Non-Deal Roadshow	Shareholder Identification	Web & Event Analysis
	ESG Investor Days	Mutual Fund Updates	Market Intelligence
		Settlement Analysis	

We believe our customers consider our platform to be a premium solution and the industry standard addressing the communications needs of any public company. We are one of the most trusted communications platforms used by many of the world's largest and most recognizable brands.

The Q4 platform gives our corporate customers a proprietary, unified view of individual investor identities as well as the institutions they represent. Regardless of where in our platform an interaction occurs, our platform captures and analyzes a large dataset, consolidated from both proprietary and public sources, to track and provide insights about these users. These insights can help corporate customers identify potential new investors, strategically aligned to invest based on their interests and industry dynamics, thematic growth and ESG considerations. Our platform can also monitor investor activity in real time, which corporates can use to identify investor behaviour and patterns, with the goal of being able to ultimately translate their actions into intent, such as the intent to purchase or sell securities. Our ability to apply artificial intelligence and machine learning and analyst expertise to this unique dataset is a competitive differentiator and a key to our success.

Sell-side Customers

Our platform aims to create the same degree of efficiency for all participants in the capital markets. We provide our sell-side customers with platform solutions that enable their corporate access teams to build and manage complex virtual and hybrid investor events, such as investor conferences, non-deal roadshows and one-on-one meetings at scale. We provide the technology infrastructure, data and analytics to enable our sell-side customers' corporate access teams to: build and manage complex investor conference schedules, including multiple company presentation types, breakout rooms and virtual networking, and manage hundreds of concurrent meetings between public companies and investors, on a stand-alone basis and through light touch integration with institutional customer relationship management systems.

In the future, we plan to expand the capabilities of our platform by offering products for the management of broader corporate access, deal management (including investor targeting) and research management workflows.

Buy-side Customers

We provide our prospective buy-side customers, mainly sophisticated public markets investors, with access to corporate information, corporate events and direct communication with issuers, and are expanding our

platform to allow buy-side firms to self-manage their identities across our platform, enabling them to better connect with capital markets participants. We believe we are well positioned to benefit from shifts in the regulatory environment that require investment managers to directly compensate other market participants for services such as deal participation and research, as we expect buy-side customers to seek out more effective and efficient ways of conducting business. The data we collect and the analytics we derive can serve to focus investors on, and connect them with, public companies in a more efficient and cost-effective manner.

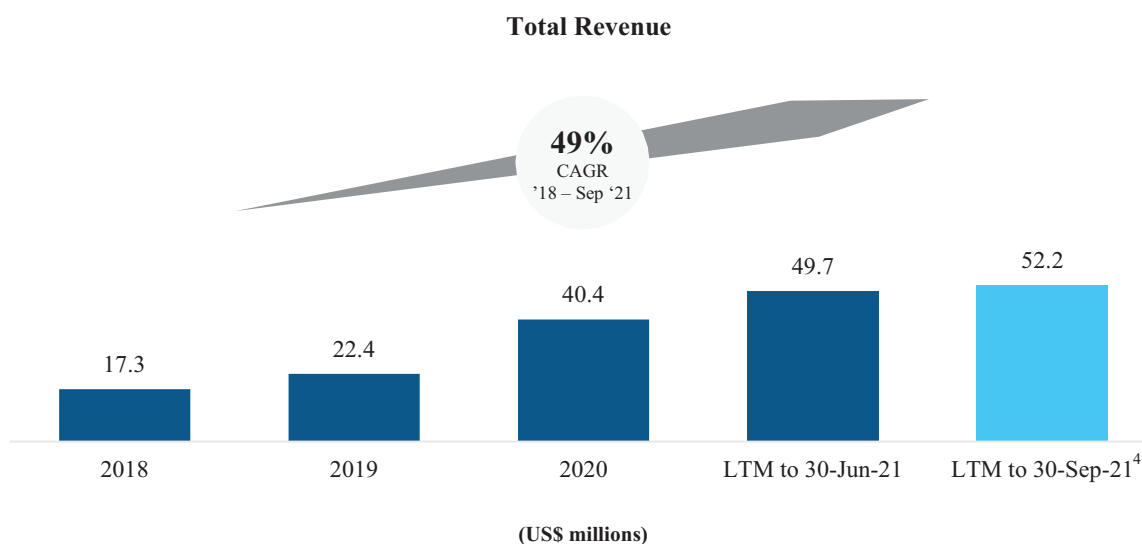
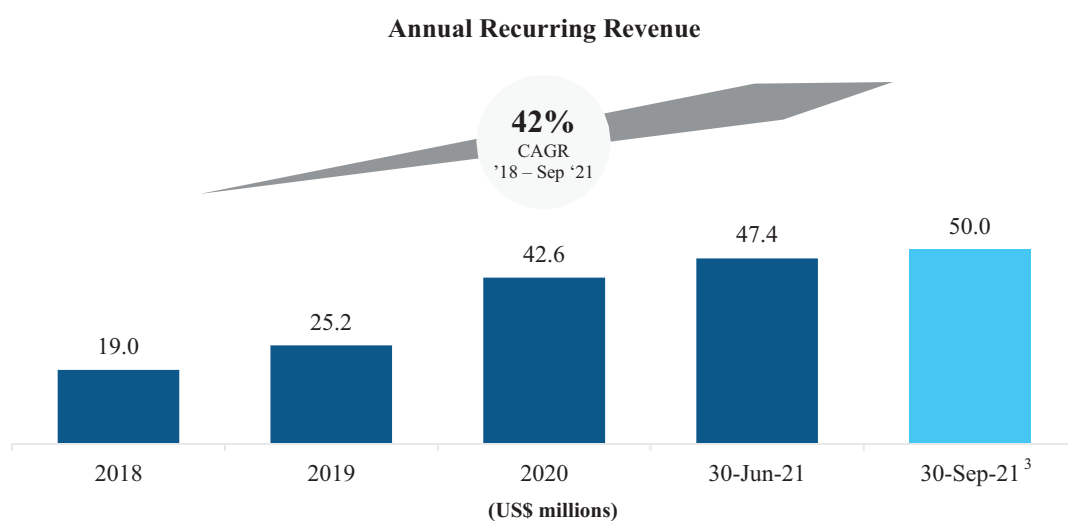
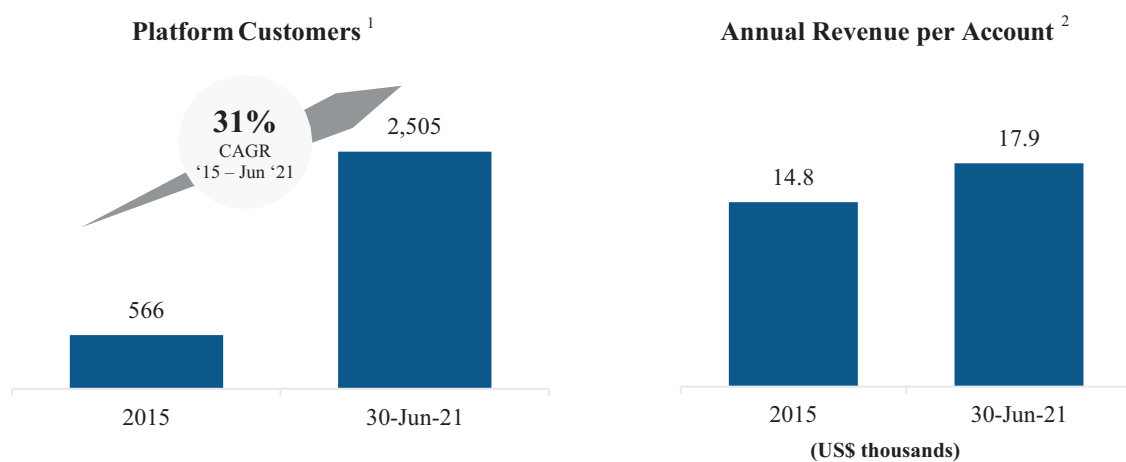
The Q4 Platform

As of June 30, 2021, over 500,000 investors attended virtual events hosted by Q4 each quarter and approximately 12 million investors engaged with our corporate customers each month through our network of investor websites. As of June 30, 2021, we maintained the profiles of approximately 350,000 buy-side and sell-side contacts, their firms and underlying funds. We recognize the value of the data we collect and hold ourselves to the highest standards of protecting this information, including through the anonymization of all proprietary data and information. Our commitment is to leverage data only to enhance our product offering and add value to all capital markets participants alike. As new customers adopt our solutions and existing customers increase their usage of our platform, we expect that the number of investors engaging with our platform and the size of our identity and interactions database will grow exponentially. As we continue to apply our algorithms to our expanding dataset, we will be able to generate better investor behaviour predictions and sell recommendation engines to our customers to improve their investor targeting.

We have dedicated sales teams that sell access to our platform to each of our corporate, sell-side and buy-side customers in North America and Europe. We also leverage large industry service providers that serve as our channel partners. Our products are suitable for public companies of any size and can scale with the needs of our customers. These include small and mid-cap companies at the smallest end, all the way up to some of the largest companies in the market globally. As we continue to roll out our products for the sell-side and buy-side, we intend to target a wide range of customers within these groups such as large global asset managers, pensions, hedge funds and top-tier investment banks. As of June 30, 2021, we had over 2,500 customers subscribe to our solutions or that were in our backlog. Our sales force is trained to sell access to our platform to a large and growing funnel of new prospects, as well as to sell additional product offerings to our existing customers. Our major channel partners include S&P, NYSE and BusinessWire, all of whom recommend our products to their customers. Our channel partners provide us with access to thousands of public issuers who could be targeted to become our customers in the near-term.

We believe we are unique in our platform approach and that we deliver a high quality of service and insights to our customers that puts us in a distinct leadership position. The Q4 platform hosts over 500,000 investors at virtual events each quarter and has been adopted by some of the largest, blue chip, public companies globally, including Shopify Inc., Visa Inc., Spotify Technology S.A. and McDonald's Corporation. As at June 30, 2021, approximately 50% of the companies that comprise the Standard and Poor's 500 Index ("S&P 500"), 63% of the companies that comprise the Dow Jones Industrial Average ("DOW 30") and 48% of the companies that comprise the Russell 1000 Index ("Russell 1000") are Q4 customers, and these numbers and their associated revenues continue to grow quickly. We sell access to our platform mainly on an annual subscription basis, priced per product or bundle, typically prepaid on an annual or quarterly basis. Our customers generally enter into contracts having terms of one to three years that most often do not provide for termination for convenience. The majority of our customer contracts, including those on one-year terms, automatically renew with a contracted price increase, unless our customers elect not to renew at the end of the term. We have a positive history of increasing the rate of product adoption and the related revenue per customer, which combined with the contracted nature of our revenue, results in a relatively gradual increase in revenue with clear visibility into near-term revenue growth. Our goal is to continue to grow revenues from our existing customer base as well as by adding new subscription customers to our platform.

In 2020, nearly 90% of our revenue was recurring, derived from subscriptions. We also consider the majority of our remaining revenue to be reoccurring in nature, providing strong visibility into future revenue for the business. Our revenues increased by 80% in 2020, driven by a combination of growth in customer count that has been increasing at a compounding annual growth rate of 31% since 2015, a growing ARPA and the January 2020 acquisition of many new customers through our acquisition of customer agreements from S&P Global Market Intelligence. Our net dollar revenue retention was 113% on all organic cohorts since 2017, as at December 31, 2020.



Notes:

(1) As at December 31, 2018, 2019 and 2020, the number of platform customers that have subscribed to our products or that were in our backlog was 1,155, 1,411 and 2,306, respectively.

- (2) As at December 31, 2018, 2019 and 2020, the annual revenue per account, expressed in thousands, was US\$15.7 thousand, US\$17.0 thousand and US\$17.6 thousand, respectively.
- (3) Represents the midpoint of the estimated ARR range as of September 30, 2021. See “Summary Consolidated Financial Information and Other Data — Preliminary Estimated Results for the Third Quarter and Last Twelve Months Ended September 30, 2021”.
- (4) Represents the midpoint of the estimated revenue range for the last twelve months ended September 30, 2021. See “Summary Consolidated Financial Information and Other Data — Preliminary Estimated Results for the Third Quarter and Last Twelve Months Ended September 30, 2021”.

We strive to become the world’s largest premier platform connecting the capital markets. Our vision is to empower issuers in their communications with the sell-side and buy-side communities and to create utility across the entire ecosystem. We want to help our customers optimize how they interact and exchange information to help them form stronger and more productive relationships with each other.

Industry Overview and Trends

Structural changes are disrupting the capital markets

The capital markets are experiencing a structural transformation driven by a number of market forces, including fee compression, changing investor preferences and regulatory requirements.

Sell-side firms historically served as facilitators between their corporate and buy-side clients and were compensated indirectly in the form of deal-related and trading-related fees. The manner in which the buy-side is compensating the sell-side is changing, accelerated by regulatory requirements such as the European Union’s Markets in Financial Instruments Directive (“**MiFID II**”). In response, the buy-side is seeking ways to mitigate these additional fees with automation, direct access to corporations and by creating internal corporate access and research capabilities. Individual investor preferences are also changing as investors seek lower fees, resulting in the increased demand for passive investment vehicles such as no-fee or low-fee products, along with ESG-themed products.

These changes have resulted in sell-side firms shifting their focus to a narrower scope of clients, typically those that are larger, trade higher volumes of shares and that generate adequate fees to justify the resources required to provide their services to these clients. This narrowed focus has limited both the corporate access and equity research services that the sell-side traditionally provided to small and mid-size public companies. Investment banks have become resource-constrained in their ability to deliver corporate access and research services at scale across a wide client base. Pressure is continuing to mount on the sell-side community to continuously increase the value-add of services while doing so at a lower cost.

Due to the increasing market pressures, participants in the capital markets ecosystem are looking to technology to scale their operations cost effectively, by leveraging data-driven decision-making.

Corporates are shifting their investor communications approach from reactive to proactive

Public companies have traditionally relied on the sell-side to meet prospective investors. Increasing regulation and a changing fee environment has resulted in the sell-side not being able to serve corporates as effectively. As a result, these public companies are increasingly employing a more proactive strategy in seeking out the right shareholders. To do so, they are looking for better data sources to help them focus on and communicate with their investors. This also creates more competition for actively managed investors, which has pushed companies to market themselves better and become more effective at targeting these money managers by leveraging technology and data.

As active investors and fund managers become increasingly vocal about topics such as corporate and ESG strategies, issuers need to be aware and able to focus on targeting and impactful communication with these investors. Though passive investment funds have traditionally not been as vocal, those with scale are becoming increasingly active on issues related to ESG, such as raising proposals to shape corporate governance policies. As the rise of passive funds continues, it will create additional pressure on the active money management community, which is likely to further drive the need for data driven solutions to allow public companies to focus on the investors that are aligned across key investment criteria.

The capital markets communications environment lacks sufficient data

Capital markets interactions often involve manual processes such as data mining from siloed legacy data service providers who may not have a system to record and track the identity of participants over multiple interactions and over time. This makes even the most basic analytics difficult, including for corporates who may not be able to identify in real-time who their shareholders are, when and how to communicate with them and how to craft their message. Without an organized dataset, it is nearly impossible for these public companies to derive advanced insights, such as the ability to track and measure investor behaviour or intent. Accurate, comprehensive data is required to solve these problems and to create utility across the capital markets. As the demand for advanced analytics, such as real-time shareholder intelligence, increases, the need for quality data will increase as well.

Virtual technology adoption is well underway accelerated by the COVID-19 pandemic

The COVID-19 pandemic appears to have permanently shifted the way interactions, particularly meetings, are being conducted. It has accelerated the speed of virtual event adoption across all meeting types: one-on-one meetings, corporate roadshows, shareholder meetings, investor conferences and quarterly earnings calls. Virtual events have allowed public companies to reach a larger audience of investors at a lower cost. The acceleration of this adoption curve has also laid the groundwork for how meetings are expected to continue to be conducted post-COVID-19. We believe interactions and events will increasingly become a hybrid model involving meetings conducted both in-person and virtually. In this hybrid world, identity tracking will become even more critical as public companies may face challenges tracking their shareholders across multiple mediums. Events are expected to become increasingly dual-mode, both virtual and physical, and are quickly evolving towards including identity tracking during the registration process. We believe the lines between physical and virtual meetings will continue to blur and mutually trend towards digital solutions.

Investors are increasingly focused on an ESG mandate

ESG has become an increasingly important element driving investment decisions and the allocation of capital. Investors are increasingly incorporating ESG scores and data in their investment processes. Regulations and guidance are evolving and publicly-listed companies are increasingly being asked to identify and include ESG-related reporting in their public disclosure. Several ESG-related advisors, standard setters and data providers have emerged to help provide guidance and frameworks on ESG metric reporting. ESG rating and data providers base their analyses on publicly available disclosures and evaluate companies against ESG metrics and standards in an attempt to assess a company's ability to manage ESG risks.

Investors are changing their approach to investments based on an overarching market demand for ESG driven decision making, creating a large, new opportunity in the market, impacting corporates and their decisions around what information to disclose. The manner in which investors use these disclosures to drive investment decisions is also changing and is becoming increasingly focused on socially-minded objectives. This is creating an entirely new set of criteria against which companies are being benchmarked and changing the way public companies and investors must target and engage with each other.

In response to this evolving investor focus, management teams and corporate boards are seeking transparency around the composition of their shareholders and more streamlined channels of communication. Internal IR teams have become increasingly responsible for effectively communicating an ESG strategy, including online, and understanding the needs of their shareholders, which has expanded the scope of their responsibility and roles.

The Opportunity

In light of the foregoing industry trends and based on data available from large financial data providers, we believe that we sit at the intersection of a global market opportunity of approximately US\$20 billion between corporates, the sell-side and the buy-side, taking into account our current product offering and our near-term expectations of expanding into deal management and research services. We offer a comprehensive capital markets communications platform for corporates, the sell-side and the buy-side to discover, communicate and engage with each other.

We believe that any public company can benefit from subscribing to the Q4 platform. We estimate that there are approximately 41,500 public companies globally¹ and, based on the annual price point of our complete corporate platform, we believe this represents a global market opportunity of approximately US\$13 billion annually.

We currently offer certain products in our platform for the sell-side to facilitate the functions of their corporate access teams, including virtual conferencing services, with near-term plans to expand to deal management and research services. We believe that there is a significant need in the global market for these services as we estimate there are approximately 8,000 sell-side firms², approximately 1,000 annual sell-side investor conferences and approximately 24,000 public offerings¹ annually. Based on the cost of our solutions and what we believe the market price is for our upcoming sell-side focused products, we believe the global sell-side opportunity represents an annual market of approximately US\$5 billion.

We also sell access to our platform to the buy-side and, in the near-term, plan to add additional products to our platform focused on the buy-side, including virtual meeting management and research services. Globally, there are approximately 25,000 buy-side firms² and, based on the average cost of our buy-side focused solutions, we estimate a global buy-side market opportunity of approximately US\$2 billion annually.

Competitive Strengths

Simple, comprehensive platform

We enable capital markets participants to communicate effectively and gain valuable insights into each other's online behaviours through a single platform. Across this ecosystem, we facilitate interactions through numerous channels, including investor focused web content and investor events, whether physical or virtual. We allow our customers to manage these interactions in a centralized way using our software to identify and nurture relationships across multiple touchpoints and devices. Our plan to develop deeper shareholder intelligence and analytics capabilities is expected to expand our platform and strengthen our customer relationships.

This platform approach contrasts that of other product providers who are focused on only offering a subset of our platform offerings (those who offer point products), which we believe does not allow them to capture the same quality of data from different interactions over time or to leverage the network effect as effectively as we do. Despite the comprehensive nature of our platform, we believe we differentiate on the simplicity and flexibility of our products. Onboarding new customers is a simple process as our software is easy to use and quick to set up. User interfaces are intuitive for new customers, including our most advanced features, and our products are priced based on simple and consumable products or product bundles.



¹ Data sourced from S&P Global Market Intelligence.

² Data sourced from PitchBook Data, Inc.

Proprietary and public data and analytics powering actionable insights

Our platform is uniquely positioned to collect an immense amount of proprietary data. We recognize the value of this data and hold ourselves to the highest standard to protect it, with the commitment to leverage it only to enhance our product offering and add value to all capital markets participants. This data allows us to understand the behaviour of investors engaging with our corporate customers across our network of websites and virtual events, such as non-deal roadshows, earnings calls, ESG investor days, corporate town halls and investor conferences. We complement this data with public sources, such as regulatory filings and historical trading data, to form a holistic view of investors, their research behaviour and trading decisions.

This unique combination of unmatched proprietary and public data sources allows us to extract insights that we believe no other solution provider can replicate. We expect that our ability to leverage this data will continue to expand over time. Using artificial intelligence and machine learning, we analyze this data to generate actionable insights and recommendations. We are starting to see a network effect emerge where the utility we provide to our customers across the capital markets continues to increase as more users actively engage with our platform. This positive momentum is what we consider our adoption flywheel that we believe will accelerate our growth. We are planning to further leverage the data we collect and plan to eventually offer our customers predictive, recommendation-based products.

Q4 is deeply committed to protecting the privacy rights of our customers and all users across our platform and we have hardwired privacy safeguards into our platform. We have a robust compliance and privacy program in place supporting our strong belief that we comply with all privacy regulation frameworks in the relevant jurisdictions in which we do business and empower our users to have full control of all of their data stored within our platform. We are SOC-2 Type II certified with ISO-compliant (International Organization for Standardization) processes and procedures. Q4 has been audited by a leading third party who conducted a full assessment of our technical infrastructure and data-handling processes. For our clients, the SOC-2 Type II audit provides the peace of mind that continuous security monitoring and best practices have been established regarding appropriate information safeguards at each point of engagement. Our dedication to privacy is embedded in the fabric of how we build and develop our products and services. As a “privacy-by-design” organization, privacy is not simply a compliance checkbox in a workstream; it is a conscious company-wide mindset as evidenced by our structured privacy program and policies. We provide identity information to our customers only in instances where a direct interaction has occurred; otherwise, the data we leverage is anonymized and aggregated to protect user privacy.



Our trusted brand, technology and approach to customer service model

We strive to be the leading premium capital markets communication platform. We believe that our technology is best-in-class and provides a feature rich, modern, and engaging content experience. We constantly iterate our product portfolio to add new features and respond to customer requests for new functionality. We complement this best-in-class technology with a holistic, personalized, high-touch approach to customer service. We are fanatical about providing the best customer experience possible, and pair our services with proactive and live 24/7 customer support (for example, during critical events such as earnings calls and other live events).

For our corporate customers, we created our Investor Relations Success Platform (“**IRSP**”), which is designed to help teams optimize, deploy best practices and run impactful IR programs using the Q4 platform. Our team of experienced, former IR practitioners work with our customers to understand their unique goals, identify opportunities for improvement and optimize programs to ensure success. Our market analysts work alongside our analytics to provide additional insights to our customers during their most critical periods.

We consider our positive brand reputation to be a distinct advantage and we believe we are seeing an increasing number of new customers join our platform because of word-of-mouth. Through our commercial partnerships, we are a trusted technology provider with some of the most reputable institutions in financial services including S&P Global, NYSE and BusinessWire. In 2020, our controllable logo retention was 93% and our net promoter score stood at 52. We strive to be the premium, trusted brand in the market.

We are ESG focused both internally and externally

As companies globally shift from being shareholder-focused to stakeholder-focused, management teams and boards are increasingly adopting ESG initiatives and attracting socially-focused investors. Our platform empowers both sides of this equation to align common goals and values-based systems. Our platform allows for increased stakeholder engagement and we deliver greater transparency across the capital markets. This results in a stronger corporate governance system for our corporate customers. This includes ESG-focused websites and virtual events and specific investor targeting based on ESG-centric investment criteria.

While ESG sits near the top of many strategic priority lists for both investors and corporates, the regulatory and investment landscape currently lacks standards and structure. Most companies struggle to find clarity on what is expected of them by investors. Conversely, investors rarely publicly share the unique criteria they apply to their investment decisions. A positive record of improving ESG metrics is clearly a competitive edge when attracting capital within the public markets, but what metrics are important and to which investors should they be told? The ability to package up a relevant ESG narrative and deliver it to those who value those strategic elements creates real value for both corporates and investors. The resulting confusion on how and to whom a public company should tell their ESG story, and our goal of solving real business problems for our customers, has led to unique solutions from Q4. This is another example of our ability to improve how market participants discover one another.

In August 2021, we introduced our first of several new offerings that enable public companies to effectively tell their ESG story. We have established a set of best practice, industry-focused templates for corporate websites and virtual ESG investor days. We plan to launch additional innovative ESG solutions to our platform of products in the coming quarters, with the goal of further enriching this communications channel between public companies and the capital markets. We believe that ESG best practices related to reporting and communication are evolving, especially in regions with developed capital markets, into what could become a global standardized reporting standard. We intend on being a key enabler in helping our clients manage their ESG-related reporting and communication.

We improve the ability for corporates to discover and communicate with the right investors and believe that this levels the playing field by shifting away from the traditional model of larger, name-brand investors having undue influence.

As the world shifts to a digital-first approach, events and meetings are increasingly conducted virtually, with adoption timelines accelerated by the impact of the COVID-19 pandemic. We actively aim to be contributors to this structural shift and believe it will have long-term benefits in the economy through an improved environmental footprint because of a decrease in physical travel and emissions.

We consciously develop our product to be socially focused because we are ESG focused internally. Our core value system at Q4 rests on a culture of diversity, equity and inclusion. While we have built a solid foundation, we are early in our ESG journey and still have many exciting initiatives to implement.

For the third year in a row, we have been selected one of the Top 50 Best Workplaces in Canada, as well as one of the Top 50 Best Workplaces for Women and Top 50 Best Workplaces for Inclusion, after a thorough and independent analysis conducted by Great Place to Work[®] Canada.

Platform designed to scale, both organically and by leveraging acquisitions

We have invested meaningfully toward developing a leading product, an exceptional service model and a strong brand reputation. Our platform infrastructure, comprised of both technical and human capital, is set up to support a much larger base of customers as we continue to grow. Though we will continue to invest to sustain our advantage in the market, we believe our financial profile will benefit from the investments we have already made and that we are positioned to scale efficiently. We expect our growth to include strategic acquisitions. Our platform is designed and priced per product or product bundle, allowing us to integrate acquired capabilities and sell new products to our existing and new customers effectively.

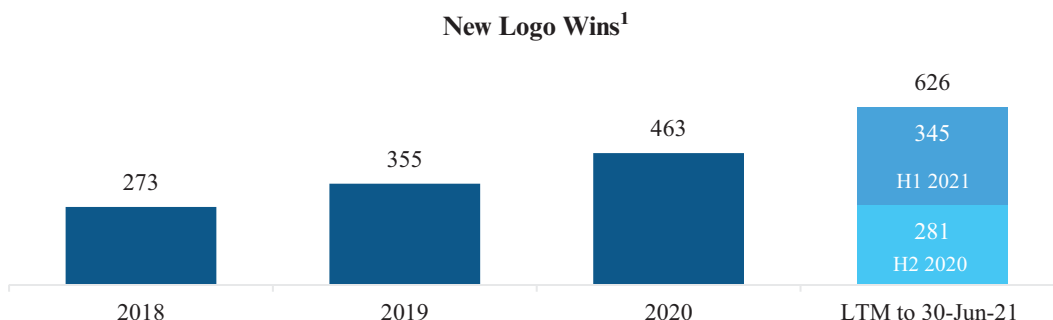
Growth Strategies

As our platform continues to improve the quality and efficiency of interactions amongst capital markets participants, we plan to continue to grow. The key elements of our growth strategy include:

- ***Leverage effective go-to-market strategy to add new customers.*** The market we serve is large and the over 2,500 customers who subscribe to our platform or are in our backlog are only a small subset of the total corporate, sell-side and buy-side customers that we believe we can address. We plan to invest meaningfully in our sales and marketing strategy to attract new customers both in our existing geographies, as well as new markets globally including Western and Central Europe, Australia, Asia and South America.

We have invested strategically in our sales systems and processes to develop a data-driven approach to identify and convert the highest probability opportunities into active customers. Our primary sales approach involves a direct sales team, which leverages what we believe to be our position as the market leader and utilizes a sophisticated demand generation process. Knowing who our potential customers are, we are able to track them effectively and identify optimal opportunities to make a sale. Our sales force measures the level of their success based on the lifetime value of a customer compared to the cost to acquire that customer. This metric, LTV/CAC, stood at 5.2x for the twelve months ended June 30, 2021.

We believe that our brand reputation is important to our ability to expand our customer base, as it is increasingly leading to organic sales based on word-of-mouth advertising. Word-of-mouth referrals have represented an important source for new customer leads as more and more public companies become aware of our company and our services. However, word-of-mouth referrals and leads do not detract from our intention to maintain and grow a strong sales and marketing team in order to effectively attract new customers and to educate and promote our platform solutions so as to successfully convert existing customers into customers that will adopt multiple products. As a rapidly growing company, we have invested and will continue to meaningfully invest in our sales and marketing team in order to continue our organic growth. See “Use of Proceeds”.



Notes:

(1) New Logo Wins refers to the incremental new customers that have signed contracts within the respective time period.

We complement our direct sales strategy with an impactful channel partner strategy, including collaborations with leading capital markets technology and services providers:

- *New York Stock Exchange (“NYSE”)*, in an effort to compete effectively with their stock exchange peers, leverages Q4 as a preferred vendor, providing their largest and newly public companies with products and best practices to support their investor relations efforts. In the last three years, Q4 has established a commercial relationship with nearly 200 public companies who have completed an initial public offering on the NYSE. On July 23, 2021, we renewed our partnership with the NYSE for an additional three-year period.
- *BusinessWire*, a global leader in newswire and press release distribution, directs their customers to Q4 for web and virtual event solutions. Through the relationship, we have access to BusinessWire’s global client base of corporate customers. In turn, Q4 provides newswire referrals to BusinessWire. Our recent integration with BusinessWire’s NX technology ensures the real-time display of corporate news announcements released on BusinessWire, onto our customers’ websites.
- *S&P Global Market Intelligence (“S&P”)*, a division of S&P Global Inc. a strategic partner and shareholder, sold us their customer contracts in respect of IR website and virtual events in early 2020, providing us with the opportunity to service a pool of additional customers. S&P is now a referral partner in the sale of our products to their global client base. Our partnership with S&P includes a broader integration with their proprietary industry data, enabling us to offer industry specific datasets to our approximately 690 shared clients. Moving forward, we plan to continue to build these reseller and data opportunities.

- *Various marketing agencies*, namely IR firms, refer our platform to their corporate customers. In the second quarter of 2021, our agency partners contributed a meaningful amount to our sales. We have a program and team in place to provide our agency partners white glove service, ensuring a consistent source of new business. We view this as a critical ecosystem in all markets we are committed to growing.

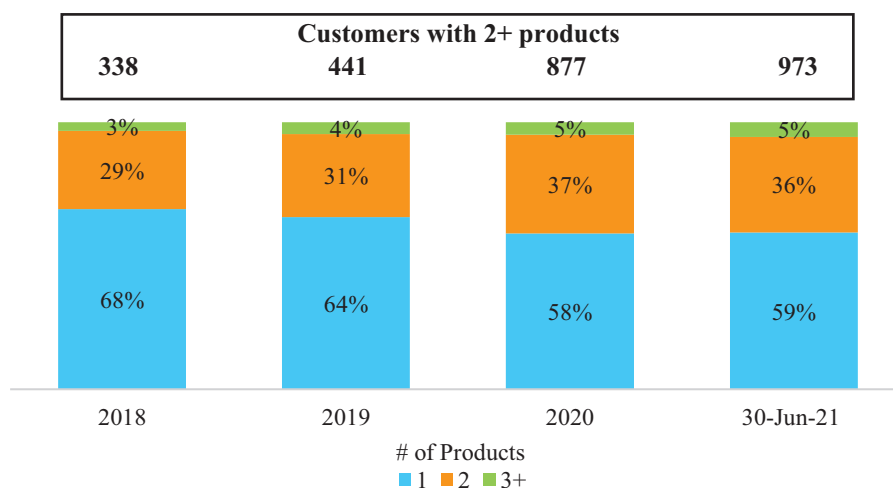
We intend to continue expanding and deepening our channel partner relationships to extend our reach, including complementing our direct sales efforts as we expand into new geographies. Our near term geographic focus is on North America, the United Kingdom, certain Scandinavian countries and Central Europe, with plans to eventually expand globally into other regions with a developed capital markets system, including Western Europe, Australia, Asia and South America, and beyond. We have advanced licensing partnerships to provide us access to prominent European exchange issuers and related datasets. We have also partnered with EQS Newswire as a new provider of news distribution services. We believe that by licensing the right data, and by taking advantage of these and other partnerships, we can leverage our existing infrastructure to enter new markets quickly and effectively.

In the second quarter of 2021, we launched a new virtual shareholder meeting (“VSM”) product in partnership with Broadridge Investor Communication Solutions, Inc. (“**Broadridge**”) and delivered approximately 1,500 events during the quarter. On June 10, 2021, we received correspondence from Broadridge raising issues with specific elements of the VSM service level agreement. This prompted us to undertake a thorough analysis of the VSM business to review its strategic fit and financial profile within the context of our overall product offering. Following this review, both companies determined to mutually terminate the partnership and Broadridge withdrew their earlier correspondence. With this termination, we exited the VSM business. We believe that this will enable us to focus valuable resources on other strategic initiatives that better align with our long term commercial and financial targets. As a result, we have accelerated the migration of our customers onto our own earnings platform, thereby reducing our reliance on third-party vendors. We believe our innovative and proprietary platform will deliver attractive levels of recurring revenue while ultimately driving overall margin expansion.

- ***Upsell additional products to captive customer audience.*** We sell access to our platform on a per product or bundled basis, and our solutions are designed to scale as our customers’ needs grow. There are multiple entry points to our platform via our web, virtual events or shareholder intelligence products. Once new customers join the Q4 platform, we expect them to adopt additional products over time, as we have historically had success upselling additional products to our existing customers. This includes customers joining our platform from a strategic partnership or acquisition. We realized a 56% compounded annual growth rate of the revenue we generated from our top 50 customers between 2018 and 2020.

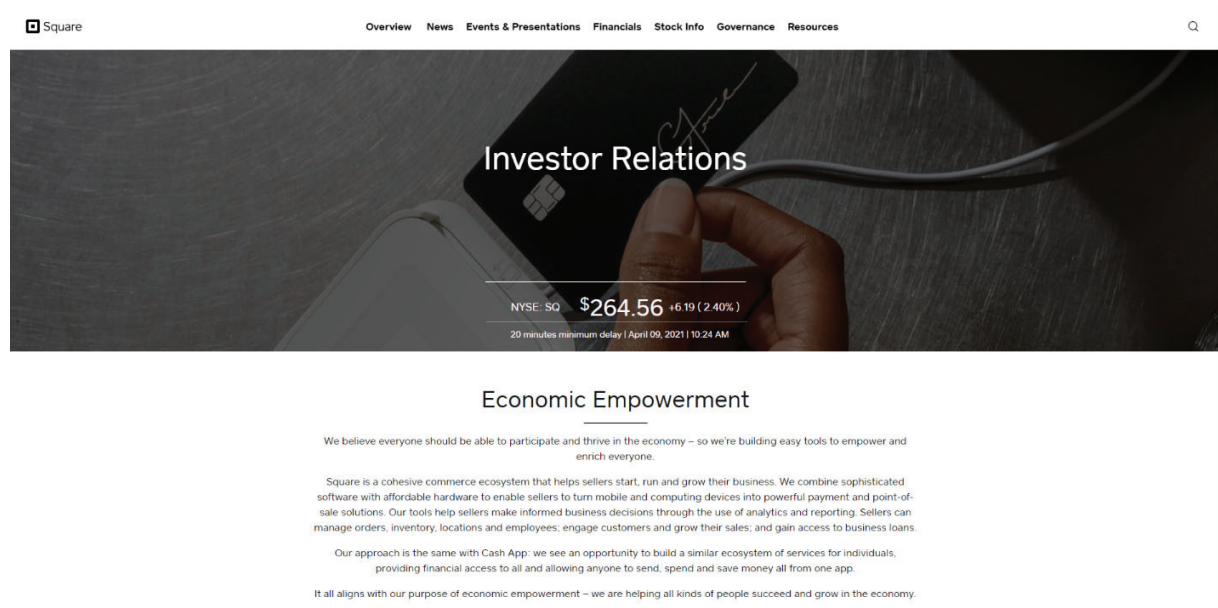
The following chart presents our product adoption mix for the last three years:

Product Adoption



Square Inc., which has been a Q4 customer since 2015, initially leveraged the Q4 platform to develop its online investor relations presence. Between 2017 and June 30, 2021, the annual recurring revenue we generated from Square Inc. has grown by approximately six times as they adopted additional products across our platform over time. Adoption of additional products across our platform over time is a common behaviour of a Q4 customer. In addition to incremental revenue, customers who adopt additional products experience higher customer satisfaction and are less likely to leave our platform. Our NRR, which measures our ability to sell incremental products to our customers relative to any customers who leave the platform stood at 113% as of December 31, 2020 (an increase from 108% and 109% in 2018 and 2019, respectively), in each case measured since 2017.

Our sales force is focused on regular communication with our existing customers to educate and promote our platform solutions. As at June 30, 2021, we had over 2,500 customers as subscribers with contracts in effect and in our backlog. We estimate that if we sold our entire platform suite to each of these customers, we could generate approximately US\$200 million of incremental revenue.



- **Expand our platform with new products and capabilities.** Our platform is constantly evolving and our internal product development pipeline is based on regular monitoring of our customers' needs, both unmet and those currently provided by third parties.

The addition of new products to our platform increases our opportunity to expand revenue within our existing customer base and allows us to find additional ways to monetize our dataset and the network effect which exists within our platform.

We plan to create solutions for all participants in the capital markets ecosystem:

- **Corporates:** additional analytics capabilities, including shareholder behaviour and predictive analytics; tools and workflows to effectively present ESG-related themes; and provide metrics to the investment community.
- **Sell-side:** expand corporate access and virtual event management tools; deal management capabilities; and research management.
- **Buy-side:** facilitate better direct-to-corporate communications tools; self-identity management tools; and research access capabilities.
- **Pursue meaningful strategic, accretive acquisitions.** The landscape of capital markets communication technology solutions is broad and defined by products which address one specific need. We believe this market is fragmented and defined by point solutions which would benefit from being part of our platform. Many of these solutions comprise non-core segments of larger financial data service

providers, stock exchanges, news services or other capital markets related industries. We believe we are well positioned to become the consolidator in this industry and that our platform can benefit from strategic acquisition opportunities. These opportunities could include:

- *Platform expansion:* acquiring value-added products and capabilities for our corporate, sell-side and buy-side customers, including products focused on supporting our clients' ESG initiatives.
- *Harnessing data and the network effect:* acquiring additional data sources that connect the capital markets ecosystem and leverage artificial intelligence and machine learning to improve identity tracking and analytics.
- *Customer acquisition:* acquiring additional customers to expand our footprint in new and existing geographies and bring these customers into our platform ecosystem.

We actively monitor and intend to pursue a pipeline of near-term acquisitions focused on both expanding our core business, including providing IR websites, virtual events, CRM and data and analytics products, as well as expanding into new, adjacent capital markets communication technologies, such as IR workflow, corporate access, deal management and research management.

Our executive team includes individuals with a strong track record of identifying, acquiring and integrating acquisitions and a reputation in the capital markets. We have recently strengthened and intend to continue to strengthen our Corporate Development team. We approach acquisitions with discipline, focusing on strategic fit and long-term shareholder value creation, with the intention to augment our growth and margin profile, as well as provide meaningful commercial synergies. This positions us well to source and execute proprietary acquisitions, and we are currently cultivating several attractive opportunities which are in our pipeline. To date, Q4 has completed and successfully integrated five acquisitions (2015: acquisition of Oxford Intelligence Partners, LLC; 2016: acquisition of the Euroinvestor — IR Solutions division; 2017: acquisition of CapMark Clarity LTD; 2019: acquisition of IR customers from BusinessWire¹; and 2020: acquisition of customer agreements from S&P Global Market Intelligence) which have enhanced the capabilities of our platform and increased the number of customers using our products.

Solutions and Product Capabilities

We provide a complete cloud-based, end-to-end platform that enables efficient workflows and interactions within the capital markets.

Through our comprehensive platform, we accumulate and aggregate a significant amount of data across the capital markets ecosystem, allowing us to continuously improve our solutions and meet our customers needs with actionable insights and recommendations in real-time.

Our customers have the option to purchase our solutions on a per product basis or in tiered subscription bundles, depending on their needs. Our three tiered bundles, Communicate, Engage and Elevate, offer enhanced features by increasing customer access to our platform and complementing it with our dedicated customer experience team. Our bundles take advantage of our platform approach to allow increasing volumes of data to be shared, aggregated and reviewed holistically to provide deeper insights unique to each customer. Pricing of these bundles is through an annual recurring fee, which increases in cost for each tier. Customers typically begin on Communicate, our lowest tier bundle, which includes website product solution access, select virtual event solutions and access to our dedicated support team. Our two higher tier bundles, Engage and Elevate, include all the elements of the lowest tier, with the benefit of additional CRM and analytics solution feature sets.

Note:

¹ The BusinessWire acquisition consisted of an exclusive customer referral relationship rather than an acquisition of assets; Q4 considers this a historical acquisition due to the resulting increase in customers.

Websites

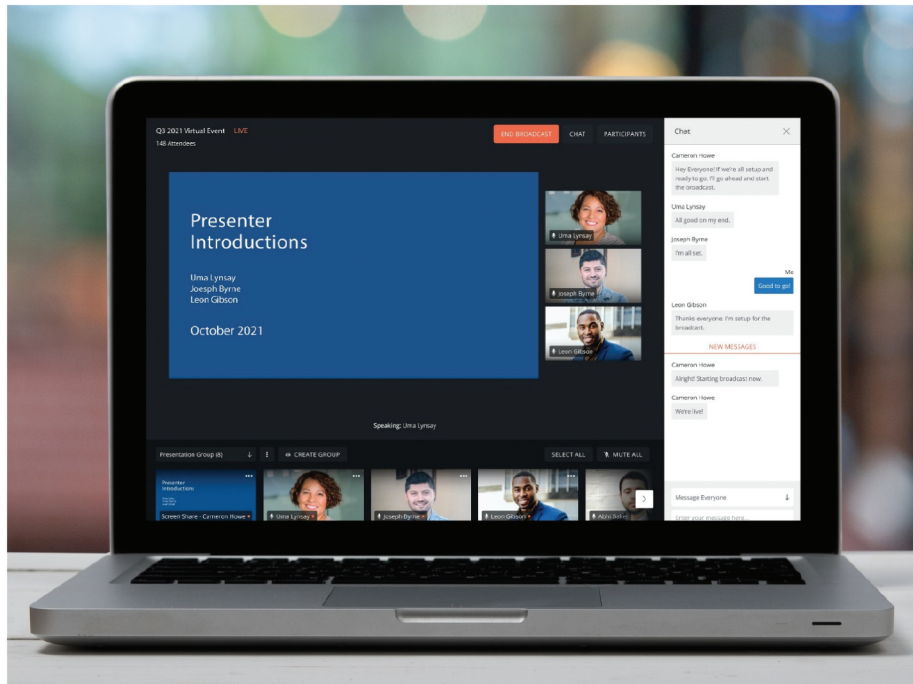


We provide a tiered offering ranging from rapid website deployment with standard features in as little as two weeks, to fully customized websites with a comprehensive range of enhanced features. All of our offerings include our robust set of accessible design templates, branded personalization, content management systems, website analytics, automated data feeds and market leading security features. We overlay these features with a strong support team, delivering a fully managed, personalized and high-touch customer service to our corporate customers. We believe that we are unique in our ability to combine investor relations best practices in website design with a robust design and process infrastructure, providing a fully managed solution that is able to elevate the customer’s brand and drive user engagement.

Key products within our website segment include:

- *Investor Relations.* Public company-compliant investor relations websites, incorporating mandated corporate governance features and access to financial disclosures and proxy materials, all combined with our website design best practices. Our investor relations offering includes the ability to enable real-time stock exchange integration and ESG impact disclosure for our public customers’ websites and provides additional financial data disclosure through our S&P integration. Further, our direct integration into market-leading newswire providers ensures coordinated and timely press-release and multimedia content distribution.
- *Newsroom.* Branded newsroom functionality for our corporate customers that provides a singular destination for all multimedia, social media, corporate news and press kits. Our newsroom also includes newswire integration to simplify the distribution of content.
- *Corporate Websites.* Fully customized corporate website design implementations, that extend beyond a customer’s dedicated investor relations site.

Virtual Events



Our virtual events portfolio spans the entire investor relations and conference calendar, with cutting-edge video streaming, audio and multimedia technology that can be branded for customer events. Our approach includes a dedicated support team of event experts, delivering approximately 4,000 capital markets and investor relations events in 2020. With the continued expansion of our virtual events portfolio, we are increasing our share of customer spend through a combination of recurring annual events, such as corporate town halls, virtual analyst days and ESG events throughout the financial calendar.

We offer solutions primarily for the following events:

- *Earnings Calls.* We enable corporate management teams to seamlessly broadcast their financial results with analysts and investors. We provide coordination throughout the entire earnings process, including disclosure of earnings reports on our corporate customers' investor relations websites and public issuer filing obligations. We also host and support analyst and investor earnings calls.
- *Virtual Investor Days.* We offer comprehensive investor day orchestration, leveraging video streaming and a comprehensive web content experience to present company strategy to investors and research analysts. Web content is unique to the event and often includes speaker biographies, downloadable assets, and agenda items on a dedicated webpage.
- *Virtual Analyst Days.* We provide analyst events tailored to deliver specialized content, such as ESG strategies and disclosures. Our platform combines video streaming and conference calling to deliver a customized virtual environment that directly engages with corporate management via panels and moderated question and answer sessions.
- *Investor Conferences.* Our platform provides for the complete management of complex, multifaceted investor conferences that can drive engagement between buy-side and corporate issuers through sector, industry, and specialized events. Integrated webcasting software, conference call services and branded attendee specific websites are combined to deliver complex multi-session, multi-track, multi-day conferences that include keynotes, secure one-on-one meetings and attendee networking.
- *ESG Investor Days.* We have established a set of best practice, industry-focused templates for corporate ESG investor days. Q4 is enabling companies to deliver compelling virtual investor events focused on ESG.

- *Reverse Roadshows.* Our platform provides financial institutions the ability to market, schedule, and deliver innovative virtual meetings between multiple corporate issuers and investors.
- *Corporate Town Halls.* Facilitation of customer messaging to employees, internal stakeholders, and strategic partners through video streaming of multiple presenters, integrated multimedia and moderated question and answer sessions. Events are scheduled to align with quarterly updates, product launches and major internal initiatives.
- *Virtual Non-Deal Roadshows.* Virtual non-deal roadshow solutions facilitate interaction between buy-side investors and corporates within secure one-on-one meetings.

CRM



We offer a comprehensive capital markets CRM platform to the complete capital markets ecosystem. Our end-to-end platform allows for data aggregation across our website and virtual events solutions, as well as our market intelligence and analytics tools to provide unique insights and improve the efficacy of capital markets interactions.

Our CRM solutions include:

- *Program Analytics.* Customers can combine data from their investor relations websites, virtual events, shareholder information and trading dynamics into the Q4 platform for a comprehensive view of investor relations performance. Investor behaviour can be analyzed from website downloads to event attendance to market behaviour, providing improved targeting insights and prediction of shareholder and investor trading patterns. Analytics include website traffic analysis, pages visited, bounce rates, downloads, corporate communication event attendance details, market and peer trading insights and more.
- *Investor Targeting Workflow.* Our comprehensive targeting tools help our corporate customers identify investors based on specific criteria or behavioural patterns. These tools also allow our customers to identify and target those investors who have made investments in direct competitors or other public company peers. Our customers have access to a database of approximately 350,000 capital markets contacts that they can search and compare at the fund and contact level to assess overall institutional behaviour. Our AI-driven targeting algorithm processes millions of individual data points to provide additional context and insights to our targeting approach.

- *Market Intelligence.* Integrated ownership and trading analytics data, providing real-time security performance assessment. Through public ownership records and our proprietary analytics products, we provide our customer with ownership insights, including the ability to compare the ownership of public companies against their peers and to understand their shareholder composition. Trading analytics, including share price, volatility, trading range, sentiment and relative performance, are provided in a singular dashboard customized to each individual customer. Shareholder and trading analytics are further complemented by detailed analyst research and estimates, as well as transcripts and events in one centralized location.
- *Meeting and Activity Management.* Our platform is able to track capital market interactions at the contact, fund and institutional investor level. Meeting notes, itinerary, calendar and deal management functionality are combined into one easy-to-use platform. Insights and meeting history are immediately exported into configurable briefing books, providing assessments of investors that integrate into existing customer workflows.
- *Reporting Workflow.* Automated aggregation, visualization and export of program engagement, share price and ownership data, which can be exported directly into board and management reports for quarterly and ad-hoc updates on program performance. Direct export functionality with Microsoft Office ensures that all content is compatible with existing content templates and reporting workflows.

Analytics

We pair our proprietary technology with experienced shareholder intelligence analysts to provide our corporate customers with insights into their shareholders and investor behaviours. By combining external market data and our CRM solutions, our analytics products provide a unique set of actionable insights to drive a proactive investor relations strategy.

Our analytics solutions include:

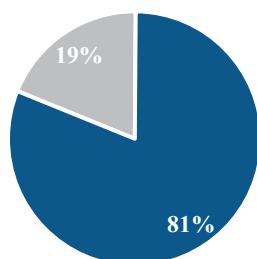
- *Equity Shareholder Intelligence.* Combining proprietary technology and measurement of capital flows through a variety of publicly available sources, corporate customers receive periodic assessments of investor behaviour, shareholder identification and identification of potential activists for our U.S. customer base. Using our proprietary predictive analytics applied to our intelligence database, our Equity Shareholder Intelligence product is designed to identify investors with the highest probability of taking a position in a corporate issuer. Frequent reports provide ongoing market insights that can be integrated directly into our CRM solutions.
- *Shareholder Identification.* Our end-to-end approach to identify beneficial investors uncovers key trends in shareholder composition and weaves together a detailed story on shareholder actions for our European customer base. Reports and guidance are prepared for our customers, providing clear direction to improve capital markets interactions and elevate shareholder targeting efforts. Targeted shareholders are directly integrated within our CRM solutions.
- *Capital Markets Intelligence.* Shareholder analysis and proactive engagement strategies for customers across multiple regions, including Canada, the United States and Western Europe. Our solution aggregates intraday reporting, weekly options reporting, peer earnings and valuation, mutual fund flows, available bank lists and activity across our website, virtual events, and CRM solutions.

Customer Breakdown and Target Market

We currently have over 2,500 customers across our capital markets ecosystem of public companies, the sell-side and buy-side, including our customer backlog. Given our historical product focus on public companies, the majority of our current customer base operates in that segment. Our products are suitable for public companies of any size and can scale with the needs of our customers. These include small and mid-cap companies at the smallest end, all the way up to some of the largest companies in the market globally. Our sell-side and buy-side customers and prospects are diversified across a variety of verticals, including large global asset managers, pensions, hedge funds and top-tier investment banks.

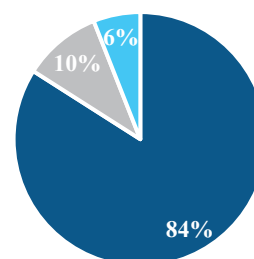
We have very little customer concentration, with our top 100 customers comprising less than 19% of total ARR as of June 30, 2021. The majority of our ARR as at June 30, 2021 was from the United States, with 10% from Europe and 6% from Canada.

ARR Customer Concentration (As of June 30, 2021)



■ Top 100 Customers ■ Total Other Customers

ARR by Geography (As of June 30, 2021)



■ United States ■ Europe ■ Canada

Customer Case Studies

Square, Inc. (“Square”)

Square is a leading point-of-sale and financial services business that has a market capitalization of approximately US\$100 billion. As Square grew into the company it is today, the investor relations team sought additional insight into the company’s shareholder base, with a view to attracting the right investors and better tracking investor engagement. Q4 initially began working with the company to provide its investor relations website, webcasts and conference calls. However, upon identifying the challenges the IR team was facing, we introduced Square to our CRM platform and our capital markets and shareholder intelligence products. Through our CRM platform, Square was able to quickly tackle its biggest IR challenges by aggregating analytics across its workflows to establish accurate profiles of its top shareholders and ESG-focused fund managers. This allowed Square to improve engagement with new and existing shareholders and achieve deeper insights into key market dynamics. Ultimately, Q4 helped Square enhance its investor relations efforts, reduce administrative tasks and successfully identify and engage with the right shareholders and potential investors.

Electronic Arts Inc. (“Electronic Arts”)

Electronic Arts is a leading global video game developer and publisher that leveraged our platform to overhaul its investor relations website. Its existing investor relations website was outdated, hard to navigate and disconnected from its corporate website, making it difficult for the company to meet the needs of its investors. With a new and improved website, Electronic Arts has seen an increase in investor and analyst engagement. After evaluating several different providers, Q4 was chosen based on our customized design approach and use of best practices that focus on improving engagement. Since developing a new website, Electronic Arts has experienced a 65% increase in visitor time on its homepage, a 46% increase in click-through rates and more than a 6% increase in month-over-month visitor counts.

Sonos, Inc. (“Sonos”)

Sonos is a global provider of consumer audio products with over 1,300 employees. When the company went public, Sonos required an investor relations website and the ability to effectively execute their earnings webcasts. Sonos chose to partner with Q4 based on our extensive experience and synchronized customer support. In conjunction with the company, we created an engaging, brand-conscious investor relations website within six weeks, while also integrating our webcasting products to provide virtual earnings calls synced with the website. Beyond implementing the website and webcasting solutions, Q4 remains an active partner of Sonos in the management of day-to-day website content and updates through our platform’s content management system functionality and premium support.

Novocure Limited (“Novocure”)

Novocure is a global oncology therapy company with an established commercial business and market expansion pipeline. The investor relations function was managed by a lean team of two individuals who were challenged to find the right set of investors for multiple segments of the business. With a target investor base

of medical technology and biotechnology investors, Novocure turned to Q4 to craft messaging that resonated with both groups of potential shareholders. Today, Novocure has expanded its use of our platform to a broader array of products, including our shareholder intelligence, CRM, websites and analytics tools. Novocure uses AI targeting functionality and CRM in our platform to efficiently target specific groups of potential investors and track the efficacy of its outreach. Our equity shareholder intelligence product offerings also assist Novocure in preparing customized board reporting, which provides the board with relevant market dynamics and trends of the business over time. Q4 enables Novocure to effectively measure the impact of every single shareholder interaction and tailor its approach to meet its objectives as required.

Customer Journey

The customer journey begins in a similar manner across all our platform solutions and customer segments. All inbound and direct marketing qualified leads are funnelled to our business development team where our representatives work with each prospective customer to understand their unique challenges, identify how our products and solutions could suit their specific needs and to qualify the prospective customer against Q4's customer expectations. Once the lead has been approved by our sales team, our highly trained sales and solutions engineers work closely with the prospective customer to quickly find the right solution to fit their needs and establish a pricing approach.

Our onboarding process is led by our customer experience team of capital markets experts. The process begins with a full consultation to understand the customer's needs and key goals over the contract period, which may include website development, virtual event planning, CRM integration and market analytics assessment, among other services. Following this initial consultation, our customer experience team remains in active dialogue with the customer to continually assess their evolving needs, with formal touchpoints scheduled on a quarterly basis and tailoring our approach to meet any changes in customer strategy. We typically onboard our corporate customers with our investor relations websites and earnings calls solutions and focus on expanding that relationship with additional product offerings over time.

Following onboarding, our sales and marketing team, in combination with our customer experience team, engages with existing customers through co-ordinated campaigns to further illustrate our platform's value and drive increased adoption of higher tiers of our product bundle offerings. The combination of these efforts has led to an increased proportion of customers who pay for more than one product, rising from 32% of all customers in Fiscal 2018 to 42% of all customers in Fiscal 2020. This increase has helped drive our expansion in net dollar revenue retention from 108% in Fiscal 2018 to 109% in Fiscal 2019 and 113% in Fiscal 2020, as measured at December 31, 2020. We view our bundle approach as a key upselling method and historically we have proven that this method has been effective with increasing our ARPA by over 20% over the past six years, from approximately US\$14,800 in Fiscal 2015 to over US\$17,900 in the six months ended June 30, 2021.

Our total ARR has grown from US\$11.0 million during the year ended December 31, 2016 to US\$25.2 million in Fiscal 2019 and US\$42.6 million in Fiscal 2020. Based on our financial performance to date, we estimate that our ARR as at September 30, 2021 will be between approximately US\$49.0 million and US\$51.0 million.



Note:

- (1) Represents midpoint of estimated ARR range as of September 30, 2021. See “Summary Consolidated Financial Information and Other Data — Preliminary Estimated Results for the Third Quarter and Last Twelve Months Ended September 30, 2021”.

Sales and Marketing Channels

We sell our platform through a tiered pricing model, depending on the customer’s needs. Our sales are primarily driven through our direct sales team, which is supported by our strong partnerships with channel partners and resellers.

Sales Channels

The majority of our revenues are derived from our team of 32 sales personnel in North America and Europe. We maintain an agile sales force that specializes in key geographies and new public market offerings, including those going public through initial public offerings (IPOs) and special purpose acquisition corporation (SPAC) qualifying transactions. We provide our teams with sales technology and standardized processes to drive improved collaboration, increased sales efficiency and scale.

We focus on selling multi-product contracts to new customers upfront, typically starting with investor relations websites and earnings calls support, and expanding that relationship over time. This allows us to build a strong foundation of loyal customers that can drive cost-efficient cross-selling and up-selling sales channels. Over time, we have been able to increase value to our customers by combining our technology and customer experience offerings into a complete end-to-end solution across their workflows, which lowers customer churn for us and increases the revenue per customer.

We maintain close partnerships with a small number of market-leading companies and agencies to deliver our capital markets solutions through channel partners and market-specific resellers. These partners provide us with greater access to their established customer bases while providing their clients value through our comprehensive solutions. Although commonly offered as a standalone platform solution, our offerings are flexible and are commonly integrated into our partner’s existing solutions. Through our channel partnerships, we have direct access to thousands of incremental global public issuers. A dedicated team of channel managers support partners directly and proactively identify new opportunities for growth.

Our sales cycle varies widely depending on the industry, geography and the customer’s needs. On average, our time from initial contact to close is roughly 100 days across all customers and can be as little as 60 days in industries where Q4 has established a strong presence.

Marketing

We have invested significantly in our marketing efforts and we believe we have developed a premium brand as a leading capital markets platform. These efforts are ongoing and focused on continued brand awareness through weekly campaigns, thought leadership and press engagements, as well as extensive conference participation with professional associations.

We segment our marketing efforts between existing corporate customers, corporate prospects and the broader capital markets community. We deliver targeted messaging that we believe resonates with our audience, supporting efforts for new customer acquisitions, as well as up-sell and cross-sell opportunities with existing customers.

Our marketing efforts also extend to dedicated lead generation activities. Search engine optimization (SEO) and search engine marketing (SEM) campaigns combined with digital marketing, increase traffic to our website and are converted through automated chatbot conversion functionality. We work with leading investor relations agencies and societies to host ongoing virtual events, leveraging their audience and coordinating marketing efforts with key channel partners to engage with their client base. We also offer value-added outreach throughout the customer journey that includes gated content and specialized market assessments for our existing customers to showcase the breadth of our platform. Further, our dedicated sales teams are outfitted with sales enablement materials that are tailored to the sales journey that establish our expertise and improve the likelihood of closing a sale.

Competition and Threats

We operate in a large, diverse market dominated by non-platform solutions. Our competitors range from large global information services providers to much smaller software and services point solutions that target specific aspects of the investor relations workflow. We believe we occupy a unique position in the market, offering a premium platform of investor relations and capital markets workflows as well as virtual event solutions with end-to-end services. We believe the principal competitive factors driving our differentiation in the market include our offering of:

- a platform approach to solutions and recommendations independent of corporates, the sell-side and the buy-side;
- breadth and depth of functionality;
- aggregated data and analytics of investor behaviour;
- completeness of product offering portfolio;
- a dedicated focus on capital markets and investor relations workflows;
- impact quantification of capital markets interactions;
- simplicity and ease of use;
- quality of onboarding and customer experience;
- accuracy and timeliness of reporting;
- strong product strategy and vision;
- security and reliability;
- regulatory and brand requirements;
- an ability to grow our customer relationships over time;
- an ability to operate in a cloud-based environment; and
- integration of machine learning and artificial intelligence insights.

We believe we differentiate ourselves through these competitive factors due to our end-to-end platform of integrated and easy to use premium solutions. In contrast, many of our competitors offer stand-alone or generic solutions that do not comprehensively address the interconnected world and stringent regulatory environments in which our customers are required to operate.

While we do not believe any specific competitor offers the distinct value proposition and integrated capabilities of Q4, our closest competitors largely include point solution providers which offer one or more offerings within the following categories:

- Websites, with a focus on investor relations;
- Virtual capital market events;
- Investor CRM for corporates; and
- Analytics, including equity shareholder intelligence.

Across these categories, many of our closest competitors are non-core segments within large diversified financial data providers and smaller independent providers offering point solutions. Given these dynamics, we view many of our point solution competitors as future acquisition opportunities.

Culture and Employees

Q4 is dedicated to fostering its purpose-driven brand and diverse, equitable and inclusive workplace. For the third year in a row, we have been selected one of the Top 50 Best Workplaces in Canada. Our culture is centered around goals, coaching, feedback, and development as we seek to become a destination brand for top talent.

Across our diverse workplace, our common values guide us and our ways of working. We are united as we:

- **Hustle** for today;
- **Grind** for success;
- **Compete** to win;
- **Iterate** constantly; and
- **Care** about our people

We are a global company headquartered in Toronto, Ontario, which gives us access to a large, diverse talent pool. Beyond Ontario, Q4 also has offices in New York, London and Copenhagen which further expands our talent pool. Our global footprint combined with our move to remote work gives us access to top-tier talent from around the world.

As of December 31, 2020, we had 394 employees, a number that has since increased to approximately 480. None of our employees are represented by a labour organization or are a party to a collective bargaining arrangement. We consider our relationship with our employees to be excellent and we strive to improve our relationship through ongoing engagement initiatives.

Environmental, Social and Governance

At Q4, we understand the importance of our role in leading the transformation of capital markets communication. Through our digital first approach, our solutions naturally integrate social, economic and environmental factors through corporate communications, informing all key stakeholders of our customers' impacts. Our platform revolves around improving the efficacy of capital markets interactions and it is these interactions that dictate the flow of capital. Through our virtual solutions, we seek to increase customer visibility, reach and engagement, improve stakeholder governance and connect capital markets participants through an accessible platform. We are committed to the continued development of our platform to further improve the efficacy of capital markets interactions and further facilitate the reduction in travel-related emissions through our virtual events platform.

We also strive to maintain and grow a diverse, equitable, and inclusive workplace. As at June 30, 2021, 43% of our workforce was female and our current Glassdoor CEO rating stands at 94%. We have been recognized as one of the Best Workplaces in Technology in 2019 and 2020. These values are critical to our company as we believe they allow us to attract top talent. Through our commitment to these values, our team reflects the diverse customers and community which we serve.

COVID-19 Pandemic

In March 2020, the World Health Organization declared the COVID-19 virus outbreak a global pandemic. In response, many countries, including Canada, imposed increasingly strict measures in an attempt to slow the transmission of the virus, including orders to shelter-in-place, quarantines and restrictions on travel and permitted business operations. We have modified our business practices in response to the COVID-19 pandemic and we may take further actions as required by government authorities or that we determine are warranted.

We have not encountered or experienced material disruptions or detriments as a result of the COVID-19 pandemic or otherwise encountered material adverse effects to our business or operations. As described under "Our Business — Industry Overview and Trends", we have seen increased virtual adoption that has been accelerated as a result of the COVID-19 pandemic.

In response to the COVID-19 pandemic, we prioritized the health and safety of our employees and local communities and, on March 16, 2020, we implemented a work-from-home policy for our employees. Our offices are currently open for hybrid work, on a voluntary basis only, however the vast majority of our employees continue to work remotely, and have adapted to doing so with the systems we have in place allowing them to continue to contribute in a safe and physically distant environment. While our business has not, to date, experienced a material disruption from the COVID-19 pandemic in the use of our platform or our ability

to service customer demands through remote work arrangements, we recognize the social impacts of the COVID-19 pandemic on our team and we are working to maintain our distinctive work environment and promote the well-being of our employees.

In connection with a transition to a remote work environment, we incurred limited costs to optimize our IT equipment to enable a seamless hybrid experience, which has allowed our employees to maintain productivity and data security while working remotely. There continues to be uncertainty regarding the duration and magnitude of the COVID-19 pandemic and the ability to control resurgences worldwide, making it difficult to assess the future impact on our customer base, the markets we serve and the resulting effect on our business and operations, both in the short term and in the long term. However, to date we have not realized any material adverse impacts involving our customers and are not aware of any material adverse impacts to our customers that is likely to materially impact our business.

We are continuing to monitor the impact of COVID-19 on our business, financial condition and operations. Any future impact of COVID-19 on the Company’s operational and financial performance will depend on certain developments, including, but not limited to, the duration and spread of the COVID-19 pandemic, duration of federal, provincial and state public health orders, speed of immunizations, impact on our employees, and impact on regional and worldwide economies and financial markets in general, all of which are uncertain and cannot be predicted. See “Risk Factors” for additional details on how COVID-19 may impact our future results.

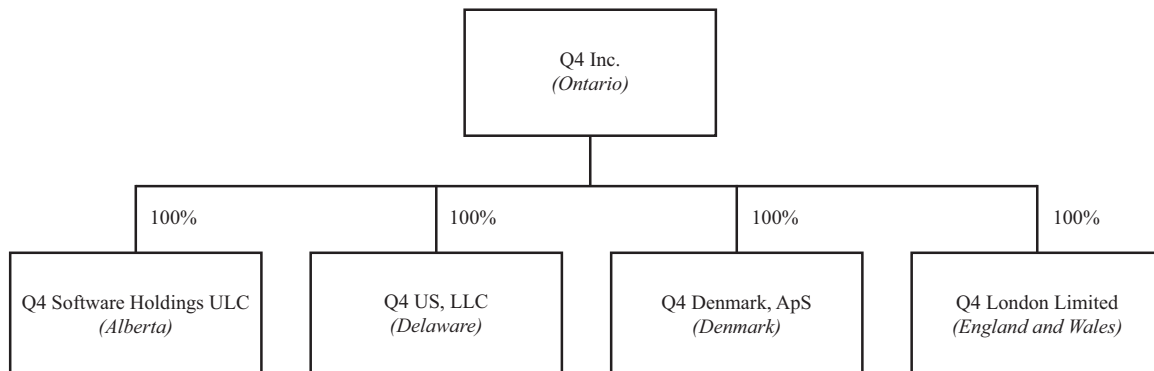
CORPORATE STRUCTURE

Initially founded in 2005, Q4 Inc. was formed by way of an amalgamation of Q4 Web Systems Inc. and 1955312 Ontario Inc. on May 13, 2016 pursuant to the *Business Corporations Act* (Ontario) (“**OBCA**”), with the amalgamated company’s name being “Q4 Inc.”.

Our articles were amended on April 13, 2018, September 7, 2018, December 30, 2019 and May 14, 2021, in each case to restate our authorized share capital. On May 12, 2021, Q4 Software Holdings ULC, a wholly-owned subsidiary of the Company, acquired all of the internally-developed software assets of the Company. Prior to the Closing Date, we will file articles of amendment to reorganize our authorized and issued share capital as described under “Description of Share Capital — Pre-Closing Capital Changes”.

Our head and registered office is located at 469A King Street West, Toronto, Ontario, M5V 1K4.

The following chart identifies our subsidiaries (including the governing jurisdiction of each entity), after completion of the offering and the Pre-Closing Capital Changes described under “Description of Share Capital — Pre-Closing Capital Changes”:



SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The following tables present selected summary consolidated financial information for the periods and as at the dates indicated therein. The selected consolidated financial information below has been derived from: (i) the consolidated audited financial statements of the Company as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018, and (ii) the unaudited interim condensed consolidated financial statements of the Company as at June 30, 2021 and for the three and six months ended June 30, 2021 and 2020, in each case, included elsewhere in this prospectus.

This information is a summary only. Historical results are not necessarily indicative of the results that may be expected for any future period.

Prospective investors should review this information in conjunction with the historical financial statements, including the notes thereto, as well as “About this Prospectus”, “Meaning of Certain References”, “Non-IFRS Measures and Industry Metrics”, “Market and Industry Data”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Use of Proceeds”, “Consolidated Capitalization”, “Description of Material Indebtedness” and “Description of Share Capital” included elsewhere in this prospectus.

Summary Consolidated Statements of Income (Loss):

(U.S. dollars in thousands, except per share amounts)	Year Ended December 31,			Six Months Ended June 30,	
	2020	2019	2018	2021	2020
Revenue	40,381	22,400	17,301	28,614	19,279
Direct cost of revenue	18,706	10,429	8,098	12,635	8,675
Gross profit	21,675	11,971	9,203	15,979	10,604
Operating Expenses					
Sales and marketing	11,677	8,072	5,172	8,837	5,231
Research and development	6,540	3,272	2,054	5,624	2,944
General and administrative	10,549	8,036	5,572	9,609	4,724
Depreciation and amortization	4,117	1,598	1,467	2,082	2,037
Foreign exchange (gain) loss	528	280	(501)	166	15
Fair value adjustment on contingent consideration	—	—	(233)	—	—
Other expenses	499	610	121	272	62
Total operating expenses	33,910	21,868	13,652	26,590	15,013
Loss from operations	(12,235)	(9,897)	(4,449)	(10,611)	(4,409)
Finance expenses	326	370	3,514	440	137
Finance income	(73)	(241)	—	(8)	(49)
(Gain) loss on derivative financial instruments	386	843	(18)	3,463	193
Loss before income taxes	(12,874)	(10,869)	(7,945)	(14,506)	(4,690)
Income taxes	245	184	320	66	74
Net loss for the period	(13,119)	(11,053)	(8,265)	(14,572)	(4,764)
Other comprehensive income (loss)					
Foreign exchange gain (loss) on foreign operations	49	26	16	(14)	2
Net loss and comprehensive loss	(13,070)	(11,027)	(8,249)	(14,586)	(4,762)
Basic and diluted loss per share	(0.32)	(0.28)	(0.22)	(0.33)	(0.12)
Basic and diluted pro forma loss per share ⁽¹⁾	(•)	(•)	(•)	(•)	(•)

Note:

(1) Assuming the completion of the Pre-Closing Capital Changes.

Reconciliation of Non-IFRS Financial Measures:

EBITDA, Adjusted EBITDA and Free cash flow are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. See “Non-IFRS Measures and Industry Metrics.”

Adjusted EBITDA

We define EBITDA as net loss, adjusted for depreciation and amortization, finance expenses, finance income and income taxes. Adjusted EBITDA is a supplemental measure used by management to assess our financial and operating performance without regards to financing methods or capital structure. Adjusted EBITDA represents net loss excluding taxes, adjusted for the following: share-based compensation, depreciation and amortization, unrealized foreign exchange (gain) loss, fair value adjustment on contingent consideration, finance expenses, finance income, (gain) loss on derivative financial instruments, transaction related expenses and income taxes. The Company’s definition of Adjusted EBITDA and EBITDA may be different than similarly titled measures used by other companies. The following table reconciles Adjusted EBITDA and EBITDA to net loss for the periods indicated.

(U.S. dollars in thousands)	Year Ended December 31,			Six Months Ended June 30,	
	2020	2019	2018	2021	2020
Net loss	\$(13,119)	\$(11,053)	\$(8,265)	\$(14,572)	\$(4,764)
Depreciation and amortization	4,117	1,598	1,467	2,082	2,037
Finance expenses ⁽¹⁾	326	370	3,514	440	137
Finance income	(73)	(241)	—	(8)	(49)
Income taxes	245	184	320	66	74
EBITDA	<u>\$ (8,504)</u>	<u>\$ (9,142)</u>	<u>\$(2,964)</u>	<u>\$(11,992)</u>	<u>\$(2,565)</u>
Other adjustments					
Fair value adjustment on contingent consideration ⁽²⁾	—	—	(233)	—	—
Share-based compensation expense ⁽³⁾	754	567	163	455	377
Unrealized foreign exchange (gain) loss	543	56	(223)	266	66
(Gain) loss on derivative financial instruments ⁽⁴⁾	386	843	(18)	3,463	193
Transaction related expenses ⁽⁵⁾	—	—	—	819	—
Adjusted EBITDA	<u>\$ (6,821)</u>	<u>\$ (7,676)</u>	<u>\$(3,275)</u>	<u>\$ (6,989)</u>	<u>\$(1,929)</u>

(1) Finance expenses are primarily related to interest and accretion of financial liabilities.

(2) This adjustment represents the adjustment of the contingent consideration recorded on a business acquisition in 2016.

(3) Share-based compensation expense represents non-cash expenditures recognized in connection with the issuance of options under our Legacy Equity Incentive Plan (as defined in this prospectus) to our employees and directors. Options granted under the Legacy Equity Incentive Plan will become options under our Omnibus Plan in connection with the Pre-Closing Capital Changes.

(4) These adjustments represent fair value adjustments relating to outstanding warrants.

(5) Represents expenses relating to this offering and include professional, legal, consulting and accounting fees that are non-recurring and would otherwise not have been incurred.

Free cash flow

Free cash flow is defined as cash flow from (used in) operating activities, less additions to property and equipment. The following tables reconciles our cash flow from (used in) operating activities to Free cash flow.

(U.S. dollars in thousands)	Year Ended December 31,			Six Months Ended June 30,	
	2020	2019	2018	2021	2020
Cash flow used in operating activities	\$(3,515)	\$(6,092)	\$(3,114)	\$(9,530)	\$(4,959)
Additions to property and equipment	(626)	(33)	(31)	(191)	(237)
Free cash flow	<u>\$(4,141)</u>	<u>\$(6,125)</u>	<u>\$(3,145)</u>	<u>\$(9,721)</u>	<u>\$(5,196)</u>

Preliminary Estimated Results for the Third Quarter and Last Twelve Months Ended September 30, 2021 (unaudited)

Set out below are certain preliminary and unaudited estimates of selected financial results and other information for the three months ending September 30, 2021 and the year-to-date and last twelve months ended September 30, 2021. These preliminary estimated results represent management's estimates which are based on currently available information, are not a comprehensive statement of our financial results and are subject to completion of our financial closing procedures which will not occur until after this offering is complete. Our actual results may change as a result of such financial closing procedures, final adjustments, management's review of results, and other developments that may arise between now and the time the financial results are finalized, and results could vary, including materially, from our preliminary estimates and be outside of the ranges set forth below. These preliminary estimated results do not present all information necessary for an understanding of the Company's financial condition as of September 30, 2021 or the Company's results of operations for the twelve months ended September 30, 2021.

These preliminary estimated results constitute forward-looking information within the meaning of applicable securities laws and are not necessarily indicative of the results to be expected for any future period as a result of various factors, including, but not limited to, those assumptions, risks and uncertainties discussed in the sections titled "Risk Factors" and "Forward-Looking Information". The preliminary estimated results should be read in conjunction with, and should not be viewed as a substitute for, our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for prior periods included elsewhere in this prospectus. Neither our independent auditor, nor any other independent accountants or auditors, have compiled, examined, or performed any procedures with respect to the preliminary estimated results presented below, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, such preliminary estimated results.

The following table provides an expected range for select financial results and other information for our third quarter of 2021 and the year-to-date and last twelve months ended September 30, 2021:

(U.S. dollars, in millions)	Three Months Ending September 30		Nine Months Ending September 30		Last Twelve Months Ending September 30	
	Estimated Range 2021	Actual 2020	Estimated Range 2021	Actual 2020	Estimated Range 2021	Actual 2020
Revenue	\$12.0	\$13.0	\$10.0	\$40.6	\$41.6	\$29.3
				\$29.3	\$51.7	\$52.7
						\$29.3

(U.S. dollars)	As of September 30	
	Estimated Range 2021	Actual 2020
Annual Recurring Revenue (in millions of U.S. dollars)	\$49.0	\$51.0
		\$40.3

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis of financial condition and results of operations ("MD&A") for the three and six months ended June 30, 2021 and 2020 and fiscal years ended December 31, 2020, 2019 and 2018 should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and the Company's audited annual consolidated financial statements, along with the related notes thereto, included elsewhere in this prospectus. This MD&A is presented as of the date of this prospectus and is current to that date unless otherwise stated. The financial information presented in this MD&A is derived from the Company's unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2021 and 2020 and from the Company's audited annual consolidated financial statements for the fiscal years ended December 31, 2020, 2019 and 2018, all of which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in U.S. dollars except where otherwise indicated.

This MD&A contains forward-looking information. Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors described under "Risk Factors": There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information, which speaks only as of the date made. See "Forward-Looking Information".

Overview

At Q4, our mission is to become the largest capital markets communications platform in the world, connecting publicly listed companies ("**corporates**", "**public companies**" or "**issuers**"), investment banks ("**sell-side**") and investment managers ("**buy-side**") along a variety of workflows, including investor relations, corporate access, deal management and research. Our cloud-based software platform provides corporate customers with critical technology infrastructure and data that may be used to support their investor relations teams through our website, virtual events, CRM and analytics products. We provide our sell-side customers with a platform solution that enables corporate access teams to build and manage complex virtual and hybrid investor events, as well as the technology infrastructure, data and analytics to enable their customers' corporate access teams to build and manage complex investor conference schedules.

Our products are suitable for public companies of any size and can scale with the needs of our customers. These include small and mid-cap companies on the smaller end, all the way up to some of the largest companies in the market globally. As we continue to roll out our products to the buy-side and sell-side, we intend to target a wide range of customers within these groups such as large global asset managers, pensions, hedge funds and top-tier investment banks. Our sales force is trained to sell our products to a large and growing funnel of new prospects and we plan to continue investing in sales and marketing capabilities to access new customer segments and continue to expand our addressable market.

Our customers have the option to purchase our products in tiered subscription bundles or on a per-product basis, depending on their needs. Our three tiered bundles, Communicate, Engage and Elevate, offer enhanced features by increasing customer access to our platform and complementing it with our dedicated customer experience team. Corporate customers typically begin on Communicate, our lowest priced bundle, which includes our website product solution, select virtual event solutions and access to our dedicated support team. Our two higher tier bundles, Engage and Elevate, include all the elements of the lowest tier, Communicate, with the benefit of additional CRM and analytics solutions feature sets. Our bundles take advantage of our platform approach to allow increasing volumes of data to be shared, aggregated and reviewed holistically to provide deeper insights unique to each customer. Pricing of these bundles is based on an annual recurring fee which increases in cost for each tier.

We generate revenue from the sale of products in our platform through an annual subscription fee that is typically prepaid on an annual or quarterly basis with the majority of contracts being one to three years in

length. We have a positive history of increasing the rate of product adoption and the related revenue per customer, which combined with our contracts, has resulted in a consistent increase in revenue with clear visibility into near-term revenue growth. Our goal is to continue to grow revenues from our existing customer base as well as by adding new subscription customers to our platform. The Company operates on a global basis and for this reason, has decided to report its consolidated financial results in U.S. dollars.

Key Performance Indicators

We monitor the following key performance indicators to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

- **Annual Recurring Revenue.** We define Annual Recurring Revenue (“ARR”) as the annualized equivalent value of the subscription revenue of all existing contracts as at the date being measured, including contracted subscription revenues that have yet to become effective. Our customers generally enter into contracts having terms of one to three years that most often do not provide for termination for convenience. The majority of our customer contracts, including those on one-year terms, automatically renew with a contracted price increase, unless cancelled by our customers at the end of the term. Our calculation of ARR assumes that customers will renew the contractual commitments on a periodic basis as those commitments come up for renewal. In addition to the expected increase in subscription revenue from price increases over time, existing customers may subscribe for additional platform features during the term. We believe that this measure provides a timely and relevant measure of our subscription revenue. ARR provides us with visibility for consistent and predictable growth of our cash flows. Total revenue growth, in conjunction with ARR growth, provides a leading indicator for the continued expansion of our business since we consider the majority of our non-ARR revenue to be reoccurring in nature, providing strong visibility into future revenue for the business.
- **Annual Revenue Per Account.** We define Annual Revenue Per Account (“ARPA”) as our ARR, net of contracts that have not become effective, divided by the number of customer accounts in effect as of the date being measured. ARPA provides us visibility into our ability to increase the base value of contracts for newly onboarded customers as well as driving platform adoption by up-selling and cross-selling additional products to our existing customer base.

ARR and ARPA for the years ending December 31, 2020, 2019 and 2018 and for the six months ended June 30, 2021 and 2020 were as follows:

(U.S. dollars, except ARR which is in millions)	Fiscal Years Ended December 31,			Six Months Ended June 30,	
	2020	2019	2018	2021	2020
Annual Recurring Revenue	\$ 42.6	\$ 25.2	\$ 19.0	\$ 47.4	\$ 37.9
Annual Revenue Per Account	\$17,644	\$17,034	\$15,719	\$17,912	\$17,014

Non-IFRS Measures and Reconciliation of Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures including key performance indicators used by management and typically used by our competitors with software-as-a-service (“SaaS”) business models. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore not necessarily comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures and industry metrics are used to provide investors with supplemental measures of our operating performance and liquidity and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and industry metrics, in the evaluation of similar companies. Management also uses non-IFRS measures and industry

metrics in order to facilitate operating performance comparisons from period to period, the preparation of annual operating budgets and forecasts and to determine components of executive compensation.

Adjusted EBITDA

We define EBITDA as net loss, adjusted for depreciation and amortization, finance expenses, finance income and income taxes. Adjusted EBITDA is a supplemental measure used by management to assess our financial and operating performance without regards to financing methods or capital structure. Adjusted EBITDA represents net loss excluding taxes, adjusted for the following: share-based compensation, depreciation and amortization, unrealized foreign exchange (gain) loss, fair value adjustment on contingent consideration, finance expenses, finance income, (gain) loss on derivative financial instruments, transaction related expenses and income taxes. We believe Adjusted EBITDA is useful in assessing our operating cash flows as it eliminates the effects of non-cash expenses and one-time or non-recurring items recorded in the statement of operations and comprehensive loss. The Company's definition of Adjusted EBITDA may be different than similarly titled measures used by other companies. The following table reconciles Adjusted EBITDA to net loss for the periods indicated.

(U.S. dollars in thousands)	Year ended December 31,			Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2018	2021	2020	2021	2020
Net loss	\$(13,119)	\$(11,053)	\$(8,265)	\$(2,317)	\$(2,427)	\$(14,572)	\$(4,764)
Depreciation and amortization	4,117	1,598	1,467	1,016	1,051	2,082	2,037
Finance expenses ⁽¹⁾	326	370	3,514	309	69	440	137
Finance income	(73)	(241)	—	(7)	(119)	(8)	(49)
Income taxes	245	184	320	69	44	66	74
EBITDA	<u>\$ (8,504)</u>	<u>\$ (9,142)</u>	<u>\$(2,964)</u>	<u>\$ (930)</u>	<u>\$(1,382)</u>	<u>\$(11,992)</u>	<u>\$(2,565)</u>
Other adjustments							
Fair value adjustment on contingent consideration ⁽²⁾	—	—	(233)	—	—	—	—
Share-based compensation expense ⁽³⁾	754	567	163	208	188	455	377
Unrealized foreign exchange (gain) loss	543	56	(223)	212	105	266	66
(Gain) loss on derivative financial instruments ⁽⁴⁾	386	843	(18)	(1,350)	97	3,463	193
Transaction related expenses ⁽⁵⁾	—	—	—	453	—	819	—
Adjusted EBITDA	<u>\$ (6,821)</u>	<u>\$ (7,676)</u>	<u>\$(3,275)</u>	<u>\$(1,407)</u>	<u>\$ (992)</u>	<u>\$ (6,989)</u>	<u>\$(1,929)</u>

(1) Finance expenses are primarily related to interest and accretion of financial liabilities.

(2) This adjustment represents the adjustment of the contingent consideration recorded on a business acquisition in 2016.

(3) Share-based compensation expense represents non-cash expenditures recognized in connection with the issuance of options under our Legacy Equity Incentive Plan (as defined in this prospectus) to our employees and directors. Options granted under the Legacy Equity Incentive Plan will become options under our Omnibus Plan in connection with the Pre-Closing Capital Changes.

(4) These adjustments represent fair value adjustments relating to outstanding warrants.

(5) Represents expenses relating to this offering and include professional, legal, consulting and accounting fees that are non-recurring and would otherwise not have been incurred.

Free Cash Flow

Free cash flow represents cash flow from (used in) operating activities less additions to property and equipment. The following tables reconciles our cash flow from (used in) operating activities to Free cash flow:

(U.S. dollars in thousands)	Year Ended December 31,			Six Months Ended June 30,	
	2020	2019	2018	2021	2020
Cash flow used in operating activities	\$(3,515)	\$(6,092)	\$(3,114)	\$(9,530)	\$(4,959)
Additions to property and equipment	(626)	(33)	(31)	(191)	(237)
Free cash flow	<u><u>\$ (4,141)</u></u>	<u><u>\$ (6,125)</u></u>	<u><u>\$ (3,145)</u></u>	<u><u>\$ (9,721)</u></u>	<u><u>\$ (5,196)</u></u>

Summary of Factors Affecting Our Performance

We believe that the growth and future success of our business depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose important challenges, some of which are discussed below and in the “Risk Factors” section of this prospectus.

Increased Market Penetration

Our goal is to improve the penetration of our capital markets platform within our addressable market by scaling our platform to serve a larger set of capital markets participants. In order to accomplish this goal, we have and plan to continue to invest in sales and marketing, research and development, and international infrastructure within existing and target markets to further improve our platform and expand our relevance. We believe the total addressable market is significant and are prepared to continue this investment in support of our customer base and expansion strategy.

Leveraging Existing Customer Relationships

Our multi-year customer relationships provide a significant opportunity for revenue growth as part of our “land and expand” platform strategy. New customers typically subscribe to a subset of our full offering and we work to actively up-sell complementary products and cross-sell adjacent products over the course of a customer’s initial contract term. As we expand our set of products available on our platform and enter new markets with new product offerings, we see a large opportunity to increase revenue from our existing customer base through this strategy. However, this strategy is highly dependent on maintaining strong relationships with our customers and demonstrating the value of our new products.

Customer Retention

We typically sign our customers to contracts having terms of between one and three years. The majority of our contracts provide for negotiated annual price increases and automatically renew at the end of the respective terms. Under our standard contract, no early termination provisions are provided. We believe that our business model generates a high probability of recurring revenue associated with our subscription offering, but we cannot predict with certainty actual customer retention rates.

Scaling Sales and Marketing

Our growth strategy is reliant on our direct sales and marketing efforts. Although we plan to leverage our strong channel partnerships, a large portion of our anticipated sales and marketing expense will be directed towards our in-house efforts that we view as integral to our success. Accordingly, we plan to continue to make significant investments in additional headcount and resources, including investing in customer segment or product-specific sales teams and capabilities to grow our total addressable market and effectively execute on our strategy.

Channel Partners

Our growth strategy is supplemented by the success of our relationships with strategic partners. Our ability to establish and maintain relationships with existing and new channel partners, as well as maintain their customer referrals, will impact our future growth rates. Our relationships with highly reputable channel partners expands our reach to thousands of customers globally. We will continue to invest in identifying, negotiating and establishing relationships with channel partners, and devote resources to the integration of third-party platforms to complement our direct sales strategy.

International Expansion and Sales

We believe there is demand for our platform worldwide as capital markets participants seek out products that enable efficient interactions in an evolving, increasingly virtual business environment. We have invested and expect to continue to invest in promoting and supporting the adoption of our platform across all of our product lines internationally as we view international expansion as a significant growth opportunity.

Foreign Currency

Our presentation and functional currency is the U.S. dollar, and we derive the majority of our revenue in U.S. dollars and a smaller proportion of our expenses are incurred in U.S. dollars. Our head office and the majority of our employees are located in Toronto, Canada and as such, a significant amount of our expenses are incurred in Canadian dollars. As a result, decreases in the value of the U.S. dollar relative to the Canadian dollar will adversely impact our operations. See “Risk Factors” elsewhere in this prospectus for a discussion on exchange rate fluctuations and their potential negative effect on our operating results.

Key Components of Results of Operations

Q4’s global operations have always been managed as a single economic entity. We have one management team in charge of all aspects of Company operations and today we have determined that we have only one reporting segment, being the consolidated company. In the future this may change, due to our growth strategies or otherwise, and at that time our reporting practices will change.

Revenue

We generate revenue from the following two primary sources:

- *Capital Markets Platform.* Our customers enter into contracts that provide for recurring annual subscription fees as well as reoccurring virtual events. Our customer contracts typically have a term of one to three years, automatically renew with a contracted price increase and do not have termination rights, other than termination at the end of the term. Products included in the subscription can be purchased individually or through bundles and revenue is typically recognized evenly over the life of a contract, commencing on the date the product is launched and terminating on the end date of the contract. Reoccurring virtual events are recognized in the period that the event takes place. Payment for our subscription contracts is typically on a prepaid basis either annually or quarterly and reoccurring virtual events are typically paid for in the period the solution was provided. During the twelve months ended June 30, 2021, 83% of revenue within our Capital Markets Platform was recurring platform subscription revenue based on long-term contracts. We consider the remaining revenue to be reoccurring in nature as, although it consists of events that are not contracted, they are highly predictable and are often repeated annually.
- *Platform Services.* We provide our customers with comprehensive onboarding, design and implementation services for our products, as required. These services are typically purchased concurrently with the original customer contract and delivered within approximately 90 days following the effective date of the customer contract. After the initial implementation, our customers often engage us for additional design services throughout the remainder of the life of the contract. Revenue associated with initial contracts are recognized over the term of the contract, whereas revenue from services provided after the initial implementation is recognized in the period the work was completed. Payment is typically received upfront on the effective date of the customer contract.

Direct Cost of Revenue

Direct cost of revenue consists of costs for maintaining hosting infrastructure, third-party data fees that are integrated into the platform, other third-party costs associated with virtual events and employee expenses for the support and implementation teams. These employee expenses include salaries, benefits and share-based compensation. We believe there is an opportunity to improve our operating leverage as we add customers to our platform, improve service ratios across our platform as we continue to invest in product development to minimize manual intervention, and migrate customers to our proprietary virtual events platform.

Operating Expenses

We approach our operating expenses in a thoughtful and programmatic way, aligning to our assessment of market demand, our technology needs, and the opportunity set we see in the near term. We strive to balance growth that comes from investments in sales and marketing, the innovations and product leadership that result from research and development, and the scale and capabilities that are gained by general and administrative infrastructure. These real benefits are constantly weighed against achievement of near-term profitability metrics. Management sees numerous attractive opportunities to continue our growth trajectory and establish our leadership position, while maintaining a line of sight to achieving positive net income.

Sales and Marketing

Sales and marketing expenses are primarily selling and marketing costs and employee expenses, including salaries, benefits and share-based compensation, for sales and business development, marketing, sales operations, as well as client success positions to support customer retention. We plan to continue to expand sales and marketing efforts to attract new customers, retain existing customers and increase product adoption from both new and existing customers. As such, for the foreseeable future, we expect sales and marketing expenses to increase as a percentage of total revenue as we continue to invest in our sales force, marketing team, marketing activities and client success to drive organic growth and expand our addressable market.

Research and Development

Research and development expenses are primarily employee expenses, including salaries, benefits and share-based compensation, and product-related expenses including product management, design, development and quality assurance. We continue to invest our research and development efforts into developing products and solutions, as well as increasing the functionality and ease of use of our existing platform. Historically, these expenses have been reduced by refundable tax credits under the Canadian Federal Scientific Research and Experimental Development Program, (“SR&ED”). As a new public company, we will no longer meet the eligibility requirements for refundable tax credits under the SR&ED program. However, we expect to remain eligible for non-refundable SR&ED credits under this program, which we expect will reduce future income taxes payable, but which have no direct impact on our research and development expenses. We expect research and development expenses to increase in the near term as a percentage of total revenue as we continue to invest in our product, and to decline as a percentage of total revenue in the mid to long term as we achieve additional economies of scale from our growth.

General and Administrative Expenses

General and administrative expenses are primarily employee expenses, including salaries, benefits and share-based compensation for finance, legal, people and culture, IT, and business operations as well as professional fees, legal fees, consultants, software, and other corporate expenses. We anticipate that general and administrative expenses will increase on an absolute dollar basis in connection with our initial public offering but decrease as a percentage of revenues as we focus on processes, systems and controls to enable our internal support functions to scale with the growth of our business. We will continue to prioritize investment in top-tier security, privacy and compliance software and practices to maintain market-leading data security. We also anticipate increases in legal and accounting fees, as we incur the costs of compliance associated with being a public company. See “Risk Factors” elsewhere in this prospectus for a discussion on the increased expenses we will incur as a result of being a public company.

Depreciation and Amortization

Depreciation and amortization expenses primarily relate to depreciation on property and equipment, including right-of-use assets as well as intangible assets acquired in acquisitions. Property and equipment comprises office equipment and leasehold improvements. Right-of-use assets comprise lease contracts for office space and computer equipment. Intangible assets comprise client lists, intellectual property and perpetual licenses. All items are amortized over their estimated useful life.

Foreign Exchange Gain/Loss

Foreign exchange gain/loss relates to the translation of monetary assets and liabilities denominated in foreign currencies being translated into our functional currency, the U.S. dollar, at the foreign exchange rate applicable at the end of each period.

Fair Value Adjustment on Contingent Consideration

Fair value adjustment of contingent consideration relates to the adjustment of the contingent consideration recorded relating to a business acquisition completed in 2016.

Other Expenses

Finance Expenses

Finance costs include interest, amortization of capitalized financing fees on debt financing and any gains or losses on short-term investments.

Finance Income

Finance income relates to interest earned on short-term investments.

Gain/Loss on Derivative Financial Instruments

Gain/loss on derivative financial instruments relates to the revaluation of warrants to fair market value.

Results of Operations

The following table outlines our consolidated statement of loss and comprehensive loss for the years ended December 31, 2020, 2019 and 2018, and for the three and six months ended June 30, 2021 and 2020:

	Fiscal Years Ended December 31,			Three Months Ended June 30,		Six Months Ended June 30,	
(U.S. dollars in thousands, except per share amounts)	2020	2019	2018	2021	2020	2021	2020
Revenue	\$ 40,381	\$ 22,400	\$17,301	\$17,289	\$ 9,722	\$ 28,614	\$19,279
Direct cost of revenue	18,706	10,429	8,098	7,471	4,620	12,635	8,675
Gross profit	21,675	11,971	9,203	9,818	5,102	15,979	10,604
Operating expenses							
Sales and marketing	11,677	8,072	5,172	4,444	2,623	8,837	5,231
Research and development	6,540	3,272	2,054	2,784	1,401	5,624	2,944
General and administrative	10,549	8,036	5,572	4,626	2,238	9,609	4,724
Depreciation and amortization	4,117	1,598	1,467	1,016	1,051	2,082	2,037
Foreign exchange (gain) loss	528	280	(501)	193	101	166	15
Fair value adjustment on contingent consideration	—	—	(233)	—	—	—	—
Other expenses	499	610	121	51	25	272	62
Total operating expenses	33,910	21,868	13,652	13,114	7,439	26,590	15,013
Loss from operations	(12,235)	(9,897)	(4,449)	(3,296)	(2,337)	(10,611)	(4,409)
Finance expenses	326	370	3,514	309	69	440	137
Finance income	(73)	(241)	—	(7)	(119)	(8)	(49)
(Gain) loss on derivative financial instruments	386	843	(18)	(1,350)	96	3,463	193
Loss before income taxes	(12,874)	(10,869)	(7,945)	(2,248)	(2,383)	(14,506)	(4,690)
Income taxes	245	184	320	69	44	66	74
Net loss	(13,119)	(11,053)	(8,265)	(2,317)	(2,427)	(14,572)	(4,764)
Other comprehensive income	—	—	—	—	—	—	—
Foreign exchange gain (loss) on foreign operations	49	26	16	3	10	(14)	2
Net loss and comprehensive loss	\$ (13,070)	\$ (11,027)	\$ (8,249)	\$ (2,314)	\$ (2,417)	\$ (14,586)	\$ (4,762)
Basic and diluted loss per share	\$ (0.32)	\$ (0.28)	\$ (0.22)	\$ (0.05)	\$ (0.06)	\$ (0.33)	\$ (0.12)
Weighted average number of common shares outstanding – basic and diluted	40,820	39,621	37,475	46,881	40,599	44,272	40,537
Basic and diluted pro forma loss per share ⁽¹⁾	(•)	(•)	(•)	(•)	(•)	(•)	(•)

Note:

(1) Assuming the completion of the Pre-Closing Capital Changes.

The following table outlines share-based compensation expenses included in the results of operations for the years ended December 31, 2020, 2019 and 2018 and the three and six months ended June 30, 2021 and 2020:

(U.S. dollars in thousands)	Year Ended December 31,			Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2018	2021	2020	2021	2020
Direct cost of revenue	\$ 27	\$ 7	\$ 3	\$ 11	\$ 7	\$ 38	\$ 14
Sales and marketing	246	81	40	98	62	210	123
Research and development	175	75	17	27	44	64	88
General and administrative	306	404	103	72	76	143	152
Total share-based compensation expense	<u>\$754</u>	<u>\$567</u>	<u>\$163</u>	<u>\$208</u>	<u>\$189</u>	<u>\$455</u>	<u>\$377</u>

Results of Operations for the Three and Six Months Ended June 30, 2021 and 2020

Revenue

(U.S. dollars in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	\$ Change	% Change
Capital Markets Platform	\$16,421	\$9,207	\$7,214	78.4%	27,019	18,131	\$8,888	49.0%
Platform Services	847	515	332	64.5%	1,566	1,148	418	36.4%
Other	21	0	21		29	0	29	
Total revenue	<u>\$17,289</u>	<u>\$9,722</u>	<u>\$7,567</u>	77.8%	<u>\$28,614</u>	<u>\$19,279</u>	<u>\$9,335</u>	48.4%

Total revenue for the three months ended June 30, 2021 totaled \$17.3 million, an increase of \$7.6 million or 77.8% as compared to \$9.7 million for the three months ended June 30, 2020 and for the six month period ended June 30, 2021 totaled \$28.6 million, an increase of \$9.3 million or 48.4% as compared to \$19.3 million for the six months ended June 30, 2020. The increase was largely attributable to revenue from new customers, increased product adoption by existing customers, renewals with contracted price increases and an increase in virtual events due to new product offerings. In particular, in the second quarter of 2021, we introduced our virtual shareholder meeting services (“VSM”), which contributed approximately \$5.0 million to our revenue for the three and six month period ended June 30, 2021. We subsequently terminated our VSM service offering following a review of its strategic fit and financial profile within the context of our product offering, which we believe will enable us to focus valuable resources on other strategic initiatives that better align with our long term commercial and financial targets. As a result of the subsequent termination of our VSM services, this revenue will not reoccur in subsequent periods.

Capital Markets Platform revenue increased by \$7.2 million or 78.4% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and increased by \$8.9 million or 49.0% for the six months ended June 30, 2021. The increase was driven by an increase in the number of customers using our platform from 2,030 as at June 30, 2020 to 2,358 customers using our platform as at June 30, 2021 in each case, excluding customers in our backlog, representing, an increase in ARPA from \$17,014 as of June 30, 2020 to \$17,912 as June 30, 2021 and an increase in virtual events due to new product offerings, most notably the VSM service offering which contributed \$5.0 million in revenue that will not reoccur in subsequent periods.

Revenue from Platform Services increased by \$0.3 million or 64.5% for the three months ended June 30, 2021 as compared to equivalent period in the prior year and increased by \$0.4 million or 36.4% for the six months ended June 30, 2021 as compared to the equivalent period in the prior year. Platform Services revenue growth is primarily attributed to design and implementation services associated with the sale of new subscriptions.

Direct Cost of Revenue

(U.S. dollars in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	\$ Change	% Change
Direct cost of revenue	\$7,471	\$4,620	\$2,851	61.7%	\$12,635	\$8,675	\$3,960	45.6%
Percentage of total revenue . . .	43.2%	47.5%			44.2%	45.0%		

Direct cost of revenue increased by \$2.9 million or 61.7% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and increased by \$4.0 million or 45.6% for the six months ended June 30, 2021 as compared to the equivalent period in the prior year. The increase in our direct costs were closely related to the increase in revenue and is primarily associated with the increase in costs to service our growing customer base, which increased from 2,030 as at June 30, 2020 to 2,358 customers using our platform across key geographies and products, and our VSM service offerings as of June 30, 2021.

Gross Profit

(U.S. dollars in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	\$ Change	% Change
Gross profit	\$9,818	\$5,102	\$4,716	92.4%	\$15,979	\$10,604	\$5,375	50.7%
Percentage of total revenue . . .	56.8%	52.5%			55.8%	55.0%		

Gross profit increased by \$4.7 million or 92.4% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and increased by \$5.4 million or 50.7% for the six months ended June 30, 2021 as compared to the equivalent period in the prior year. The increase on an absolute dollar basis was primarily due to growth in our Capital Markets Platform and Platform Services revenue as we increased the number of customers using our platform and drove incremental adoption of products on our platform from existing customers as well as a seasonal increase in demand for virtual events in the second quarter of 2021, principally resulting from our VSM services. On a percentage basis, gross profit increased to 56.8% from 52.5% of revenue for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and increased to 55.8% from 55.0% for the six months ended June 30, 2021 as compared to the equivalent period in the prior year.

Operating Expenses

Sales and Marketing

(U.S. dollars in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	\$ Change	% Change
Sales and Marketing	\$4,444	\$2,623	\$1,821	69.4%	\$8,837	\$5,231	\$3,606	68.9%
Percentage of total revenue	25.7%	27.0%			30.9%	27.1%		

Sales and marketing expenses increased by \$1.8 million or 69.4% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and \$3.6 million or 68.9% for the six months ended June 30, 2021 as compared to the equivalent period in the prior year to further drive growth in our business, necessitating further investment in incremental sales and marketing headcount. We believe that additional employees are core to our ability to successfully execute on our strategic growth plan. We have also invested in client success positions to strengthen customer relationships and support customer retention. As a percentage of revenue, sales and marketing expenses decreased to 25.7% from 27.0% for the three months ended June 30, 2021 and increased to 30.9% from 27.1% for the six months ended June 30, 2021. Our sales and marketing expenses will fluctuate on a quarterly basis based on the timing of advertising and event sponsorships.

Research and Development

(U.S dollars in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	\$ Change	% Change
Research and development	\$2,784	\$1,401	\$1,383	98.7%	\$5,624	\$2,944	\$2,680	91.0%
Percentage of total revenue	16.1%	14.4%			19.7%	15.3%		

Research and development expenses increased by \$1.4 million or 98.7% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and \$2.7 million or 91.0% for the six month period ended June 30, 2021 as compared to the equivalent period in the prior year. The increase was due to the Company's continued investment in both the improvement of current products within our Capital Markets Platform and the development of new product offerings. The majority of the cost increase was employee-related. As a percentage of revenue, research and development expenses increased to 16.1% from 14.4% for the three month period ended June 30, 2021 and increased to 19.7% from 15.3% for the six month period ended June 30, 2021. The increase was related to the development of a new product offering within our capital markets platform.

General and Administrative

(U.S dollars in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	\$ Change	% Change
General and administrative	\$4,626	\$2,238	\$2,388	106.7%	\$9,609	\$4,724	4,885	103.4%
Percentage of total revenue	26.8%	23.0%			33.6%	24.5%		

General and administrative expenses increased by \$2.4 million or 106.7% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and \$4.9 million or 103.4% for the six month period ended June 30, 2021 as compared to the equivalent period in the prior year. The increase in general and administrative expenses was due to increased employee-compensation related expenses as a result of increased headcount, as well as share-based compensation expenses, higher IT costs to support increasing headcount and increased legal, accounting, tax planning and corporate governance support associated with our planned initial public offering. As a percentage of revenue, general and administrative expenses increased to 26.8% from 23.0% for the three months ended June 30, 2021 and increased to 33.6% from 24.5% for the six months ended June 30, 2021 mainly due to increased employee-compensation related expenses, higher IT costs and increased compliance costs associated with our planned initial public offering.

Depreciation and Amortization

(U.S. dollars in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	\$ Change	% Change
Property and equipment and right-of-use assets	\$287	\$ 269	\$ 18	6.7%	\$ 623	\$ 474	\$ 149	31.4%
Intangible assets	729	782	(53)	(6.8)%	1,459	1,563	(104)	(6.7)%
Percentage of total revenue	5.9%	10.8%			7.3%	10.6%		

Depreciation of property, equipment and right-of-use assets increased by \$0.02 million or 6.7% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and \$0.1 million or 31.4% for the six months ended June 30, 2021 as compared to the equivalent period in the prior year. The increase was primarily related to additions made to computer equipment to further support the investment in headcount growth.

Amortization of intangible assets decreased by \$0.05 million or 6.8% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year, and decreased by \$0.1 million or 6.7% for the six months ended June 30, 2021 as compared to the equivalent period in the prior year. The decrease was because there were no additions to intangible assets during the three and six months ended June 30, 2021.

As a percentage of revenue, depreciation and amortization decreased to 5.9% from 10.8% for the three month period ended June 30, 2021 and decreased to 7.3% from 10.6% for the six months ended June 30, 2021 mainly due to an increase in our revenue.

Non-Operating Expenses

(U.S. dollars in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	\$ Change	% Change
Finance expenses	\$ 309	\$ 69	\$ 240	347.8%	\$ 440	\$137	\$ 303	221.2%
Finance income	(7)	(119)	112	(94.1)%	(8)	(49)	41	(83.7)%
(Gain) Loss on derivative financial instruments	(1,350)	96	(1,446)	nmf	3,463	193	3,270	nmf

Finance Expenses

Finance expenses increased by \$0.2 million or 347.8% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and increased \$0.3 million or 221.2% for the six month period ended June 30, 2021 as compared to the equivalent period in the prior year. The increase was due to an increase in interest expense related to a higher amount drawn under our Credit Facilities.

Finance Income

Finance income decreased by \$0.1 million or 94.1% for the three months ended June 30, 2021 as compared to the equivalent period in the prior year and decreased \$0.04 million or 83.7% for the six months ended June 30, 2021 as compared to the equivalent period in the prior year. The decrease was due to maintaining a lower balance of cash and short-term investments.

Gain/Loss on Derivative Financial Instruments

Gain on derivative financial instruments increased by \$1.4 million for the three months ended June 30, 2021 as compared to the equivalent period in the prior year, due to a decrease in the fair value of the outstanding warrants during the three months period. Loss on derivative financial instruments increased by \$3.3 million for the six month ended June 30, 2021 as compared to the equivalent period in the prior year, due to a net increase in the fair value of the outstanding warrants during the six months period.

Results of Operations for Years Ended December 31, 2020, 2019 and 2018

Revenue

(U.S. dollars in thousands)	Year Ended		December 31,		Year Ended		December 31,	
	2020	2019	\$ Change	% Change	2019	2018	\$ Change	% Change
Capital Markets Platform . .	\$38,138	\$20,212	\$17,926	88.7%	\$20,212	\$15,601	\$4,611	29.6%
Platform Services	2,243	2,188	55	2.5%	2,188	1,700	488	28.7%
Total revenue	<u>\$40,381</u>	<u>\$22,400</u>	<u>\$17,981</u>	<u>80.3%</u>	<u>\$22,400</u>	<u>\$17,301</u>	<u>\$5,099</u>	<u>29.5%</u>

Total revenue for 2020, 2019 and 2018 totaled \$40.4 million, \$22.4 million and \$17.3 million, respectively. The significant growth in each year was primarily attributable to revenue from new customers, increased product adoption by existing customers and renewals with contracted price increases. In 2019, we entered into a referral arrangement with BusinessWire (the “**BusinessWire Strategic Alliance**”)¹ pursuant to which we acquired a portfolio of IR customers, which contributed to customer and revenue growth in 2019. Additionally, effective January 1, 2020, we acquired a portfolio of customer agreements from S&P Global Market Intelligence (the “**S&P Strategic Alliance**”), further contributing to our customer and revenue growth in 2020 as compared to the equivalent period in the prior year. The BusinessWire Strategic Alliance and the S&P

1 The BusinessWire acquisition consisted of an exclusive customer referral relationship rather than an acquisition of assets; we consider this a historical acquisition due to the resulting increase in customers.

Strategic Alliance represent the only customer acquisition transactions completed in 2019 and 2020, respectively, and therefore should be considered infrequent events outside of our normal course business for the year.

Capital Markets Platform revenue increased by \$17.9 million or 88.7% in 2020 as compared to 2019 and by \$4.6 million or 29.6% of revenue in 2019 as compared to 2018. The increase was largely attributable to revenue from new customers, increased product adoption by existing customers and renewals with contracted price increases. The number of customers using our platform increased from 1,041 at the end of 2018, to 1,241 as at the end of 2019 and 2,131 as at the end of 2020. During this period, ARPA increased from \$15,719 as at the end of 2018, to \$17,034 as at the end of 2019 and \$17,644 as at the end of 2020.

Revenues from Platform Services increased by \$0.06 million or 2.5% in 2020 as compared to 2019 and by \$0.5 million or 28.7% in 2019 as compared to 2018. Platform Services revenue growth was primarily attributed to design and implementation services associated with the sale of new subscriptions.

Direct Cost of Revenue

(U.S. dollars in thousands)	Year Ended December 31,				Year Ended December 31,			
	2020	2019	\$ Change	% Change	2019	2018	\$ Change	% Change
Direct cost of revenue	\$18,706	\$10,429	\$8,277	79.4%	\$10,429	\$8,098	\$2,331	28.8%
Percentage of total revenue . .	46.3%	46.6%			46.6%	46.8%		

Direct cost of revenue increased from \$10.4 million to \$18.7 million in 2020 as compared to 2019 and increased from \$8.1 million to \$10.4 million in 2019 as compared to 2018. The period over period increases in direct cost of revenue was primarily associated with the increase in cost to service our growing customer base across key geographies and products. Direct cost of revenue was also impacted by the increased costs required to support the incremental customers gained with the S&P Strategic Alliance in 2020.

The decrease in direct cost of revenue as a percentage of revenue was primarily due to the realization of scale advantages in our cost structure. As we continue to grow, we anticipate continuing to realize this reduction in our direct cost of revenue as a percentage of revenue.

Gross Profit

(U.S. dollars in thousands)	Year Ended December 31,				Year Ended December 31,			
	2020	2019	\$ Change	% Change	2019	2018	\$ Change	% Change
Gross profit	\$21,675	\$11,971	\$9,704	81.1%	\$11,971	\$9,203	\$2,768	30.1%
Percentage of total revenue . .	53.7%	53.4%			53.4%	53.2%		

Gross profit increased from \$12.0 million to \$21.7 million in 2020 as compared to 2019 and increased from \$9.2 million to \$12.0 million in 2019 as compared to 2018. The increase was primarily due to growth in our Capital Markets Platform and Platform Services revenue as we increased the number of customers using our platform both organically and from the S&P Strategic Alliance and the BusinessWire Strategic Alliance in 2020 and 2019, respectively. Gross profit was also positively impacted by an increase in the number of products adopted by our customers. On a percentage basis, gross profit increased from 53.4% to 53.7% in 2020 as compared to 2019, and from 53.2% to 53.4% in 2019 as compared to 2018 as we began to realize operating leverage in our mature products. We expect to continue to realize improved gross profit as both our mature and new products scale.

Operating Expenses

Sales and Marketing

(U.S. dollars in thousands)	Year Ended December 31,				Year Ended December 31,			
	2020	2019	\$ Change	% Change	2019	2018	\$ Change	% Change
Sales and marketing	\$11,677	\$8,072	\$3,605	44.7%	\$8,072	\$5,172	\$2,900	56.1%
Percentage of total revenue . . .	28.9%	36.0%			36.0%	29.9%		

Sales and marketing expenses increased by \$3.6 million or 44.7% in 2020 as compared to 2019 and increased by \$2.9 million or 56.1% in 2019 compared to 2018. This increase was tied to our focus on growing the business, necessitating further investment in incremental sales and marketing headcount. These additional employees are core to our ability to successfully execute on our strategic growth plan. We have also invested in client success positions to strengthen customer relationships and support customer retention. As a percentage of revenue, sales and marketing expenses increased from 29.9% in 2018 to 36.0% in 2019 and decreased to 28.9% in 2020.

Research and Development

(U.S. dollars in thousands)	Year Ended December 31,				Year Ended December 31,			
	2020	2019	\$ Change	% Change	2019	2018	\$ Change	% Change
Research and development	\$6,540	\$3,272	\$3,268	99.9%	\$3,272	\$2,054	\$1,218	59.3%
Percentage of total revenue	16.2%	14.6%			14.6%	11.9%		

Research and development expenses increased by \$3.3 million or 99.9% in 2020 as compared to 2019 and increased by \$1.2 million or 59.3% in 2019 compared to 2018. The increases were due to the Company's continued investment in both the improvement of the current products within our capital markets communication platform and the development of new product offerings. The majority of the cost increase was employee-related. As a percentage of revenue, research and development expenses increased from 11.9% in 2018 to 14.6% in 2019 and increased to 16.2% in 2020.

General and Administrative

(U.S. dollars in thousands)	Year Ended December 31,				Year Ended December 31,			
	2020	2019	\$ Change	% Change	2019	2018	\$ Change	% Change
General and administrative	\$10,549	\$8,036	\$2,513	31.3%	\$8,036	\$5,572	\$2,464	44.2%
Percentage of total revenue	26.1%	35.9%			35.9%	32.2%		

General and administrative expenses increased by \$2.5 million or 31.3% in 2020 as compared to 2019 and increased by \$2.5 million or 44.2% in 2019 compared to 2018. The increase in general and administrative expenses was due to increased employee-related expenses as a result of increased headcount, as well as share-based compensation expenses, higher IT costs to support increasing headcount and increased legal, accounting, tax planning and corporate governance support associated with our initial public offering. As a percentage of revenue, general and administrative expenses increased from 32.2% in 2018 to 35.9% in 2019 and decreased to 26.1% in 2020.

Depreciation and Amortization

(U.S. dollars in thousands)	Year Ended December 31,				Year Ended December 31,			
	2020	2019	\$ Change	% Change	2019	2018	\$ Change	% Change
Property and equipment and right-of-use assets	\$1,042	\$905	\$ 137	15.1%	\$905	\$647	\$ 258	39.9%
Intangible assets	3,075	693	2,382	343.7%	693	820	(127)	(15.5)%
Percentage of total revenue	10.2%	7.1%			7.1%	8.5%		

Amortization of property and equipment and right-of-use assets increased by \$0.1 million or 15.1% in 2020 compared to 2019 and increased by \$0.3 million or 39.9% in 2019 compared to 2018. The increases were primarily related to additions we made to computer equipment, office furniture and leasehold improvements to further support our investment in headcount growth.

Amortization of intangible assets increased by \$2.4 million or 343.7% in 2020 as compared to 2019 and decreased by \$0.1 million or 15.5% in 2019 as compared to 2018. The increase in 2020 related to the addition of \$2.4 million generated from the acquisition of the customer agreements acquired pursuant to the S&P Strategic Alliance on January 1, 2020. The decrease in 2019 compared to 2018 related to the expiration of non-competition covenants obtained from prior business acquisitions.

As a percentage of revenue, depreciation and amortization decreased from 8.5% in 2018 to 7.1% in 2019 and increased to 10.2% in 2020.

Foreign Exchange Loss/Gain

(U.S. dollars in thousands)	Year Ended December 31,				Year Ended December 31,			
	2020	2019	\$ Change	% Change	2019	2018	\$ Change	% Change
Foreign exchange gain/loss	\$528	\$280	\$248	88.6%	\$280	\$(501)	\$781	(155.9)%
Percentage of total revenue	1.3%	1.3%			1.3%	(2.9)%		

Foreign exchange loss increased by \$0.2 million or 88.6% in 2020 as compared to 2019 and increased by \$0.8 million or 155.9% in 2019 as compared to 2018. Our results are measured in our functional currency, which is the U.S. dollar, and foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or when balances are re-measured at period end with resulting gains and losses subsequently recognized.

Non-Operating Items

(U.S. dollars in thousands)	Year Ended December 31,				Year Ended December 31,			
	2020	2019	\$ Change	% Change	2019	2018	\$ Change	% Change
Finance expenses	\$326	\$ 370	\$ (44)	(11.9)%	\$ 370	\$3,514	\$(3,144)	(89.5)%
Finance income	(73)	(241)	168	(69.7)%	(241)	—	(241)	nmf
Gain/loss on derivative financial instruments	386	843	(457)	(54.2)%	843	(18)	861	nmf

Finance Expenses

Finance expenses decreased by \$0.04 million or 11.9% in 2020 as compared to 2019 and decreased by \$3.1 million or 89.5% in 2019 as compared to 2018. The decrease between 2020 and 2019 was due to decreased interest paid on outstanding credit facilities and the decrease between 2019 and 2018 was due to the repayment of outstanding indebtedness from proceeds of an equity financing.

Finance Income

Finance income decreased by \$0.2 million or by 69.7% in 2020 as compared to 2019 and increased by \$0.2 million or 100.0% in 2019 as compared to 2018. The increase between 2019 and 2018 was due to income earned on the investment of funds into short-term securities received from capital raising activities and the decrease between 2020 and 2019 was due to maintaining a lower investment balance over the term as the capital was used to fund operations.

Gain/Loss on Derivative Financial Instruments

Loss on derivative financial instruments decreased by \$0.5 million or 54.2% in 2020 as compared to 2019 and increased by \$0.9 million in 2019 as compared to 2018. The losses relate to an increase in the fair value of outstanding warrants.

Selected Annual Information

(U.S. dollars in thousands, except per share amounts)	Year Ended December 31,		
	2020	2019	2018
Total revenue	\$ 40,381	\$ 22,400	\$17,301
Net loss and comprehensive loss	(13,070)	(11,027)	(8,249)
Loss per share – basic and diluted	\$ (0.32)	\$ (0.28)	\$ (0.22)
Total assets	53,865	32,141	40,449
Total long-term liabilities	7,631	4,391	3,723

Total Assets

2020 Compared to 2019

Total assets increased by \$21.7 million or 67.6%, mainly due to an increase of \$5.8 million or 149% in accounts receivable tied to increased sales and the S&P Strategic Alliance, and an increase of \$20.9 million in intangible assets, also related to the S&P Strategic Alliance. Right-of-use assets increased \$1.0 million or 67.1% due to additions made to office leases and property and equipment of \$0.5 million or 225.0% due to additions made to computer equipment, office furniture and leasehold improvements to further support the investment in headcount growth. Offsetting the increases was a decrease of \$8.3 million or 64.4% in cash and short-term investments.

2019 Compared to 2018

Total assets decreased by \$8.3 million or 20.5%, with cash and short-term investments accounting for a decrease of \$10.8 million or 45.7%. In 2018 we completed an equity financing transaction that resulted in higher cash and short-term investment balances throughout 2018. The cash was used to fund operating expenses resulting in a decrease in total assets in 2019. Offsetting the decrease in cash was an increase in prepaid expense of \$0.7 million or 159.3% related to prepaying annual software subscriptions and in other assets of \$1.0 million or 87.5% related to the capitalization of costs to obtain a contract.

Total Long-Term Liabilities

2020 Compared to 2019

Total long-term liabilities increased by \$3.2 million or 73.8%. The increase is mainly due to an increase of \$2.5 million or 92.8% in deferred revenue and \$0.9 million or 82.7% in lease liabilities. The increase in deferred revenue related to increased sales as well as the additional customer contracts acquired in the S&P Strategic Alliance and the increase in lease liabilities was the result of investment in office space to support headcount growth.

2019 Compared to 2018

Total long-term liabilities increased by \$0.7 million or 17.9%. The increase was due to the \$0.5 million or 23.7% increase in deferred revenue related to an increase in sales.

Quarterly Results of Operations

The following table sets forth selected quarterly statements of operations data for each of the eight quarters ended June 30, 2021. The information for each of these quarters has been prepared on the same basis as the audited financial statements included elsewhere in the prospectus. This data should be read in conjunction with our audited financial statements and related notes included elsewhere in this prospectus. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

(U.S. dollars in thousands, except per share amounts)	Three Months Ended							
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 30, 2020	Dec 31, 2019	Sep 30, 2019
Revenue	\$17,289	\$ 11,317	\$11,075	\$10,027	\$ 9,722	\$ 9,557	\$ 6,112	\$ 5,725
Direct cost of revenue	7,471	5,164	5,323	4,708	4,620	4,055	2,894	2,713
Gross profit	9,818	6,153	5,752	5,319	5,102	5,502	3,218	3,012
Operating Expenses								
Sales and marketing	4,444	4,393	3,525	2,918	2,623	2,608	2,283	2,332
Research and development	2,784	2,840	2,111	1,485	1,401	1,543	1,012	629
General and administrative	4,626	4,983	3,328	2,497	2,238	2,486	2,474	1,976
Depreciation and amortization	1,016	1,066	1,005	1,075	1,051	986	389	451
Foreign exchange (gain) loss	193	(26)	442	70	100	(86)	19	76
Other expenses	51	221	407	30	25	37	380	4
Total operating expenses	13,114	13,477	10,818	8,075	7,438	7,574	6,557	5,468
Loss from operations	(3,296)	(7,324)	(5,066)	(2,756)	(2,336)	(2,072)	(3,339)	(2,456)
Finance expenses	309	131	111	78	(22)	159	30	32
Finance income	(7)	(10)	(16)	(8)	(28)	(21)	(31)	(67)
(Gain) loss on derivative financial instruments	(1,350)	4,813	97	97	97	97	843	—
Loss before income taxes	(2,248)	(12,258)	(5,258)	(2,923)	(2,383)	(2,307)	(4,181)	(2,421)
Income taxes	69	(2)	140	31	44	29	77	33
Net loss	(2,317)	(12,256)	(5,398)	(2,954)	(2,427)	(2,336)	(4,258)	(2,454)
Other comprehensive income								
Foreign exchange gain (loss) on foreign operations	3	(16)	22	30	10	(9)	(2)	(7)
Net loss and comprehensive loss	\$ (2,314)	\$ (12,272)	\$ (5,376)	\$ (2,924)	\$ (2,417)	\$ (2,345)	\$ (4,260)	\$ (2,461)
Basic and diluted loss per share	\$ (0.05)	\$ (0.29)	\$ (0.13)	\$ (0.07)	\$ (0.06)	\$ (0.06)	\$ (0.11)	\$ (0.06)
Weighted average number of common shares outstanding – basic and diluted	46,881	41,635	41,353	40,846	40,599	40,475	40,413	40,084
Basic and diluted pro forma loss per share ⁽¹⁾	(•)	(•)	(•)	(•)	(•)	(•)	(•)	(•)

Note:

(1) Assuming the completion of the Pre-Closing Capital Changes.

Revenue

Our total quarterly revenue increased sequentially for all periods presented due primarily to increased sales to existing and new customers. The increase in total revenue was due to increases in both Capital Markets Platform revenue and Platform Services revenue driven by a combination of increases in new customers and in the number of products adopted by existing customers, leading to significant cumulative increases in total revenue over the historic period. A portion of the increase in 2020 was due to the S&P Strategic Alliance and the large increase for the quarter ended June 2021 was due to revenue earned by our VSM service offering.

Direct Cost of Revenue

Our quarterly costs of revenue increased sequentially due to increased costs to serve our growing customer base throughout the period across key geographies and products.

Gross Profit

Our total quarterly gross profit increased sequentially on an absolute dollar basis for all periods except for the quarter ended June 30, 2020 due primarily to strong customer retention and sales to new and existing customers. Capital Markets Platform revenue and Platform Services revenue grew at a faster rate than costs of revenue, resulting in increased gross profit on an absolute basis.

Operating Expenses

Total operating expenses increased sequentially for each period presented except for the quarters ended June 30, 2020 and June 30, 2021. The aggregate increase was primarily due to our investment in our sales and marketing headcount expansion, continued research and development to drive the development of new products and to support existing products as well as investing in people, processes and technology to support the organization's growth.

Liquidity and Capital Resources

Overview

The general objectives of our capital management strategy reside in the preservation of our capacity to continue operating, in providing benefits to our stakeholders and in providing an adequate return on investment to our shareholders by selling our products and services at a price commensurate with the level of operating risk assumed by us.

We determine the total amount of capital that we require by taking into account our capital management strategy as determined by risk levels. This capital structure is adjusted on a periodic basis depending on changes in the economic environment and risks of the underlying assets.

Working Capital

Our primary source of cash flow is from capital raising transactions have generated proceeds of \$38.0 million since the beginning of 2018. Our approach to managing liquidity is seeking to ensure, to the extent possible, that we always have sufficient liquidity to meet our liabilities as they become due. We do so by monitoring cash flow and performing budget-to-actual analysis on a regular basis. In addition to our cash balances, we have access to \$30.0 million of capital under our Credit Facilities to assist us in meeting ongoing working capital requirements. As at June 30, 2021, \$20.8 million was drawn under our Credit Facilities. Our principal cash requirements are for working capital and acquisitions we may execute. Excluding deferred revenue, working capital as at June 30, 2021 was \$9.4 million. Given our existing cash and Credit Facilities, we believe there is sufficient liquidity to meet our current and short-term financial obligations.

Cash Flows

The following table represents cash and cash equivalents as at December 31, 2020, 2019, 2018 and as at June 30, 2021 and 2020 and cash flows from operating, investing, and financing activities for 2020, 2019, 2018 and the six months ended June 30, 2021 and 2020:

(U.S. dollars in thousands)	Year Ended December 31,			Six Months Ended June 30,	
	2020	2019	2018	2021	2020
Cash and cash equivalents	\$ 4,576	\$ 5,861	\$ 6,674	\$14,899	\$ 8,923
Net cash provided by (used in):					
Operating activities	(3,515)	(6,092)	(3,114)	(9,530)	(4,959)
Financing activities	69	(4,824)	25,409	20,220	3,041
Investing activities	2,117	9,988	(17,783)	(413)	4,938
Effect of foreign exchange on cash and cash equivalents	44	115	(174)	46	42
Net increase (decrease) in cash and cash equivalents . .	<u>\$ (1,285)</u>	<u>\$ (813)</u>	<u>\$ 4,338</u>	<u>\$10,323</u>	<u>\$ 3,062</u>

Cash Flows Used in Operating Activities

Cash flows used in operating activities for the six months ended June 30, 2021 were \$9.5 million compared to \$5.0 million for the six months ended June 30, 2020, an increase of \$4.5 million, which was due to an

increase of \$9.8 million in Net loss before tax and an increase of \$0.2 million in income taxes paid, offset by an increased impact of non-cash items of \$3.9 million and by a reduced impact of working capital changes of \$1.5 million.

The change in non-cash items of \$3.9 million was primarily due to the fair value loss on derivative liabilities of \$3.5 million. The reduced impact of working capital changes of \$1.5 million was mainly related to increase in accounts payable of \$2.8 million offset by an increase in accounts receivable of \$4.5 million.

Cash flows used in operating activities for 2020 were \$3.5 million compared to \$6.1 million in 2019. The decrease in cash used in operating activities of \$2.6 million was mainly due to an increase in deferred revenue of \$6.5 million which was offset by an increase in accounts receivable of \$5.1 million due to the timing of cash receipts.

Cash flows used in operating activities for 2019 were \$6.1 million, an increase of \$3.0 million from 2018. The main contributor to the increase in cash outflows related to operating activities was an increase in net loss of \$2.9 million offset by an increase in deferred revenue of \$1.0 million.

Cash Flows Used In/From Financing Activities

Cash flows from financing activities for the six months ended June 30, 2021 were \$20.2 million compared to \$3.0 million for the six months ended June 30, 2020. The increase was mainly related to an increase of proceeds from draws under our Credit Facilities of \$15.0 million and an increase of proceeds from the exercise of stock options and warrants of \$3.1 million.

Cash flows from financing activities for 2020 were \$0.07 million compared to cash flows used in financing activities of \$4.8 million in 2019. The increase of cash flows from financing activities of \$4.8 million was due to an increase in amounts drawn under our Credit Facilities of \$7.4 million offset by an increase of repayment on the Credit Facilities of \$2.1 million.

Cash flows used in financing activities for 2019 were \$4.8 million compared to cash flows from financing activities in 2018 of \$25.4 million. The main reason for the increase in cash used in financing activities was due to our receipt of the net proceeds of \$33.0 million from an equity financing in 2018.

Cash Flows Used In/From Investing Activities

Cash flows used in investing activities for the six months ended June 30, 2021 were \$0.4 million compared to cash flows from investing activities of \$4.9 million for the six months ended June 30, 2020. The decrease in cash flows from investing activities was due to a decrease in proceeds from short-term investments of \$6.9 million offset by a decrease in purchases of intangible assets of \$1.5 million in the six months ended June 30, 2020.

Cash flows from investing activities for 2020 were \$2.1 million compared to \$10.0 million for 2019. The decrease of cash flows from investing activities of \$7.9 million was due to a decrease in proceeds from short-term investments of \$10.0 million as well as an increase in purchases of intangible assets of \$3.8 million.

Cash flows from investing activities for 2019 were \$10.0 million compared to cash flows used investing activities in 2018 of \$17.8 million. The increase in cash flows from investing activities of \$27.8 million was mainly due to a net increase in short-term investments of \$27.0 million as well as a decrease of repayment of contingent consideration and future payment obligation of \$0.8 million.

Credit Facility

On March 31, 2021, we entered into an amended and restated credit facility agreement with Canadian Imperial Bank of Commerce, which provides for the availability of up to US\$22.5 million as a revolving operating facility and a US\$7.5 million term loan facility. The revolving credit facility incurs interest at the prime rate in effect and published by Canadian Imperial Bank of Commerce (“**CIBC Prime Rate**”) plus 1.0% per annum if drawn in Canadian dollars and the prime rate in effect and published by The Wall Street Journal (“**WSJ Prime Rate**”) plus 1.0% per annum if drawn in U.S. dollars. The term loan facility incurs interest at the WSJ Prime Rate plus 4.5% per annum. As at June 30, 2021, the effective rate on the revolving operating

facilities was 3.45% for Canadian dollar draws and 4.25% for U.S. dollar draws with \$13.3 million drawn. The effective rate on the term loan facility was 7.75% and \$7.5 million was drawn.

Contractual Obligations

We have contractual obligations with a variety of expiration dates. The table below outlines our contractual obligations as at June 30, 2021.

(U.S. dollars in thousands)	Payments Due by Period				
	On Demand	3 Months	3 to 12 Months	1 to 5 Years	Total
Interest bearing loans and borrowings	—	—	\$13,446	\$7,313	\$20,759
Lease liabilities	—	166	512	1,659	2,337
Other liabilities	—	—	260	—	260
Trade payables	—	9,547	—	—	9,547
Warrant liability	2,601	—	—	—	2,601
Total contractual obligations	\$2,601	\$9,713	\$14,218	\$8,972	\$35,504

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements, other than operating leases disclosed above under “Contractual Obligations”. From time to time, we may be contingently liable with respect to litigation and claims that arise in the normal course of business.

Related Party Transactions

We have no related party transactions, other than those noted in our consolidated financial statements and as described elsewhere in this prospectus. The Company’s key management personnel include members of the executive leadership team, and their compensation was as follows for 2020, 2019 and 2018.

(U.S. dollars in thousands)	Year Ended December 31,		
	2020	2019	2018
Short-term benefits and other benefits	\$1,913	\$1,122	\$638
Share-based payments	310	181	42
Total compensation to key management personnel	\$2,223	\$1,303	\$680

Financial Instruments and Other Instruments

Credit and Concentration Risk

Generally the carrying amount in our consolidated statement of financial position exposed to credit risk, net of any applicable provisions for losses, represents the maximum amount exposed to credit risk.

The Company is exposed to credit risk with respect to cash and cash equivalents, short-term investments, contract assets and accounts receivable. We manage credit risk by holding cash and cash equivalents with Schedule 1 banks.

Due to our diverse customer base, there is no particular concentration of credit risk related to our trade accounts receivable. Moreover, balances for trade accounts receivable are managed and analyzed on an ongoing basis to ensure allowances for doubtful accounts are established and maintained at an appropriate amount.

We maintain a provision for expected credit losses of a portion of trade accounts receivable when collection becomes doubtful. We estimate expected credit losses based on historical trends and other economic information. A credit loss on trade accounts receivable is calculated as the difference between the carrying amount and the present value of the estimated future cash flow. Credit losses are charged to general and

administrative expense in the consolidated statement of loss and comprehensive loss. Receivables for which a loss provision was recognized are written off against the corresponding provision when it is deemed uncollectible.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. We do not hold any collateral as security.

Foreign Currency Exchange Risk

We are predominantly exposed to currency risk due to financial instruments denominated in Canadian dollars. The following table provides a summary of our exposure to the Canadian dollar expressed in U.S. dollars.

(U.S. dollars in thousands)	Year Ended December 31,	
	2020	2019
Cash	\$ 460	\$ 923
Accounts receivable	232	160
Accounts payable	(1,122)	(1,199)
Loans payable	(1,702)	—
Lease liability	(2,522)	(1,358)
Net financial position exposure	<u><u>\$(4,654)</u></u>	<u><u>\$(1,474)</u></u>

We have not generally entered into arrangements to hedge our exposure to currency risk.

Critical Accounting Policies and Estimates

The preparation of our consolidated statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We review these estimates on an ongoing basis based on management's best knowledge of current events and actions that we may undertake in the future. Actual results could differ from these estimates. Areas requiring the most significant estimates and judgments are outlined below. Management has determined that we operate in a single operating and reportable segment.

Revenue from Contracts with Customers

The Company reports revenue under two main categories being, Capital Markets Platform and Platform Services. Capital Markets Platform revenue is comprised of fees charged for website subscriptions, virtual events, CRM and analytics products. Platform Services revenue is comprised of fees charged for website and CRM implementation services. The Company accounts for a customer contract when the rights of the parties, including the payment terms, are identified, the contract has commercial substance, collection of consideration is probable, and the contract has been signed and agreed to by both parties. Revenue is recognized when, or as, performance obligations are satisfied by transferring control or economic benefit of the service to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for its services.

Revenue is reported net of any revenue-based taxes assessed by governmental authorities that are imposed on revenue producing transactions.

Nature of products and services

Revenue from our website product, which allows customers to host their websites on Q4 software over a term, is provided on a subscription basis. Revenue from the subscription, which includes the website hosting and ongoing support services are billed and initially recorded as deferred revenue and are subsequently recognized as revenue on a ratable basis over the term of the contract once the website is launched. Initial website implementation fees do not have stand-alone value because they are only sold in conjunction with a subscription to the Company's platform and can only be provided by the Company. The initial implementation is not a separate performance obligation and is therefore recognized on the same basis as website hosting.

Revenue associated with additional design services after the initial implementation is recognized in the period performance is complete.

Revenue from our virtual events products is recognized at the time the event occurs. When annual contracts are entered into, the balances are recorded as deferred revenue and are recognized as revenue in the period in which the event takes place.

Revenue from our CRM product is provided on a subscription basis. Revenue from these subscriptions, which also include ongoing support services, is billed and initially recorded as deferred revenue and is subsequently recognized as revenue on a ratable basis over the term of the contract.

Revenue from our analytics product is provided on a subscription basis. Revenue from these subscriptions, which also include ongoing support services, is billed and initially recorded as deferred revenue and is subsequently recognized as revenue on a ratable basis over the term of the contract.

Contracts with multiple products or services

The Company enters into contracts that contain multiple services listed above. The Company evaluates this arrangement to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the service is distinct from some or all of the other services in the arrangement.

Where a contract consists of more than one performance obligation, revenue is allocated to each based on their estimated stand-alone selling price (“SSP”). The SSP reflects the price the Company would charge for a specific service if it were sold separately in similar circumstances to similar customers.

Costs to obtain contracts

Incremental costs of obtaining a contract include only those costs that would not otherwise have been incurred should the contract had not been obtained, such as sales commissions. The Company has determined certain commission programs meet the requirements to be capitalized. Commissions are typically amortized over a two-year period.

Direct cost of revenue

The Company’s direct cost of revenue consists of costs for maintaining hosting infrastructure, third-party data fees that are integrated into the platform, other third-party costs associated with virtual events and employee expenses for the support and implementation teams.

Contract assets and deferred revenue

The timing of revenue recognition and the contractual payment schedules often differ, resulting in contractual payments being billed before contractual products or services are delivered. When products or services have been transferred to customers and revenue has been recognized, but not billed, the Company recognizes and includes these amounts as contract assets.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets.

Deferred revenue is recognized if a payment is received from a customer before the Company transfers the related goods or services. Deferred revenue is recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Intangible Asset Acquired

The consideration transferred and assets acquired are recognized at fair value on the date the Company effectively obtains control of the asset. The measurement of the asset acquisition is based on the information available on the acquisition date. The estimated fair value of the asset is based on estimates and assumptions. The measurement is largely based on the fair value of the cash and shares provided in exchange for the asset

where the share value is determined using a market approach, including available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices.

Amortization

Amortization of intangible assets incorporate estimates of useful lives. These estimates are based on past experience and industry norms and may change as more experience is obtained or as market conditions change.

Share-Based Payments

Estimating fair value for share-based compensation transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model. The assumptions and models used for estimating fair value for share-based compensation transactions are disclosed in Note 12 of our annual consolidated financial statements found elsewhere in this prospectus.

Valuation of Warrants

The Company measures its warrants at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of the derivative liability for warrants was determined using Monte Carlo simulation valuation techniques. Volatility of the Company's share price is a significant assumption in the model.

Recently Issued Accounting Pronouncements Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework — Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

Onerous Contracts — Costs of Fulfilling a Contract — Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 9 Financial Instruments — Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

Authorized Share Capital

Our authorized share capital is currently comprised of: (i) an unlimited number of Common Shares, issuable in series, of which an unlimited number are designated as Series 1 Voting Common Shares, Series 2 Voting Common Shares, Series 3 Voting Common Shares, Series 4 Voting Common Shares and Non-Voting Common Shares (collectively, the “Existing Common Shares”); (ii) an unlimited number of New Common Shares, issuable in series, of which an unlimited number are designated as Series 1 Voting New Common Shares, Series 2 Voting New Common Shares, Series 3 Voting New Common Shares, Series 4 Voting New

Common Shares, Non Voting New Common Shares, Series A New Common Shares, Series B New Common Shares, Series C-1 New Common Shares, Series C-2 New Common Shares and Series C-3 New Common Shares (collectively with (i), the “Existing Common Shares”); (iii) an unlimited number of Class A Preferred Shares; (iv) an unlimited number of Class B Preferred Shares; and (v) an unlimited number of Class C Preferred Shares, issuable in series, of which an unlimited number are designated as Class C-1 Preferred Shares, an unlimited number are designated as Class C-2 Preferred Shares and an unlimited number are designated as Class C-3 Preferred Shares.

As of June 30, 2021: (i) 31,348,910 Series 1 Voting Common Shares; (ii) 5,374,910 Series 2 Voting Common Shares; (iii) no Series 3 Voting Common Shares; (iv) no Series 4 Voting Common Shares; (v) 11,942,085 Non-Voting Common Shares; (vi) 4,215,665 Class A Preferred Shares; (vii) 28,528,630 Class B Preferred Shares; (viii) 12,572,697 Class C-1 Preferred Shares; (ix) 27,777,778 Class C-2 Preferred Shares and (x) 14,744,587 Class C-3 Preferred Shares were issued and outstanding.

As described under “Description of Share Capital — Pre-Closing Capital Changes” in this prospectus, all of our outstanding Existing Common Shares, Class A Preferred Shares, Class B Preferred Shares, Class C-1 Preferred Shares, Class C-2 Preferred Shares and Class C-3 Preferred Shares will be converted into Common Shares on a one-for-one basis in connection with this offering. Upon completion of this offering, we will no longer have preferred shares issued or outstanding.

As described under “Description of Share Capital — Authorized Share Capital at Closing” in this prospectus, the completion of the Pre-Closing Capital Changes, the Company’s authorized share capital will consist of (i) an unlimited number of common shares and (ii) an unlimited number of preferred shares, issuable in series.

Outlook

We aim to be the leading capital markets communications platform for corporate issuers, with a growing buy-side and sell-side customer base. As such, we believe we have a unique opportunity to continue to grow our revenue meaningfully and achieve profitability over the next several years as our products offer solutions to complex issues facing professionals across the entire capital markets ecosystem.

2020 was a year of exceptional growth for us, driven by strong demand across our core product offering with a mix of revenue from new customers, existing customers, and customers from the S&P Strategic Alliance. To date, 2021 has generated continued topline growth, approximately US\$5.0 million of which was generated from our VSM services offered during the second quarter of 2021. Although we have terminated our VSM service offering, we expect topline growth to continue in 2021 as we scale all products across our platform through new customer acquisitions and increasing product adoption by our current customers. In particular, we believe that exiting the VSM business will enable us to focus valuable resources on other strategic initiatives that better align with our long term commercial and financial targets, including accelerating the migration of our customers onto our own events platform.

Other major channel partners, including S&P, NYSE, and BusinessWire are expected to further contribute to strong revenue growth, customer acquisition, and increased product adoption. We believe the combination of our strong channel partnerships and international presence across North America and Europe will allow us to continue to scale globally. Beyond these core geographies we plan to service customers in new geographies in the coming years.

We plan to augment our organic growth with strategic and opportunistic acquisitions that are capable of supporting our growth strategies and contributing meaningful revenue, customers, geographic expansion or product capabilities.

We have invested meaningfully in our platform to date and expect to continue to do so. We have developed our own virtual events platform internally and have implemented the core infrastructure that we believe is required to support our anticipated growth and a much larger customer base, including expanding our customer service capabilities. We expect our gross profit to increase over the next few years as we continue to realize improving operating leverage from our new and mature products and take advantage of scale advantages in our new and planned product categories, transition our customers over to our proprietary

virtual events platform allowing us to capture additional margin and continue to invest in product development to minimize manual intervention of current products.

As we continue to scale and our operating leverage improves, we see a clear path to profitability in the coming years; however, we plan to prioritize strong organic growth opportunities and strategic acquisitions in lieu of achieving near-term profitability. We plan to further develop our product portfolio, with a strong focus on the buy-side and sell-side capabilities in the near-term. Our platform generates and gathers large amounts of data, both proprietary, and from public and private data provider sources. We expect the quality and analytics we are able to derive from this data to continue to increase over time, which we anticipate will allow us to offer and monetize more solutions to our customers. Our platform approach allows us to layer on new products and integrate data to drive an increasingly stronger network effect. Combined with our existing product portfolio, these product additions represent a significant revenue opportunity to up-sell and cross-sell both new and existing customers and increase ARPA in 2021 and beyond.

We also plan to continue making investments in our sales and marketing functions, to take advantage of our strong and growing pipeline of prospective customers, with anticipated headcount expansions in 2021 and 2022 to strengthen our current and new product offerings and execute on our organic growth strategy. These strategic investments are expected to drive further revenue and ARPA growth as we add new customers and undertake continued up-sell and cross-sell activity with an expanded product set. We also believe that acquisitions that we may undertake to augment our organic growth have the potential to accelerate our revenue growth, platform capabilities, and overall path to profitability.

We are confident in our ability to execute on this strategic plan, which we believe will result in high growth in the near term and a clear path to profitability amidst meaningful operating leverage going forward.

USE OF PROCEEDS

The net proceeds to us from the treasury issuance under this offering are estimated to be approximately C\$136,214,980 (C\$157,364,980 if the Over-Allotment Option is exercised in full) after deduction of the Underwriters' fee and the estimated expenses of this offering. The Underwriters' fee and the expenses of this offering will be paid out of the gross proceeds of this offering.

The principal reasons for this offering are to increase our capitalization and financial flexibility, increase our profile in the market and create a public market for our common shares. We intend to use the net proceeds to us from the treasury issuance under this offering for the following purposes:

Use	Estimated Proceeds
(i) To repay all of our outstanding indebtedness under the Credit Facilities.	Approximately US\$20.6 million (approximately C\$25.8 million) as of the date of this prospectus.
(ii) To allow us to pursue our growth strategies, which includes expanding our customer base through strategic investments in our sales and marketing strategy (including the hiring of employees to expand our sales and marketing team) and our channel partner strategy, supporting the growth in services to our existing customers to enhance product adoption, and expanding our product offerings with new products and capabilities for all participants in the capital markets ecosystem.	We estimate that approximately US\$20.0 to US\$ 25.0 million (approximately C\$25.2 to C\$31.4 million) of the net proceeds will be used to pursue our organic growth strategy by investing in sales and marketing (including the hiring of employees to expand our sales and marketing team) and that approximately US\$15.0 to US\$20.0 million (approximately C\$18.9 to C\$25.2 million) of the net proceeds will be used to drive product development to grow our capital markets platform and for general corporate purposes and to fund working capital.
(iii) To selectively pursue acquisitions.	We estimate that approximately US\$50.0 to US\$70.0 million (approximately C\$62.9 to C\$88.0 million) of the net proceeds of this offering will be allocated to pursue our inorganic growth strategy through mergers and acquisitions.

See “Our Business — Growth Strategies”, “Our Business — Growth Strategies — Leverage effective go-to-market strategy to add new customers” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Outlook”.

Amounts under the Credit Facilities were originally drawn upon to fund our growth strategies, to enhance our research and development capabilities, sales and marketing functions and for general corporate purposes. See “Description of Material Indebtedness”. After the repayment of approximately US\$20.6 million (approximately C\$25.8 million) of indebtedness under the Credit Facilities, we anticipate net proceeds of approximately C\$110.4 million (C\$126.5 million if the Over-Allotment Option is exercised in full).

As a result of our significant growth in recent periods and the fact that we operate in a dynamic and rapidly-evolving market, we do not believe we can provide the approximate amounts of the proceeds that will be allocated to the pursuit of our growth strategies or any potential acquisitions with certainty. While we initially anticipate net proceeds to be allocated to implementing our growth strategies other than acquisitions, we may use proceeds to complete potential acquisitions. As such, we have not specifically allocated the net proceeds amongst the purposes described in this section as at the date of this prospectus. The ranges proposed are intended to provide an indication of our current expectations regarding the use of proceeds from the offering. The Company anticipates balancing its priorities among these alternatives depending on market opportunities available. The aggregate top end estimates exceed the estimated net proceeds to us from the offering, reflecting the Company's anticipated flexibility in allocation of the net proceeds. The actual allocation of the net proceeds of this offering will depend on market and competitive factors described in this prospectus, as they evolve over time. Pending their use, we intend to invest the net proceeds from this offering in short-term, investment grade, interest bearing instruments or hold them as cash.

As of August 31, 2021, our cash balance was approximately US\$18.1 million and we had working capital of approximately US\$5.8 million. We incurred net losses of US\$13.1 million in Fiscal 2020, US\$11.1 million in Fiscal 2019, and US\$8.3 million in Fiscal 2018, and we had an accumulated deficit of US\$64.7 million as at December 31, 2020. These losses and accumulated deficit are a result of the substantial investments we made to grow our business and we expect to make significant expenditures to expand our business in the future. As a result, we may continue to have negative cash flow from operating activities and therefore use a portion of the proceeds from this offering to fund such negative cash flow from operating activities in future periods. See “Risk Factors”.

While we currently anticipate that we will use the net proceeds to us from the offering as set forth above, we may reallocate the net proceeds, having consideration to our strategy relative to market and other conditions, as well as other factors described under “Risk Factors”. Such decisions will depend on market and competitive factors as they evolve over time.

We will not receive any proceeds from the secondary offering of common shares sold by the Selling Shareholder pursuant to the exercise of the Over-Allotment Option. After deducting the Underwriters’ fee related to the secondary offering, the Selling Shareholder will receive approximately C\$4.7 million of net proceeds from this offering (assuming full exercise of the Over-Allotment Option). Other than the applicable Underwriters’ fee in respect of the secondary offering, the Selling Shareholder will not pay any of the expenses of this offering. See “Principal and Selling Shareholders”.

DESCRIPTION OF SHARE CAPITAL

The following describes material terms of our share capital upon completion of this offering. The following description does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our articles (“**Articles**”) and by-laws.

Authorized Share Capital Prior to the Pre-Closing Capital Changes

Our authorized share capital is currently comprised of: (i) an unlimited number of Common Shares, issuable in series, of which an unlimited number are designated as Series 1 Voting Common Shares, Series 2 Voting Common Shares, Series 3 Voting Common Shares, Series 4 Voting Common Shares and Non-Voting Common Shares, (ii) an unlimited number of New Common Shares, issuable in series, of which an unlimited number are designated as Series 1 Voting New Common Shares, Series 2 Voting New Common Shares, Series 3

Voting New Common Shares, Series 4 Voting New Common Shares, Non-Voting New Common Shares, Series A New Common Shares, Series B New Common Shares, Series C-1 New Common Shares, Series C-2 New Common Shares and Series C-3 New Common Shares (collectively with (i), the “**Existing Common Shares**”); (iii) an unlimited number of Class A Preferred Shares; (iv) an unlimited number of Class B Preferred Shares; and (v) an unlimited number of Class C Preferred Shares, issuable in series, of which an unlimited number are designated as Class C-1 Preferred Shares, an unlimited number are designated as Class C-2 Preferred Shares and an unlimited number are designated as Class C-3 Preferred Shares. As of October 5, 2021: (i) 31,348,910 Series 1 Voting Common Shares; (ii) 5,374,910 Series 2 Voting Common Shares; (iii) no Series 3 Voting Common Shares; (iv) no Series 4 Voting Common Shares; (v) 12,136,246 Non-Voting Common Shares; (vi) 4,215,665 Class A Preferred Shares; (vii) 28,528,630 Class B Preferred Shares; (viii) 12,572,697 Class C-1 Preferred Shares; (ix) 27,777,778 Class C-2 Preferred Shares and (x) 14,744,587 Class C-3 Preferred Shares are issued and outstanding. No New Common Shares are currently outstanding.

Warrants

As of October 5, 2021, there were: (i) 1,703,471 Class B Preferred Share warrants with an expiry date of June 15, 2022 outstanding, entitling the holder to one Class B Preferred Share at an exercise price of US\$0.78 per share; and (ii) 77,937 Class B Preferred Share warrants with an expiry date of June 19, 2022 outstanding, entitling the holder thereof to one Class B Preferred Share at an exercise price of US\$0.78 per share.

Pre-Closing Capital Changes

In connection with, and prior to, the closing of this offering, the following pre-closing capital changes will be implemented:

- all of the issued and outstanding Class A Preferred Shares will be converted into Series 1 Voting Common Shares, all of the issued and outstanding Class B Preferred Shares will be converted into Series 3 Voting Common Shares and all of the issued and outstanding Class C-3 Preferred Shares will be converted into Series 4 Voting Common Shares, in each case on a one-for-one basis;
- all of the issued and outstanding Non-Voting Common Shares will be converted into Series 2 Voting Common Shares on a one-for one basis;
- all of the issued and outstanding Class C-1 Preferred Shares and Class C-2 Preferred Shares will be converted into Series 4 Voting Common Shares on the basis of a ratio that accounts for both the conversion of such shares on a one-for-one basis and accounts for the conversion of any accrued but unpaid dividend on such Class C-1 Preferred Shares or Class C-2 Preferred Shares, if applicable, into such number of Series 4 Voting Common Shares equal to such accrued but unpaid dividend divided by the offering price, adjusted to remove the effect of the consolidation noted below (with any fractional shares being rounded down to the nearest whole share on a per shareholder basis);
- all of the Existing Common Shares will be converted into common shares on a one-for-one basis;
- all of our issued and outstanding common shares will be consolidated on a three-to-one basis (with any fractional shares being rounded down to the nearest whole share on a per shareholder basis);
- the Existing Common Shares, Class A Preferred Shares, Class B Preferred Shares, Class C-1 Preferred Shares, Class C-2 Preferred Shares and Class C-3 Preferred Shares included in our authorized share capital prior to such amendments will be deleted from our Articles and our authorized share capital will be amended such that it will be comprised of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series;
- each option to acquire shares of the Company under the Legacy Equity Incentive Plan (as defined in this prospectus) will become an option under our Omnibus Plan (as defined in this prospectus) and will become exercisable for common shares and the number of shares and exercise price will be adjusted based on the consolidation ratio; and
- each outstanding warrant to acquire shares of the Company will become exercisable for common shares and the number of shares and exercise price will be adjusted based on the consolidation ratio.

These consolidation and amendment transactions are collectively referred to as the “**Pre-Closing Capital Changes**”.

Authorized Share Capital at Closing

Upon the completion of the Pre-Closing Capital Changes and this offering, our authorized share capital will consist of: (i) an unlimited number of common shares; and (ii) an unlimited number of preferred shares, issuable in series. Upon completion of this offering, an aggregate of 40,588,804 common shares (or 41,698,010 common shares if the Over-Allotment Option is exercised in full) and no preferred shares will be issued and outstanding.

Common Shares

Dividends

Subject to the special rights or restrictions attached to any shares ranking senior to the common shares with respect to the payment of dividends, the holders of the common shares shall be entitled to receive dividends, as and when declared by our board of directors, out of our moneys, assets or property properly applicable to the payment of dividends, or out of our authorized but unissued shares, as applicable, in such amount and in such form as the board, may from time to time determine. All dividends declared and payable on our common shares are payable in equal or equivalent amounts per share at the time outstanding without preference or distinction.

Voting Rights

Each common share entitles the holder thereof to one vote at any meeting of our shareholders (except meetings at which only holders of another specified class of our shares are entitled to vote pursuant to our Articles, or to the provisions of the OBCA).

Meetings of Shareholders

Holders of our common shares are entitled to receive notice of any meeting of shareholders (except meetings at which only holders of another specified class of our shares are entitled to vote pursuant to the provisions hereof or pursuant to the provisions of the OBCA) and may attend and vote at such meetings. A quorum for the transaction of business at a meeting of shareholders is present if shareholders who, together, hold not less than 25% of the votes attaching to our outstanding shares entitled to vote at the meeting are present in person or represented by proxy.

Liquidation Rights

Subject to the special rights or restrictions attached to our preferred shares and to any other shares ranking senior to our common shares with respect to any payment or distribution of assets upon our winding-up, liquidation or dissolution, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding up our affairs or otherwise (a “**Liquidation Event**”), the holders of our common shares shall be entitled to receive pro rata our remaining assets upon any Liquidation Event.

Preferred Shares

The preferred shares may at any time and from time to time be issued in one or more series. Subject to the provisions of the OBCA and the Articles, our board of directors may, by resolution, from time to time before the issue thereof determine the maximum number of preferred shares of each series, create an identifying name for each series, attach special rights or restrictions to the preferred shares of each series including, without limitation, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights on the Company’s liquidation, dissolution or winding-up and any sinking fund or other provisions, the whole to be subject to filing articles of amendment to create the series and to include the special rights or restrictions attached to the preferred shares

of the series. Except as provided in any special rights or restrictions attaching to any series of preferred shares issued from time to time, the holders of preferred shares will not be entitled to receive notice of, attend or vote at any meeting of shareholders.

Preferred shares of each series, if and when issued, will, with respect to the payment of dividends, rank *pari passu* with the preferred shares of every other series and be entitled to preference over the common shares and any other shares ranking junior to the preferred shares with respect to payment of dividends.

In the event of the Company's liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of preferred shares will be entitled to preference with respect to distribution of the Company's property or assets over the common shares and any other of the Company's shares ranking junior to the preferred shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the preferred shares.

Advance Notice Provision

Prior to completion of the offering, we will amend and restate our corporate bylaws to, among other things, include certain advance notice provisions with respect to the election of our directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all our shareholders receive adequate notice of board nominations and sufficient information with respect to all nominees; and (iii) allow our shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of our shareholders, or at any special meeting of our shareholders if one of the purposes for which the special meeting was called was the election of directors.

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

Forum Selection

We intend to adopt a forum selection provision in our by-laws that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of Justice of Ontario, Canada and the appellate courts therefrom, will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the OBCA or our Articles and by-laws; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective shareholders, directors and/or officers, but excluding claims related to our business or such affiliates. The forum selection provision will also provide that our securityholders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of our by-law.

DIVIDEND POLICY

We currently intend to retain any future earnings to fund the development and growth of our business and do not currently anticipate paying dividends on our common shares until circumstances permit. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on many factors, including, among others, our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that our board may deem relevant.

PRINCIPAL AND SELLING SHAREHOLDERS

We believe we currently have a strong and supportive shareholder base. Upon completion of the offering, Ten Coves will, directly or indirectly, own and control approximately 24.1% of our issued and outstanding common shares and, as a result, will retain influence with respect to certain matters submitted to the Company's shareholders for approval through their voting power. On closing of this offering, we will enter into the Investor Rights Agreement with Ten Coves, which will provide Ten Coves with registration rights and the ability to nominate one director to our board. See "Principal and Selling Shareholders", "Agreement with Principal Shareholder" and "Risk Factors".

In addition, new investors in this offering are expected to represent approximately 23.0% of our shares and other financial sponsor shareholders are expected to hold approximately 24.0% of our shares. Our remaining shareholder base is expected to represent approximately 24.0% of our shares and includes S&P, among others.

The following table sets out certain information with respect to the Selling Shareholder and shareholders who, immediately following the closing of this offering, will, to our knowledge, beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of our voting securities. The common shares referred to in the table below will be owned both of record and beneficially.

Name of Shareholder	Immediately Following the Pre-Closing Capital Changes and Prior to the Closing	Immediately Following the Closing ⁽¹⁾		Immediately Following the Closing and exercise of the Over-Allotment Option in Full		
	Number of Common Shares Owned, Controlled or Directed	Number of Common Shares Owned	Percentage of Outstanding Common Shares	Number of Common Shares Sold in the Secondary Offering ⁽¹⁾	Number of Common Shares Owned ⁽¹⁾	Percentage of Outstanding Common Shares ⁽¹⁾⁽²⁾
Ten Coves Entities ⁽³⁾	14,417,527	14,481,356	24.1%	—	14,481,356	23.4%
Darrell Heaps	2,909,593	2,909,593	4.8%	319,365	1,620,923	3.9%

Notes:

- (1) Assumes that the Over-Allotment Option is not exercised.
- (2) Figure represents ownership on an undiluted basis. On a fully-diluted basis (assuming the exercise of all options outstanding immediately following the closing of this offering), Ten Coves' and Darrell Heaps' ownership would represent 22.4% and 5.0%, respectively of our issued and outstanding common shares immediately following the closing of this offering. If the Over-Allotment Option is exercised in full, Ten Coves' and Darrell Heaps' ownership would represent 23.4% and 3.9%, respectively (21.9% and 4.2%, respectively on a fully-diluted basis) of our issued and outstanding common shares immediately following the closing of this offering.
- (3) Represents shares held, in the aggregate, by Ten Coves Capital II, LP, Ten Coves Capital II Co-Invest, LP and Ten Coves II Q4 Holdings LLC (collectively, the "**Ten Coves Entities**"), including shares issuable to Ten Coves in satisfaction of director fees payable to nominees of Ten Coves. See "Director Compensation". Ten Coves Capital II GP, LLC is the general partner of each of the Ten Coves Entities. Investment and voting decisions with respect to shares held by the Ten Coves Entities are directed by Ten Coves Capital II GP, LLC's Investment Committee.

AGREEMENT WITH PRINCIPAL SHAREHOLDERS

Upon the closing of this offering, we will terminate the existing shareholders' agreements with our existing shareholders and the Company will enter into a new investor rights agreement (the "**Investor Rights Agreement**") with Ten Coves.

The Investor Rights Agreement will provide that Ten Coves will be entitled to nominate one director to our board for so long as Ten Coves owns, controls or directs, directly or indirectly, at least 10% of our issued and outstanding common shares on a non-diluted basis.

The Investor Rights Agreement will also provide for demand registration rights in favour of Ten Coves that will enable it under certain circumstances and at any time after six months following the closing of this offering, to require the Company to qualify by prospectus all or any portion of the common shares held by the Ten Coves Entities for a distribution to the public, provided that the Company will not be obliged to effect (i) more than two demand registration in any 12-month period or (ii) any demand registration where the value of the common shares offered under such demand registration is less than C\$20 million. The Investor Rights Agreement will also provide Ten Coves with piggyback registration rights allowing the Ten Coves Entities to include their common shares in certain public offerings of common shares. The Company will have a customary right to defer taking any action in respect of a demand registration for a period of time in certain circumstances and the registration rights will be subject to customary underwriters' cutback rights.

As a result of the lock-up agreements described under "Plan of Distribution — Lock-up Arrangements", the demand and incidental registration rights granted pursuant to the Investor Rights Agreement will not be exercisable by Ten Coves during a period of 180 days after the date of closing of this offering without the prior written consent of the Joint Bookrunners, on behalf of the Underwriters. See "Plan of Distribution — Lock-up Arrangements".

DESCRIPTION OF MATERIAL INDEBTEDNESS

On March 31, 2021, we entered into an amended and restated credit agreement with Canadian Imperial Bank of Commerce (the "**Credit Agreement**"). The Credit Agreement is comprised of (i) a revolving operating facility in the aggregate amount of US\$22.5 million maturing on March 31, 2023 (the "**Revolving Operating Facility**"), and (ii) a non-revolving term loan facility in the aggregate amount of US\$7.5 million maturing on March 31, 2025 (the "**Term Facility**" and collectively with the Revolving Credit Operating Facility, the "**Credit Facilities**"). Under the Credit Agreement, we may elect to convert up to US\$7.5 million of the Revolving Operating Facility into a second non-revolving term loan facility. Under the Credit Agreement, we may borrow under the Revolving Operating Facility in either Canadian dollars or U.S. dollars incurring interest at the applicable prime rate, plus an applicable margin. As of June 30, 2021, the aggregate amount outstanding under the Credit Agreement was approximately US\$20.8 million (approximately C\$26.2 million), consisting of approximately US\$13.3 million (approximately C\$16.7 million) under the Revolving Operating Facility and approximately US\$7.5 million (approximately C\$9.4 million) under the Term Facility.

The Credit Agreement also provides for a full recourse and unlimited guarantee by our material subsidiaries (the "**Guarantors**"). Canadian Imperial Bank of Commerce holds, among other security, a first ranking security interest over all of the Company and each Guarantor's present and after-acquired real and personal property and intellectual property of the Company.

The Credit Agreement contains restrictive covenants customary for credit facilities of this nature, including restrictions on the Company and the Guarantors, subject to certain exceptions, to incur indebtedness, grant liens, merge, amalgamate or consolidate with other companies, liquidate, wind-up or dissolve, sell, transfer or otherwise dispose of all or any part of its property, pay any dividends outside of the credit party group, change its principal business activity without prior written consent, amend its constating documents, make investments, acquisitions, loans, advances, or guarantees, enter into transactions with affiliates on non-market terms and enter into certain licenses or agreements with respect to material intellectual property. We are currently in compliance with all material terms of the Credit Agreement and no breach thereof has been waived by Canadian Imperial Bank of Commerce. Other than as disclosed in the prospectus, our financial position has not materially changed since the Credit Agreement was entered into.

CONSOLIDATED CAPITALIZATION

The following table sets forth our consolidated capitalization as at June 30, 2021 on an actual basis and on a pro forma as adjusted basis to give effect to the Pre-Closing Capital Changes and this offering.

This table should be read in conjunction with our unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2021 and related notes included elsewhere in this prospectus, and the information set forth under "Selected Consolidated Financial Information and Other Data", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Description of Material Indebtedness" and "Description of Share Capital".

	As at June 30, 2021	
	Actual	After giving effect to the Pre-Closing Capital Changes and this offering ⁽¹⁾
	(US\$, in thousands)	
Cash and cash equivalents	\$ 14,899	\$ •
Debt		
Credit Facilities	20,758	•
Shareholders' equity		
Issued share capital ⁽²⁾	93,040	• ⁽³⁾
Contributed surplus	1,418	1,418
Accumulated other comprehensive income (loss)	78	78
Deficit	(79,322)	\$(79,322)
Total equity	\$ 15,213	\$ •
Total capitalization	\$ •	\$ •

Notes:

- (1) After giving effect to the Pre-Closing Capital Changes and this offering (assuming no exercise of the Over-Allotment Option). The net proceeds from the treasury issuance under this offering to us will be received in Canadian dollars but have been converted into U.S. dollars for the table above at an exchange rate of C\$1.00 to US\$1.2575, being the daily rate of exchange posted by the Bank of Canada on October 5, 2021. The amount does not reflect the use of proceeds set out under "Use of Proceeds", other than the repayment of our Credit Facilities.
- (2) As at June 30, 2021, our authorized share capital consisted of (i) an unlimited number of Common Shares, issuable in series, of which an unlimited number are designated as Series 1 Voting Common Shares, Series 2 Voting Common Shares, Series 3 Voting Common Shares, Series 4 Voting Common Shares and Non-Voting Common Shares; (ii) an unlimited number of New Common Shares, issuable in series, of which an unlimited number are designated as Series 1 Voting New Common Shares, Series 2 Voting New Common Shares, Series 3 Voting New Common Shares, Series 4 Voting New Common Shares, Non-Voting New Common Shares, Series A New Common Shares, Series B New Common Shares, Series C-1 New Common Shares, Series C-2 New Common Shares and Series C-3 New Common Shares; (iii) an unlimited number of Class A Preferred Shares; (iv) an unlimited number of Class B Preferred Shares; and (v) an unlimited number of Class C Preferred Shares, issuable in series, of which an unlimited number are designated as Class C-1 Preferred Shares, an unlimited number are designated as Class C-2 Preferred Shares and an unlimited number are designated as Class C-3 Preferred Shares. As a result of the Pre-Closing Capital Changes, our authorized share capital immediately prior to the closing of this offering will consist of (i) an unlimited number of common shares and (ii) an unlimited number of preferred shares, issuable in series. Immediately following closing of this offering, assuming no exercise of the Over-Allotment Option, • common shares (• common shares if the Over-Allotment Option is exercised in full) and no preferred shares will be issued and outstanding. See "Description of Share Capital".
- (3) The amount included in the table includes additional share capital raised by us through this offering estimated to be \$ • , excluding any proceeds from the Over-Allotment Option and before deducting the estimated expenses of this offering.

OPTIONS TO PURCHASE SHARES

The following table sets forth the aggregate number of options to purchase common shares that will be outstanding upon completion of this offering, including after giving effect to the Pre-Closing Capital Changes, as a result of which, among other things, all of the outstanding options under the Legacy Equity Incentive Plan will become options under the Omnibus Plan and become options to acquire common shares as at • , 2021. See "Description of Share Capital — Pre-Closing Capital Changes" and "Executive Compensation — Long-Term Incentive Plans".

<u>Category</u>	<u>Number of Options to Acquire Common Shares</u>	<u>Exercise Price</u>	<u>Expiration Date</u>
All of our executive officers and past executive officers, and all of our directors and past directors, as a group (• in total)	•	• – •	March 21, 2024 to April 1, 2030
All executive officers and past executive officers and directors of our subsidiaries, as a group (zero in total)	—	—	—
All other of our other employees and past employees, as a group (• in total)	•	• – •	September 1, 2022 to December 21, 2030
All consultants and past consultants, as a group (• in total)	•	•	November 14, 2027
Total	•	—	—

For a description of our equity-based incentive compensation plans, see “Executive Compensation”.

PRIOR SALES

The following table summarizes issuances of our common shares, or securities convertible into common shares, during the 12-month period preceding the date of this prospectus. In connection with the Pre-Closing Capital Changes, our outstanding Existing Common Shares, Class A Preferred Shares, Class B Preferred Shares, Class C-1 Preferred Shares, Class C-2 Preferred Shares and Class C-3 Preferred Shares will be converted into common shares, and all of the outstanding options under the Legacy Equity Incentive Plan will become options under the Omnibus Plan to acquire common shares. See “Description of Share Capital — Pre-Closing Capital Changes”. See “Description of Share Capital — Pre-Closing Capital Changes”, “Executive Compensation — Long-Term Incentive Plans” and “Options to Purchase Shares”.

<u>Date of Issuance</u>	<u>Type of Security</u>	<u>Number of Securities Issued</u>	<u>Issue Price per Share</u>	<u>As Adjusted for the Pre-Closing Capital Changes</u>	
				<u>Number of Securities Issued</u>	<u>Issue/Exercise Price per Share</u>
October 20, 2020	Non-Voting Common Shares ⁽¹⁾	450,000	C\$0.001	•	•
November 9, 2020	Options	450,500	US \$0.38	•	•
November 20, 2020	Non-Voting Common Shares ⁽¹⁾	211,458	US \$0.25	•	•
November 24, 2020	Non-Voting Common Shares ⁽¹⁾	854	US \$0.25	•	•
January 5, 2021	Non-Voting Common Shares ⁽¹⁾	6,978	US \$0.28	•	•
January 5, 2021	Non-Voting Common Shares ⁽¹⁾	5,208	US \$0.25	•	•
January 29, 2021	Class A Preferred Shares ⁽²⁾	1,847,826	C\$0.46	•	•
February 9, 2021	Options	699,500	US\$0.58	•	•
February 17, 2021	Non-Voting Common Shares ⁽¹⁾	6,250	US\$0.38	•	•
February 17, 2021	Non-Voting Common Shares ⁽¹⁾	8,125	US\$0.28	•	•

Date of Issuance	Type of Security	Number of Securities Issued	Issue Price per Share	As Adjusted for the Pre-Closing Capital Changes	
				Number of Securities Issued	Issue/Exercise Price per Share
February 17, 2021	Non-Voting Common Shares ⁽¹⁾	3,375	US\$0.25	•	•
February 25, 2021	Non-Voting Common Shares ⁽¹⁾	9,479	US\$0.28	•	•
March 15, 2021	Class A Preferred Shares ⁽²⁾	461,956	C\$0.46	•	•
March 30, 2021	Non-Voting Common Shares ⁽¹⁾	812,500	US\$0.28	•	•
March 30, 2021	Non-Voting Common Shares ⁽¹⁾	500,000	US\$0.25	•	•
March 31, 2021	Non-Voting Common Shares ⁽¹⁾	443,333	US\$0.32	•	•
March 31, 2021	Non-Voting Common Shares ⁽¹⁾	433,330	C\$0.225	•	•
March 31, 2021	Non-Voting Common Shares ⁽¹⁾	233,330	C\$0.001	•	•
March 31, 2021	Non-Voting Common Shares ⁽¹⁾	748,125	US\$0.28	•	•
April 1, 2021	Non-Voting Common Shares ⁽¹⁾	281,250	US\$0.25	•	•
April 1, 2021	Non-Voting Common Shares ⁽¹⁾	441,771	US\$0.32	•	•
April 2, 2021	Non-Voting Common Shares ⁽¹⁾	168,750	US\$0.28	•	•
April 2, 2021	Non-Voting Common Shares ⁽¹⁾	62,500	US\$0.38	•	•
April 7, 2021	Non-Voting Common Shares ⁽¹⁾	9,895	US\$0.32	•	•
April 13, 2021	Non-Voting Common Shares ⁽¹⁾	300,000	C\$0.20	•	•
April 15, 2021	Non-Voting Common Shares ⁽¹⁾	2,395	US\$0.25	•	•
April 15, 2021	Non-Voting Common Shares ⁽¹⁾	215,625	US\$0.28	•	•
April 16, 2021	Non-Voting Common Shares ⁽¹⁾	958	US\$0.25	•	•
April 16, 2021	Non-Voting Common Shares ⁽¹⁾	541	US\$0.38	•	•
April 23, 2021	Non-Voting Common Shares ⁽¹⁾	91,666	US\$0.28	•	•
April 28, 2021	Non-Voting Common Shares ⁽¹⁾	400,000	C\$0.46	•	•
April 30, 2021	Non-Voting Common Shares ⁽¹⁾	100,000	C\$0.225	•	•

Date of Issuance	Type of Security	Number of Securities Issued	Issue Price per Share	As Adjusted for the Pre-Closing Capital Changes	
				Number of Securities Issued	Issue/Exercise Price per Share
May 1, 2021	Non-Voting Common Shares ⁽¹⁾	466,666	US\$0.25	•	•
May 1, 2021	Non-Voting Common Shares ⁽¹⁾	484,166	US\$0.28	•	•
May 3, 2021	Non-Voting Common Shares ⁽¹⁾	200,000	C\$0.35	•	•
May 3, 2021	Class B Preferred Shares ⁽³⁾	445,352	US\$0.76	•	•
May 4, 2021	Non-Voting Common Shares ⁽¹⁾	446,667	C\$0.225	•	•
May 4, 2021	Non-Voting Common Shares ⁽¹⁾	43,750	US\$0.28	•	•
May 5, 2021	Non-Voting Common Shares ⁽¹⁾	100,000	C\$0.35	•	•
May 11, 2021	Non-Voting Common Shares ⁽¹⁾	67,708	US\$0.38	•	•
May 11, 2021	Options	1,233,000	US\$0.58	•	•
May 26, 2021	Non-Voting Common Shares ⁽¹⁾	312	US\$0.28	•	•
June 1, 2021	Non-Voting Common Shares ⁽¹⁾	6,770	US\$0.38	•	•
June 1, 2021	Non-Voting Common Shares ⁽¹⁾	312	US\$0.25	•	•
June 1, 2021	Non-Voting Common Shares ⁽¹⁾	583	US\$0.38	•	•
June 3, 2021	Non-Voting Common Shares ⁽¹⁾	312	US\$0.38	•	•
June 3, 2021	Non-Voting Common Shares ⁽¹⁾	354	US\$0.32	•	•
June 8, 2021	Non-Voting Common Shares ⁽¹⁾	177	US\$0.32	•	•
June 9, 2021	Non-Voting Common Shares ⁽¹⁾	260	US\$0.28	•	•
June 24, 2021	Non-Voting Common Shares ⁽¹⁾	604	US\$0.28	•	•
July 2, 2021	Non-Voting Common Shares ⁽¹⁾	395	US\$0.32	•	•
July 8, 2021	Non-Voting Common Shares ⁽¹⁾	562	US\$0.28	•	•
July 26, 2021	Non-Voting Common Shares ⁽¹⁾	875	US\$0.25	•	•
July 27, 2021	Non-Voting Common Shares ⁽¹⁾	125	US\$0.38	•	•

Date of Issuance	Type of Security	Number of Securities Issued	Issue Price per Share	As Adjusted for the Pre-Closing Capital Changes	
				Number of Securities Issued	Issue/Exercise Price per Share
August 3, 2021	Non-Voting Common Shares ⁽¹⁾	937	US\$0.25	•	•
August 3, 2021	Non-Voting Common Shares ⁽¹⁾	1,333	US\$0.38	•	•
August 18, 2021	Options	883,500	— ⁽⁴⁾	•	•
August 21, 2021	Non-Voting Common Shares ⁽¹⁾	750	US\$0.38	•	•
August 21, 2021	Non-Voting Common Shares ⁽¹⁾	1,250	US\$0.28	•	•
August 21, 2021	Non-Voting Common Shares ⁽¹⁾	354	US\$0.25	•	•
September 2, 2021	Non-Voting Common Shares ⁽¹⁾	96,875	US\$0.28	•	•
September 2, 2021	Non-Voting Common Shares ⁽¹⁾	12,500	US\$0.38	•	•
September 10, 2021	Non-Voting Common Shares ⁽¹⁾	500	US\$0.28	•	•
September 14, 2021	Non-Voting Common Shares ⁽¹⁾	10,000	US\$0.25	•	•
September 27, 2021	Non-Voting Common Shares ⁽¹⁾	23,833	US\$0.28	•	•
September 27, 2021	Non-Voting Common Shares ⁽¹⁾	2,666	US\$0.28	•	•
September 27, 2021	Non-Voting Common Shares ⁽¹⁾	1,708	US\$0.25	•	•
September 27, 2021	Non-Voting Common Shares ⁽¹⁾	35,416	US\$0.38	•	•
September 27, 2021	Non-Voting Common Shares ⁽¹⁾	3,000	US\$0.25	•	•
September 28, 2021	Non-Voting Common Shares ⁽¹⁾	791	US\$0.38	•	•
September 28, 2021	Non-Voting Common Shares ⁽¹⁾	291	US\$0.28	•	•
October 5, 2021	Options	477,334	— ⁽⁴⁾	•	•

Notes:

- (1) Non-Voting Common Shares issued upon the exercise of options.
- (2) Class A Preferred Shares issued upon the exercise of a warrant.
- (3) Class B Preferred Shares issued upon the exercise of a warrant.
- (4) To be priced at the greater of the offering price of the common shares and the Company's most recent 409A valuation within three months of the date of issuance.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information regarding our directors and executive officers as at the closing of this offering:

Name, Province or State and Country of Residence	Position/Title	Independent Director ⁽³⁾	Principal Occupation
Darrell F. Heaps <i>Ontario, Canada</i>	Director, President and Chief Executive Officer (since December 2005) ⁽⁴⁾	No	President and Chief Executive Officer
Colleen Johnston ⁽¹⁾⁽²⁾ <i>Ontario, Canada</i>	Director (since May 2020)	Yes	Corporate Director
Daniel Kittredge ⁽²⁾ <i>Connecticut, USA</i>	Director (since September 2018)	Yes	Managing Partner at Ten Coves Capital, a growth equity firm
Ned May ⁽¹⁾ <i>Connecticut, USA</i>	Director (since September 2018)	Yes	Managing Partner at Ten Coves Capital, a growth equity firm
W. Neil Murdoch ⁽¹⁾⁽²⁾ <i>Ontario, Canada</i>	Director (since October 2009) ⁽⁴⁾	Yes	Corporate Director
Dorothy Arturi <i>Ontario, Canada</i>	Chief People Officer	—	Chief People Officer
Donna de Winter <i>Ontario, Canada</i>	Chief Operating Officer	—	Chief Operating Officer
Warren Faleiro <i>Ontario, Canada</i>	Chief Technology Officer	—	Chief Technology Officer
Ryan Levenberg <i>Ontario, Canada</i>	Chief Financial Officer	—	Chief Financial Officer
Mark Ramsay <i>Ontario, Canada</i>	Chief Revenue Officer	—	Chief Revenue Officer

Notes:

- (1) Member of our Audit Committee.
- (2) Member of our Governance, Compensation and Nominating Committee.
- (3) Independent director for the purposes of National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (“NI 58-101”) of the Canadian Securities Administrators. See “— Corporate Governance — Director Independence”.
- (4) Includes years with Q4 and its predecessors.

Biographical Information Regarding Our Directors and Executive Officers at Closing

Darrell Heaps, Director, President and Chief Executive Officer

Mr. Heaps has been the President and Chief Executive Officer and a director of Q4 since 2005. Under Mr. Heaps’ leadership, Q4 has grown into a global business with offices in Canada, the United States and Europe, employing over 500 people. Mr. Heaps has over 20 years of entrepreneurship experience. Prior to Q4, Mr. Heaps was the President of Weave Communications from 2001 to 2005 and a partner at NKaos Interactive Media from 1997 to 2001.

Colleen Johnston, Director and Chair

Ms. Johnston retired from the Toronto-Dominion Bank (“TD”) in 2018. Prior to this, she was TD’s Group Head Direct Channels, Technology, Marketing and Corporate & Public Affairs. Ms. Johnston served as TD’s Chief Financial Officer from 2005 to 2015. Prior to joining TD in 2004, Ms. Johnston spent 15 years with the Bank of Nova Scotia in various senior finance positions, including the Chief Financial Officer of

Scotia Capital from 1998 to 2004. Ms. Johnston started her career at PricewaterhouseCoopers in 1982 and received her Chartered Accountant designation in 1984. Ms. Johnston was elected a Fellow Chartered Accountant (Fellow of the Chartered Professional Accountants) in 2006.

Ms. Johnston currently serves on the boards of Shopify Inc., McCain Foods, Q4 and Private Debt Partners. She is also Chair of the Board of Unity Health Toronto, which includes St. Michael's Hospital, St. Joseph's Health Centre and Providence Healthcare.

Daniel Kittredge, *Director*

Mr. Kittredge has over 17 years of experience in the financial services industry, including 15 years investing in high growth financial technology (“**FinTech**”) companies. He is a Co-founder and Managing Partner of Ten Coves Capital, a growth equity firm that invests in high-growth, FinTech companies. Prior to founding Ten Coves Capital, Mr. Kittredge was a Managing Director at Napier Park Global Capital, an alternative asset management firm, leading FinTech growth equity investments. Mr. Kittredge currently serves on the boards of 7shifts Inc., Bluefin Payment Systems LLC, DadeSystems, Inc., Lendio, Inc. and TouchBistro, Inc. Mr. Kittredge holds a Bachelor of Arts from Bowdoin College.

Ned May, *Director*

Mr. May has over 15 years of experience investing in and advising financial services and FinTech companies. He is a Co-founder and Managing Partner of Ten Coves Capital, a growth equity firm that invests in high-growth, FinTech companies. Prior to founding Ten Coves Capital, he was a Managing Director at Napier Park Global Capital, an alternative asset management firm, where he led investments in high growth, FinTech companies, and before that, was a member of the investment team at Morgan Stanley Capital Partners, Morgan Stanley's middle-market private equity platform. Mr. May serves on the board of directors of DadeSystems, Inc., and as a board observer at TouchBistro, Inc. and 7shifts Inc. He also previously served on the board of directors of Quovo, Inc. Mr. May holds a Bachelor of Arts from Williams College and a Masters of Business Administration from the Wharton School of the University of Pennsylvania.

W. Neil Murdoch, *Director*

Mr. Murdoch is the former President of Aston Hill Asset Management (“**Aston Hill**”), from which he retired in 2015. Prior to this, Mr. Murdoch founded Connor, Clark & Lunn Capital Markets Inc. and served as its Chief Executive Officer and President from 2003 until its acquisition by Aston Hill in 2013. Mr. Murdoch was Executive Vice-President and Portfolio Manager at AIC Group of Funds where he was instrumental in growing their managed assets from \$150 million to over \$15 billion as one of the three principals of the business. Mr. Murdoch currently sits on the board of directors of Loop Energy Inc. and on boards of a number of private companies. Mr. Murdoch received his Bachelor of Commerce degree from McGill University and a Bachelor of Law degree from the University of Toronto and also holds a Master of Management degree from the Kellogg Graduate School of Management and a Chartered Financial Analyst designation. Mr. Murdoch sits on the McGill University Desautels School of Business International Advisory Board.

Dorothy Arturi, *Chief People Officer*

Ms. Arturi has been the Chief People Officer of Q4 since May 2020. Ms. Arturi has held a series of leadership roles in the human resources department at Q4 since January 2017. Under her leadership, the Company has been recognized as one of Canada's Great Places to Work since 2019. In 2015, prior to joining Q4, Ms. Arturi was the Vice-President, Human Resources — North America for MarketWired until it was acquired by Nasdaq in 2016. She then held the role of Senior Director, HRBP at Nasdaq until her departure. Before this, Ms. Arturi was the Director of Human Resources for the Mark Anthony Group, one of North America's most diversified producers of alcoholic beverages, from 2012 to 2014. Ms. Arturi holds a Bachelor of Commerce, Human Resources from Ryerson University.

Donna de Winter, *Chief Operating Officer*

Ms. de Winter has served as Chief Operating Officer of Q4 since February 2019. She has spent over 20 years in a number of leadership roles for various technology companies. Prior to joining Q4, Ms. de Winter

was the Chief Financial Officer of Vision Critical, a digital customer insight solutions platform. Ms. de Winter also previously served as the Chief Financial Officer for Varicent, a sales performance management software provider, Nexient Learning Inc. from 2006 to 2010, Geac Computer Corporation, Ltd. from 2003 to 2006 and for IBM Canada's Platform Computing division prior to 2003. Ms. de Winter has served on the board of Tealbook, a supplier data software company, since 2018. Ms. de Winter received her Master of Business Administration from the University of Toronto and holds her professional accounting designation from the Certified Management Accountants Ontario.

Warren Faleiro, *Chief Technology Officer*

Mr. Faleiro has served as Chief Technology Officer of Q4 since November 2019 and has over 20 years of experience developing various technology solutions. Prior to Q4, Mr. Faleiro was the Chief Technology Officer of Oanda, a foreign exchange and currency trading platform, from 2018 to 2019. From 2012 to 2018, he was the Chief Technology Officer of FreshBooks, an invoicing and accounting software provider to small businesses. From 2010 to 2012, he served as the Chief Technology Officer of BilltoMobile, a provider of solutions to pay for digital content from select third-party merchants. Mr. Faleiro holds a Bachelor's Degree in Electrical Engineering from the University of Toronto.

Ryan Levenberg, *Chief Financial Officer*

Mr. Levenberg has been the Chief Financial Officer of Q4 since August 2020. Mr. Levenberg has held a series of financial leadership roles since December 2014 and was named the Company's Chief Financial Officer in August 2020. Prior to December 2014, Mr. Levenberg worked at PricewaterhouseCoopers LLP. Mr. Levenberg holds a Bachelor of Commerce from Ryerson University, a Master of Management and Professional Accounting from the University of Toronto and is a member of the Chartered Professional Accountants of Ontario.

Mark Ramsay, *Chief Revenue Officer*

Mr. Ramsay has served as Chief Revenue Officer of Q4 since November 2019. He has over 20 years of sales and marketing experience in the technology sector. Mr. Ramsay joined the Company, with prior experience in the software industry at Coconut Software, as its Chief Revenue Officer from 2017 to 2019. He was previously the Chief Revenue Officer of EventMobi, a virtual events registration platform, from 2016 to 2017. Mr. Ramsay served as Senior Vice-President and Chief Revenue Officer of CNW Group (now Cision), a leading newswire service, from 2011 to 2015. Mr. Ramsay holds a Bachelor of Applied Arts from Ryerson University.

Ownership Interest

Immediately after the closing of this offering, our directors and executive officers, as a group, are expected to beneficially own, or control or direct, directly or indirectly, • % of our issued and outstanding common shares (• % if the Over-Allotment Option is exercised in full).

Penalties or Sanctions

None of our directors or executive officers as at the closing of the offering, and to the best of our knowledge, no shareholder as at the closing of the offering holding a sufficient number of securities to affect materially the control of Q4, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Individual Bankruptcies

None of our directors or executive officers as at the closing of the offering, and to the best of our knowledge, no shareholder as at the closing of the offering holding a sufficient number of securities to affect materially the control of Q4, has, within the 10 years prior to the date of this prospectus, become bankrupt,

made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Corporate Cease Trade Orders and Bankruptcies

Other than as set out below, none of our directors or executive officers as at the closing of the offering, and to the best of our knowledge, no shareholder as at the closing of the offering holding a sufficient number of securities to affect materially the control of Q4 is, as at the date of this prospectus, or has been within the 10 years before the date of this prospectus: (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Mr. Murdoch was a director of Eight Solutions Inc. (“**Eight Solutions**”) between January 6, 2014 and May 22, 2019. On June 5, 2019, the British Columbia Securities Commission issued a cease trade order against Eight Solutions. The cease trade order was issued in connection with Eight Solutions failing to file its interim financial report, interim management’s discussion and analysis and certification of interim filings for the period ended March 31, 2019, during which time Mr. Murdoch was a director of Eight Solutions. The cease trade order is still in effect. On July 4, 2019, the Supreme Court of British Columbia issued an order pursuant to the *Bankruptcy and Insolvency Act* (Canada) appointing a trustee of the estate of Eight Solutions.

Corporate Governance

We recognize that good corporate governance plays an important role in our overall success and in enhancing shareholder value and, accordingly, we will be adopting, upon the closing of this offering, certain corporate governance policies and practices. The disclosure set out below describes our approach to corporate governance.

Composition of our Board and Board Committees

Under our Articles, our board of directors is to consist of a minimum of one and a maximum of 10 directors as determined from time to time by the directors. Upon completion of this offering, our board will consist of five directors, the majority of whom are considered to be independent under Canadian securities laws. Following completion of this offering, we intend to seek additional qualified candidates to join our board of directors.

Under the OBCA, a director may be removed with or without cause by a resolution passed by an ordinary majority of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote. The directors will be elected by shareholders at each annual meeting of shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed. Our Articles provide that, between annual general meetings of shareholders, the directors may appoint one or more additional directors, but the number of additional directors may not at any time exceed one-third of the number of current directors who were elected or appointed other than as additional directors.

The nominees for election by shareholders as directors will be determined by our Governance, Compensation and Nominating Committee (“**GCN Committee**”) in accordance with the provisions of applicable corporate law and the charter of our GCN Committee. See also “— Committees of our Board — Governance, Compensation and Nominating Committee”.

Director Independence

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of National Instrument 52-110 — *Audit Committees* (“**NI 52-110**”). Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of our board of directors, be reasonably expected to interfere with a director’s independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, our board has determined that, of the five directors on our board, only Darrell Heaps, our President and Chief Executive Officer, will not be considered independent as a result of his relationships with us. Certain members of our board are also members of the board of directors of other public companies. Our board has not adopted a director interlock policy but is keeping informed of other public directorships held by its members.

Meetings of Independent Directors and Conflicts of Interest

Our board of directors believes that, given its size and structure, it is able to facilitate independent judgment in carrying out its responsibilities and will continue to do so following the closing of this offering. To enhance such independent judgment, the independent members of our board may meet in the absence of senior executive officers or any non-independent directors. Our Chair will be responsible for ensuring that the directors who are independent of management have opportunities to meet without management present, as required.

A director who has a material interest in a matter before our board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by our board or any committee on which he or she serves, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the OBCA regarding conflicts of interest.

Majority Voting Policy

In accordance with the requirements of the TSX, our board of directors will adopt a majority voting policy to the effect that a nominee for election as a director who does not receive a greater number of votes “for” than votes “withheld” with respect to the election of directors by shareholders shall tender his or her resignation to the Chair promptly following the meeting of shareholders at which the director was elected. Our GCN Committee will consider such offer and make a recommendation to our board whether to accept it or not. Our board will promptly accept the resignation unless it determines, in consultation with our GCN Committee, that there are exceptional circumstances that should delay the acceptance of the resignation or justify rejecting it. Our board will make its decision and announce it in a press release within 90 days following the meeting of shareholders. A director who tenders a resignation pursuant to the majority voting policy will not participate in any meeting of our board or our GCN Committee at which the resignation is considered.

Director Term Limits and Other Mechanisms of Board Renewal

Our board of directors has not adopted director term limits or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the GCN Committee will seek to maintain the composition of our board in a way that provides, in the judgement of our board, the best mix of skills and experience to provide for our overall stewardship. Our GCN Committee is also expected to conduct a process for the assessment of our board, each committee and each director regarding his, her or its effectiveness and performance, and to report evaluation results to our board of directors. See also “— Diversity”.

Mandate of our Board of Directors

Our board of directors is responsible for supervising the management of our business and affairs, including providing guidance and strategic oversight to management. Our board has adopted a formal mandate in the form set forth in Appendix A, that includes responsibilities for the following:

- overseeing the Company's performance and the quality, depth and continuity of management needed to meet our strategic objectives;

- appointing our Chief Executive Officer;
- taking steps to satisfy itself as to the integrity of our Chief Executive Officer and other senior executive officers and that our Chief Executive Officer and other senior executive officers create a culture of integrity throughout the organization; and
- reviewing and approving management's strategic and business plans.

Our board of directors will adopt a written position description for the Chair, which will set out the Chair's key responsibilities, including, among others, duties relating to setting board meeting agendas, chairing board and shareholder meetings and director development. See “— Meetings of Independent Directors and Conflicts of Interest”.

Our board of directors will adopt a written position description for our Chief Executive Officer which will set out the key responsibilities of our Chief Executive Officer, including, among other duties in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to our board for consideration, ensuring the development of an annual corporate plan and budget that supports the strategic plan and recommending such plan to our board for consideration, and supervising day-to-day management and communicating with shareholders and regulators.

Orientation and Continuing Education

Following the closing of this offering, we will implement an orientation program for new directors under which a new director will meet with the Chair, members of senior management and our secretary. It is anticipated that new directors will be provided with comprehensive orientation and education as to the nature and operation of Q4 and our business, the role of our board and its committees, and the contribution that an individual director is expected to make. Our GCN Committee will be responsible for overseeing director continuing education designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of our business remains current. The chair of each committee will be responsible for coordinating orientation and continuing director development programs relating to the committee's mandate.

Code of Conduct

We have adopted a written code of conduct (the “**Code of Conduct**”) that applies to all of our officers, directors, employees, contractors and agents acting on our behalf. The objective of the Code of Conduct will be to provide guidelines for maintaining our and our subsidiaries' integrity, trust and respect. The Code of Conduct will address, among other things, compliance with laws, rules and regulations, conflicts of interest, confidentiality, commitment, preferential treatment, financial information, internal controls and disclosure, protection and proper use of our assets, communications, fair dealing, fair competition, due diligence, illegal payments, equal employment opportunities and harassment, privacy, use of our computers and the internet, political and charitable activities and reporting any violations of law, regulation or the Code of Conduct. Our board will have ultimate responsibility for monitoring compliance with the Code of Conduct and it will monitor compliance through our GCN Committee. The Code of Conduct will be filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

Committees of our Board

Our board of directors will establish two standing committees: the Audit Committee and the GCN Committee.

Audit Committee

Our Audit Committee consists of three directors, all of whom will be persons determined by our board of directors to be independent directors and all of whom will be persons who are financially literate, in each case, within the meaning of NI 52-110. Our Audit Committee is comprised of Ms. Johnston, who will act as chair of the audit committee, Mr. May and Mr. Murdoch. Each of our Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and

procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of our Audit Committee, see also “— Biographical Information Regarding Our Directors and Executive Officers at Closing”.

Our board of directors has adopted a written charter in the form set forth in Appendix B, setting forth the purpose, composition, authority and responsibility of our Audit Committee, consistent with NI 52-110. Our Audit Committee will assist our board in fulfilling its oversight of:

- our financial statements and financial reporting processes;
- the audit process and our internal control over financial reporting, disclosure controls and procedures, and compliance with other related legal and regulatory requirements;
- the qualifications and independence of our external auditors;
- the work of our financial management, internal auditors and external auditors;
- our enterprise risk management, privacy and data security and monitoring of such matters;
- legal and regulatory compliance;
- financial reporting risk;
- equity investments, acquisitions and divestitures that may have a material effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves, or significant components of revenues or expenses;
- matters pertaining to our material policies and practices respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives; and
- public disclosure items such as earnings press releases, financial information and guidance and other public reporting requirements.

It will be the responsibility of our Audit Committee to maintain free and open means of communication between the Audit Committee, our external auditors and our management. Our Audit Committee will be given full access to our management and records and external auditors as necessary to carry out these responsibilities. Our Audit Committee will have the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities. We will provide appropriate funding, as determined by our Audit Committee, for the payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by our Audit Committee.

External Auditor Service Fee

For the fiscal years ended December 31, 2020 and December 31, 2019, we incurred the following fees by our external auditors, PricewaterhouseCoopers LLP:

	<u>Year Ended December 31, 2020</u>	<u>Year Ended December 31, 2019</u>
Audit Fees ⁽¹⁾	US\$172,741	US\$165,322
Audit-Related Fees ⁽²⁾	—	—
Tax Fees ⁽³⁾	US\$60,703	US\$216,301
All Other Fees ⁽⁴⁾	—	US\$63,999
Total	US\$233,444	US\$445,622

Notes:

- (1) Fees for audit services on an accrued basis.
- (2) Fees for assurance and related services not included in audit service above.
- (3) Fees for tax compliance, tax advice and tax planning.
- (4) All other fees not included above. Fees relate to services provided by PricewaterhouseCoopers LP in connection with the acquisition of customer contracts from S&P Global Market Intelligence Inc.

Governance, Compensation and Nominating Committee

Our GCN Committee consists of three directors, each of whom is a person determined by our board of directors to be an independent director, and will be charged with reviewing, overseeing and evaluating our corporate governance, compensation and nominating policies. Our GCN Committee is comprised of Mr. Kittredge, who will act as chair of the GCN Committee, Ms. Johnston and Mr. Murdoch.

For additional details regarding the relevant education and experience of each member of our GCN Committee, including the direct experience that is relevant to each committee member's responsibilities in executive compensation, see also "— Biographical Information Regarding Our Directors and Executive Officers at Closing".

Our board will adopt a written charter setting forth the purpose, composition, authority and responsibility of our GCN Committee. Our GCN Committee's purpose will be to assist our board in:

- our overall compensation philosophy, including developing compensation structure for our senior management including salaries, annual and long-term incentive plans including plans involving share issuances and other share-based awards;
- establishing policies and procedures designed to identify and mitigate risks associated with our compensation policies and practices;
- assessing the compensation of our directors;
- developing benefit retirement and savings plans and administering our equity based incentive plans;
- the appointment, performance, evaluation and compensation of our senior management;
- the recruitment, development and retention of our senior management;
- overseeing talent management and succession planning systems and processes relating to our executive officers;
- developing our corporate governance guidelines and principles and providing us with governance leadership;
- identifying individuals qualified to be nominated as members of our board;
- monitoring compliance with our principal corporate policies, including Code of Conduct;
- developing policies and search protocols, as appropriate, to promote diversity of board members and the Company's management team;
- reviewing the structure, composition and mandate of our board committees; and
- evaluating the performance and effectiveness of our board and of our board committees.

Our GCN Committee will be responsible for establishing and implementing procedures to evaluate the performance and effectiveness of our board, committees of our board and the contributions of individual board members. Our GCN Committee will also take reasonable steps to evaluate and assess, on an annual basis, directors' performance and effectiveness of our board, committees of our board, individual board members, our Chair and committee chairs. The assessment will address, among other things, individual director independence, individual director and overall board skills, and individual director financial literacy. Our board will receive and consider the recommendations from our GCN Committee regarding the results of the evaluation of the performance and effectiveness of our board, committees of our board, individual board members, our Chair and committee chairs. Our GCN Committee will also be responsible for orientation and continuing education programs for our directors. See also "— Orientation and Continuing Education".

Our GCN Committee will have the authority to retain, at the Company's expense, independent legal, financial, compensation consulting and other advisors to assist the GCN Committee. The GCN Committee and our board of directors are not required to pre-approve services, including those of GGA or any of its affiliates.

Further particulars of the process by which compensation for our executive officers is determined is provided under "Executive Compensation".

Diversity

We recognize the importance and benefit of having a board of directors and senior management comprised of highly talented and experienced individuals having regard to the need to foster and promote diversity among board members and senior management with respect to attributes such as gender, ethnicity and other factors.

In support of this goal, our GCN Committee will, when identifying candidates to nominate for election to the board or appoint as senior management:

- consider individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities having regard to our current and future plans and objectives, as well as anticipated regulatory and market developments;
- consider criteria that promotes diversity, including with regard to gender, ethnicity, and other dimensions;
- consider the level of representation of women on our board and in senior management positions, along with other markers of diversity, when making recommendations for nominees to our board or for appointment as senior management and in general with regard to succession planning for our board and senior management; and
- as required, engage qualified independent external advisors to assist our board in conducting its search for candidates that meet the board's criteria regarding skills, experience and diversity.

Following the closing of this offering, we expect to adopt a formal diversity policy for the representation and nomination of women on our board and our senior management consistent with our commitment to diversity described above. We recognize the value of the contribution of members with diverse attributes on the board. However, we do not expect to adopt formal targets regarding the number of women on our board or in executive officer positions because our GCN Committee generally identifies, evaluates and recommends candidates that, as a whole, consist of individuals with various and relevant career experience, industry knowledge and experience, and financial and other specialized experience, while taking diversity, including gender diversity, into account.

There is currently one woman on our board, representing 20% of the directors currently on our board. In connection with our initial public offering, we are targeting adding two more directors to our board. We expect to appoint at least one additional woman to our board of directors. There are two women executive officers, representing 33% of our executive officers. Finally, there are six women in vice president and senior director positions, representing 32% of our senior management team.

Disclosure Policy

Our board of directors will adopt a disclosure policy to deal with the timely dissemination of all material information. The disclosure policy, which will be reviewed annually, will establish guidance for determining what information is material and how it is to be disclosed to avoid selective disclosure and to ensure wide dissemination. Our board, directly and through its committees, will review and approve the contents of major disclosure documents, including annual and interim consolidated financial statements, prospectuses, our annual information form, management's discussion and analysis and our management information circular. We seek to communicate with our shareholders through these documents as well as by means of news releases, our website and investor relations calls and meetings.

Directors' and Officers' Indemnification and Liability Insurance

Our and our subsidiaries' directors and officers are covered under our existing directors' and officers' liability insurance. Under this insurance coverage, we and our subsidiaries will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of our and our subsidiaries' directors and officers, subject to a deductible for each loss, which will be paid by us. Our and our subsidiaries' individual directors and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by us or our subsidiaries. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts.

In addition, the Company has indemnification agreements with each of its directors and officers. The indemnification agreements generally require that the Company indemnify and hold the indemnitees harmless to the fullest extent permitted by law for liabilities arising out of the indemnitees' service to the Company as directors and officers, provided that the indemnitees acted honestly and in good faith with a view to the best interests of the Company and in the case of a criminal or administrative proceeding that is enforced by a monetary penalty, the indemnitees had reasonable grounds for believing that his or her conduct was lawful. The indemnification agreements also provide for the advancement of defense expenses to the indemnitees by the Company.

EXECUTIVE COMPENSATION

Introduction

The following discussion describes the significant elements of the compensation program for the named executive officers ("NEOs") of the Company. The discussion below also reflects certain contemplated changes to the Company's compensation program that would be implemented in connection with, and contingent upon, the completion of the offering. The anticipated NEOs for Fiscal 2021 are:

- Darrell F. Heaps, President and Chief Executive Officer and Director;
- Ryan Levenberg, Chief Financial Officer;
- Donna de Winter, Chief Operating Officer;
- Warren Faleiro, Chief Technology Officer; and
- Mark Ramsay, Chief Revenue Officer.

Overview

We operate in a dynamic and highly competitive market. To succeed in this environment and to achieve our business and financial objectives, we need to attract, retain and motivate a highly talented team of executive officers. We expect our team to possess and demonstrate strong leadership and management capabilities, as well as foster our culture, which is at the foundation of our success and remains a pivotal part of our everyday operations.

We intend to design our executive compensation program to achieve the following objectives:

- provide compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to our success;
- motivate our executive officers to achieve our business and financial objectives;
- align the interests of our executive officers with those of our shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of our business; and
- provide incentives that encourage appropriate levels of risk-taking by our executive officers and provide a strong pay-for-performance relationship.

The Company offers its executive officers cash compensation in the form of base salary and an annual bonus, and equity-based compensation which has historically been awarded in the form of options under the Legacy Equity Incentive Plan. In connection with the closing of this offering, we will adopt a new omnibus equity incentive plan (the "**Omnibus Plan**"). All historical option grants under the Legacy Equity Incentive Plan will become options under our new Omnibus Plan. In the future, the Company may grant long-term incentives consisting of options, performance share units ("**PSUs**") and/or restricted share units ("**RSUs**") under the Omnibus Plan. The Company believes that equity-based compensation awards motivate its executive officers to achieve its business and financial objectives, and also aligns their interests with the long-term interests of the Company's shareholders.

As we transition from being a privately-held company to a publicly-traded company, we will continue to evaluate our philosophy and compensation program as circumstances require and plan to continue to review

compensation on an annual basis. As part of this review process, we expect to be guided by the philosophy and objectives outlined above, as well as other factors which may become relevant.

Compensation-Setting Process

Our GCN Committee is responsible for assisting our board in fulfilling its governance and supervisory responsibilities, and overseeing our human resources, succession planning, and compensation policies, processes and practices. Our GCN Committee also ensures that compensation policies and practices provide an appropriate balance of risk and reward consistent with our risk profile.

Our board has established a written charter for our GCN Committee setting out its responsibilities for administering our compensation programs and reviewing and making recommendations to our board concerning the level and nature of the compensation payable to our directors and senior management, including the executive officers. The charter will be updated from time-to-time as appropriate. Our GCN Committee's oversight will include setting objectives, evaluating performance and ensuring that total compensation paid to our NEOs and various other key executive officers and senior managers is fair, reasonable and consistent with the objectives of our philosophy and compensation program. See also "Directors and Executive Officers — Committees of our Board — Governance, Compensation and Nominating Committee."

It is anticipated that our CEO will make recommendations to the GCN Committee each year with respect to the compensation for the other NEOs.

In connection with this offering, Global Governance Advisors ("GGA"), a leading North American independent executive compensation and governance consulting firm, was retained to provide services to us in connection with executive officer and director compensation, including, among other things, the following:

- assisting in developing the compensation philosophy and peer group;
- assisting in reviewing the competitiveness of our current cash and equity-based compensation arrangements for our NEOs;
- assisting in designing a new incentive awards framework for our executive officers and key managers; and
- conducting a director compensation assessment.

GGA also conducted compensation benchmarking for non-executive officers and advised on the compensation structure for non-executive officers at the Company.

In working with GGA, the following criteria was used by Q4 to determine a competitive peer group:

- companies of a similar size to Q4 (0.25x to 4x), primarily based on total revenue, but also considering other factors such as market capitalization;
- companies that have experienced high revenue growth during the previous year;
- companies who belong to similar industry segments as Q4 (i.e. technology-related segments);
- companies with a similar business strategy and scope of operations to Q4; and
- publicly-traded companies on major Canadian exchanges.

Using these criteria, the following peer group was established for Q4:

2021 Peer Group		
Alithya Group Inc.	Farmers Edge Inc.*	Stingray Group Inc.
Computer Modelling Group Ltd.	Haivision Systems Inc.*	Tecsys Inc.
Descartes Systems Group Inc.	Kinaxis Inc.	Vecima Networks Inc.
Dialogue Health Technologies Inc.*	Lightspeed POS Inc.*	Vendasta Technologies Inc.*
Docebo Inc.*	Pivotree Inc.*	

In addition to the full peer group set out above, Q4 also analyzed compensation levels and practices at a subset of peer group companies that have completed an initial public offering within the past 24 months or are in the process of conducting an initial public offering, as highlighted with * beside their names above, when determining market-competitive compensation levels for the executive team at Q4.

GGA's fees incurred to date during 2021 for services provided to the Company are as follows:

Fiscal Year Ended	Executive Compensation-Related Fees⁽¹⁾	All Other Fees⁽²⁾
December 31, 2021	C\$82,358.19	C\$33,008.01
December 31, 2020	N/A	N/A

Notes:

- (1) Fees incurred for advice in respect of executive compensation-related services described above.
- (2) Fees incurred for advice in respect of non-executive officer and employee compensation.

The compensation expected to be paid to our NEOs for Fiscal 2021, which will be our first year as a public company, is summarized below under the heading “— Summary Compensation Table”.

Risk and Executive Compensation

In reviewing the Company's compensation policies and practices each year, the GCN Committee will seek to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Company. The GCN Committee will also seek to ensure the Company's compensation practices do not encourage excessive risk-taking behaviour by the executive team. Some of the risk mitigating features the GCN Committee will adopt include:

- establishing a cap of 200% of target on the amount of annual cash bonuses;
- using long-term equity-based compensation that vests based on time and performance criteria, ensuring that the majority of the executive's compensation is aligned with pay for performance;
- establishing a cap of 200% on the number of performance share units that can vest;
- introducing a clawback policy; and
- introducing trading restrictions, including a prohibition on certain hedging transactions.

Share Ownership Guidelines

Following the closing of this offering, our board will consider the adoption of share ownership guidelines for directors and executive officers of the Company.

Trading Restrictions

All of the Company's executive officers, including the NEOs, directors and employees will be subject to our insider trading policy, which will prohibit trading in the Company's securities while in possession of material undisclosed information about the Company. Under this policy, such individuals will also be prohibited from entering into certain types of hedging transactions involving the securities of the Company, such as short sales, puts and calls. Furthermore, the Company will permit such persons to trade in the Company's securities, including the exercise of options, only during prescribed trading windows.

Clawback Policies

Following the closing of this offering, the Company intends to adopt a formal clawback policy as an additional approach to mitigate compensation risk. The clawback policy will enable the board of directors to require reimbursement of all or a portion of compensation received by an executive officer pursuant to awards made under the Company's short-term and long-term incentive plans upon a material financial restatement due to an executive officer engaging in prohibited conduct causing, in whole or in part, the need for the restatement.

Components of Compensation

On the closing of this offering, the compensation of the Company's executive officers is expected to include three major elements: (a) base salary, (b) short-term incentives, consisting of an annual bonus, and (c) long-term equity incentives, consisting of options, PSUs and/or RSUs granted from time to time under the Omnibus Plan. Perquisites and benefits, while provided, are not expected to be a significant element of compensation of the Company's executive officers.

Base Salaries

Base salary is provided as a fixed source of compensation for the Company's executive officers. Base salaries are determined on an individual basis taking into account the scope of the executive officer's responsibilities and their prior experience. Base salaries are expected to be reviewed annually by the board of directors and may be increased based on the executive officer's success in meeting or exceeding individual objectives, as well as to maintain market competitiveness. In addition, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive officer's role or responsibilities.

Annual Bonuses

Annual bonuses are designed to motivate the Company's executive officers to meet its business and financial objectives generally and its annual financial performance targets in particular. Annual bonus targets will be set as a percentage of the relevant executive officer's base salary, which will vary based on his or her position. Individual annual bonus payouts will be higher or lower than the target amount depending on the level of achievement of the applicable performance targets. Bonus payments for the executive management group are expected to be determined by the board of directors on the recommendation of the GCN Committee.

In this regard, the Company has established target annual bonus opportunity levels as set forth in the table below for 2021:

<u>Executive</u>	<u>Target Bonus (% of Salary)</u>
President and Chief Executive Officer	60%
Chief Financial Officer	40%
Chief Operating Officer	40%
Chief Technology Officer	40%
Chief Revenue Officer ⁽¹⁾	40% + Commission Opportunity

Note:

- (1) In addition to being eligible for an annual bonus, the Chief Revenue Officer's annual "on target" commission potential under the Company's commission plan is C\$150,000.

Long-Term Incentive Plans

Long-term incentive compensation awards provide continual motivation for our officers, employees, consultants and directors to achieve our business and financial objectives, and also align their interests with the long-term interests of our shareholders.

In connection with the closing of this offering, we anticipate grants of PSUs will be made as disclosed elsewhere in this prospectus. PSUs granted in relation to the offering will vest at the end of the 2023 fiscal year based on the level of achievement of certain financial metrics for the Company.

Legacy Equity Incentive Plan

In 2016, we established our Equity Incentive Plan (as amended, restated or replaced from time to time, the "**Legacy Equity Incentive Plan**"). The purpose of the Legacy Equity Incentive Plan was to assist the Company and its subsidiaries in attracting, retaining and motivating certain employees, and to advance the

interests of the Company and its subsidiaries by providing to certain employees a performance incentive for continued and improved services with the Company and its subsidiaries and by affording such employees with the opportunity, through share ownership, to acquire an increased proprietary interest in the Company. As part of the Pre-Closing Capital Changes in connection with this offering, all options under the Legacy Equity Incentive Plan will become options to acquire common shares under the Omnibus Plan, subject to the same vesting conditions, expiry date and treatment upon termination applicable to such options.

Omnibus Plan

On closing of this offering, we will establish the Omnibus Plan. The material features of the Omnibus Plan are summarized below.

Purpose

The purpose of the Omnibus Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Company, to reward such of those non-employee directors, employees and consultants as may be granted Awards (as defined below) under the Omnibus Plan by the board of directors from time to time for their contributions toward the long term goals and success of the Company and to enable and encourage such non-employee directors, employees and consultants to acquire common shares as long term investments and proprietary interests in the Company.

Types of Awards

The Omnibus Plan provides for the grant of options (“**Options**”), share appreciation rights (“**SARs**”), deferred share units (“**DSUs**”), RSUs, PSUs and other share-based awards (“**Other Share-Based Awards**” and together with the Options, SARs, DSUs, RSUs and PSUs, the “**Awards**”). All Awards will be granted by an agreement evidencing the Award granted under the Omnibus Plan (an “**Award Agreement**”).

Plan Administration

The Omnibus Plan will be administered by the board of directors, which may delegate its authority to any duly authorized committee of the board of directors (the “**Plan Administrator**”). The Plan Administrator has sole and complete authority, in its discretion, to:

- determine the individuals (the “**Participants**”) to whom grants of Awards under the Omnibus Plan may be made and it may not necessarily take into account whether previous grants were made when considering new grants;
- make grants of Awards under the Omnibus Plan, whether relating to the issuance of common shares or otherwise (including any combination of Awards), in such amounts, to such Participants and, subject to the provisions of the Omnibus Plan, on such terms and conditions as it determines, including, without limitation:
 - the time or times at which Awards may be granted;
 - the conditions under which: (A) Awards may be granted to Participants; or (B) Awards may be forfeited to the Company, including any conditions relating to the attainment of specified performance goals;
 - the number of common shares to be covered by any Award;
 - the price, if any, to be paid by a Participant in connection with the purchase of common shares covered by any Awards;
 - whether restrictions or limitations are to be imposed on the common shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- determine whether each Option is to be an incentive stock option within the meaning of Section 422 of the Internal Revenue Code (“**ISO**”) or a non-qualified stock option;

- establish the form or forms of Award Agreements;
- cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Omnibus Plan;
- construe and interpret the Omnibus Plan and all Award Agreements;
- adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Omnibus Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Omnibus Plan.

Common Shares Available for Awards

Subject to adjustments as provided for under the Omnibus Plan, the maximum number of common shares available for issuance pursuant to Awards granted under the Omnibus Plan (including Options granted under the Legacy Equity Incentive Plan) will not exceed 10% of the Company's total issued and outstanding common shares from time to time. As of the date of closing of this offering, there are estimated to be approximately • common shares reserved and available for issuance under the Omnibus Plan and Awards granted in respect of an aggregate of • common shares. The number of common shares reserved and available for issuance for ISOs cannot exceed • .

The Omnibus Plan is considered to be an “evergreen” plan, since the common shares covered by Awards which have been exercised or terminated will be available for subsequent grants under the Omnibus Plan and the total number of Awards available to grant increases as the number of issued and outstanding common shares increases.

Any common shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an entity acquired by the Company shall not reduce the number of common shares available for issuance pursuant to the exercise or settlement of Awards granted under the Omnibus Plan. Any common shares issued by the Company pursuant to an inducement award in accordance with Section 613(c) of the TSX Company Manual shall not reduce the number of common shares available for issuance under the Omnibus Plan.

Insider Participation Limit and Other Participation Limits

The aggregate number of common shares: (a) issuable to Insiders (as defined in the Omnibus Plan) at any time under all of the Company's security based compensation arrangements (which, for greater certainty, includes the Awards previously outstanding under the Legacy Equity Incentive Plan) may not exceed 10% of the Company's total issued and outstanding common shares; and (b) issued to Insiders within any one-year period, under all of the Company's security based compensation arrangements may not exceed 10% of the Company's total issued and outstanding common shares.

The number of common shares issuable to Participants who are non-employee directors under the Omnibus Plan cannot exceed 1% of our issued and outstanding common shares and within any one financial year of the Company the aggregate fair value on the grant date of all Awards granted to any non-employee director under the Omnibus Plan or any other security based compensation arrangement of the Company (which, for greater certainty, includes the Legacy Equity Incentive Plan), cannot exceed \$150,000, of which no more than \$100,000 may be granted in the form of Options. Notwithstanding the foregoing, the limits will not apply to any DSUs granted to non-employee directors in respect of a deferral of their annual retainer or to Awards granted to a new non-employee director upon joining the board of the Company or one of its designated affiliates.

The aggregate number of common shares issuable to any one Participant under all of the Company's security based compensation arrangements shall not exceed 5% of the issued and outstanding common shares.

Blackout Period

The exercise or settlement period of Awards shall automatically be extended if the date on which such Award is scheduled to expire falls during a blackout period or within five business days following the expiry of such blackout period. In such cases, unless the delayed expiration would result in tax penalties, the Award will expire 10 business days after the last day of the blackout period.

Description of Awards

Subject to the provisions of the Omnibus Plan and such other terms and conditions as the Plan Administrator may prescribe, including with respect to performance and vesting conditions, the Plan Administrator may, from time to time, grant the following types of Awards to any Participant.

Options

An Option entitles a holder thereof to purchase a common share at an exercise price set at the time of the grant, which exercise price must in all cases be not less than the Market Price on the date of grant. “**Market Price**” is defined as the closing price of the common shares on the TSX on the trading day immediately preceding the applicable date. Subject to any accelerated termination as set forth in the Omnibus Incentive Plan, each option expires on its respective expiry date, which shall be no later than the 10th anniversary of the grant date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of options. Once an option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The Plan Administrator has the right to accelerate the date upon which any option becomes exercisable. The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in the Omnibus Plan, such as vesting conditions relating to the attainment of specified performance goals.

Under the Omnibus Plan, the board may grant to certain Participants who are employees of the Company or one of its subsidiaries ISOs, which qualify for special tax treatment in the United States.

The Company may make arrangements through a broker approved by the Company whereby payment of the exercise price is accomplished through the proceeds of the sale of common shares exercisable upon exercise of the Option.

In lieu of exercising a vested Option (other than an ISO), the Participant may elect to surrender all or part of the Option for cancellation for an amount equal to the Market Price of the common shares on the date of surrender less the exercise price (the “in-the-money amount”) and request that the in-the-money amount be satisfied in cash, in common shares with an aggregate Market Price equal to the “in-the-money amount”, or a combination of the two. Notwithstanding any election by the Participant to receive cash, the Company may choose to issue common shares in satisfaction of the in-the-money amount.

Share Appreciation Rights

Our board will be authorized to grant SARs in conjunction with the granting of Options, or on a stand-alone basis, to any Participant under the Omnibus Plan. The vesting terms of the SAR will be set out in the Participant’s Award Agreement. Upon the exercise of a SAR, a Participant will be entitled to receive from the Company, common shares with an aggregate Market Price on the date of exercise equal to the product of: (a) the number of SARs exercised; and (b) the amount by which the Market Price of a common share on the date of exercise exceeds the Market Price on the grant date. Subject to any accelerated termination provisions set forth in the Omnibus Plan, each SAR shall expire on the 10th anniversary of the grant date.

Deferred Share Units

A DSU is a unit equivalent in value to a common share that vests upon grant but does not settle until a future date, generally upon termination of service with the Company. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any

compensation that is to be paid in DSUs, as determined by the Plan Administrator, by (b) the Market Price of a common share on the grant date.

The Plan Administrator will have the sole authority to determine the settlement terms applicable to the grant of DSUs. Subject to the terms of the Omnibus Plan and except as otherwise provided in an Award Agreement, on the settlement date for any DSU, the Participant will redeem each vested DSU for a common share, a cash payment, or a combination thereof. If the DSUs are settled for a cash payment, the amount of the cash payment will be equal to the number of DSUs multiplied by the Market Price on the settlement date and the settlement date will be no later than December 15 of the year following the year in which the Participant's service terminates.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, DSUs will be credited with dividend equivalents in the form of additional DSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will vest in proportion to the DSUs to which they relate and will be settled in the same manner as the DSUs.

Restricted Share Units

An RSU is a unit equivalent in value to a common share that does not vest until after a specified period of time, or satisfaction of other vesting conditions as determined by the Plan Administrator, and which may be forfeited if vesting conditions are not met. Unless otherwise specified by the Plan Administrator, RSUs will vest on the third anniversary of the grant date.

The Plan Administrator will have the sole authority to determine the settlement terms applicable to the grant of RSUs. Subject to the terms of the Omnibus Plan and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant will redeem each vested RSU for a common share, a cash payment, or a combination thereof. If the RSUs are settled for a cash payment, the amount of the cash payment will be equal to the number of RSUs multiplied by the market price on the payment date. If the Plan Administrator elects to settle the RSUs in whole or in part in cash, the payment in settlement of such RSUs will be made no later than December 31 of the third calendar year in which the services giving rise to the Award were rendered.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, RSUs will be credited with dividend equivalents in the form of additional RSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will vest in proportion to the RSUs to which they relate and will be settled in the same manner as the RSUs.

Performance Share Units

A PSU is a unit equivalent in value to a common share which does not vest until achieve of specific performance goals determined by the Plan Administrator. The Plan Administrator will issue performance goals prior to the grant date to which such performance goals pertain. The performance goals may be based upon the achievement of corporate, divisional or individual goals and may be applied based on performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the performance goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an Award Agreement or other agreement with a Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting of PSUs will occur), all as set forth in the applicable Award Agreement. The number of PSUs that may vest will range from 0-200% depending on the level of achievement of the performance goals.

Each PSU will consist of a right to receive a common share, cash payment, or a combination thereof, upon the achievement of such performance goals during such performance periods as the Plan Administrator may establish. If the PSUs are settled for a cash payment, the amount of the cash payment will be equal to the number of PSUs multiplied by the market price on the payment date. If the Plan Administrator elects to settle

the PSUs in whole or in part in cash, the payment in settlement of such PSUs will be made no later than December 31 of the third calendar year in which the services giving rise to the Award were rendered.

Other Share-Based Awards

Each Other Share-Based Award shall consist of a right (a) which is other than an Award or right described above, and (b) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, common shares (including, without limitation, securities convertible into common shares) as are deemed by the Plan Administrator to be consistent with the purposes of the Omnibus Plan; provided, however, that such right will comply with applicable law (including applicable securities laws and be subject to TSX approval (which may include the TSX requiring shareholder approval)). Subject to the terms of the Omnibus Plan and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of Other Share-Based Awards.

Adjustments

In the event of any subdivision or consolidation of common shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or any merger, arrangement or amalgamation or other transaction or reorganization involving the Company and occurring by exchange of common shares, by sale or lease of assets or otherwise, that does not constitute a change in control, our board will, subject to the required approval of any stock exchange, determine and authorize the appropriate amendments or replacements of any existing awards and/or the terms of any Award to be made in such circumstances in order to maintain proportionately the rights, value and obligations of the participants in respect of awards under the Omnibus Plan, including, without limitation, permitting the immediate vesting of any unvested Awards.

Effect of Termination on Awards

The following table describes the impact of certain events upon the Participants under the Omnibus Plan following the completion of this offering, including termination for cause, resignation, termination without cause, disability or death, subject, in each case, to the terms of a Participant's employment agreement, Award Agreement or other written agreement. The terms of any option previously outstanding under the Legacy Equity Incentive Plan will remain subject to the terms of the Legacy Equity Incentive Plan and any applicable Option agreement.

<u>Event Provisions</u>	<u>Provisions</u>
Termination for cause	Immediate forfeiture of any unexercised Option or other Award, whether vested or unvested.
Resignation	Forfeiture of any unvested Option or other Award. Vested Options may be exercised until the earlier of the expiry date and 90 days after the termination date.
Termination without cause	Vesting of a portion of any unvested Options or other Awards on the next scheduled vesting date equal to the number of unvested Options or other Awards held by the Participant as of the termination date multiplied by a fraction, the numerator of which is the number of days between the last vesting date (or if none have vested, grant date) and the termination date and the denominator of which is the number of days between the last vesting date (or if none have vested, grant date) and the next date any unvested Options or other Awards were originally scheduled to vest. Vested Options or other Awards remain exercisable until the earlier of the expiry date of such Award and 90 days after the termination date.
Disability	Vesting of a portion of any unvested Options or other Awards on the next scheduled vesting date equal to the number of unvested Options or other Awards held by the Participant as of the termination date multiplied by a fraction, the numerator of which is the number of days between the last vesting date (or if none have vested, the grant date) and the termination date and the denominator of which is the number of days between the last vesting date (or if none have vested, the grant date) and the next date any unvested Options or other Awards were originally scheduled to vest. Vested Options or other Awards remain exercisable until the expiry date.
Death	12-month vesting period after death for all unvested Options or other Awards and Options remain exercisable until the earlier of the expiry date and 12 months after death.

Notwithstanding the foregoing, the Plan Administrator may, in its discretion, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant or as set out in the Omnibus Plan, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause:

- (1) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control (as defined in the Omnibus Plan);
- (2) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control;
- (3) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction, the Plan Administrator determines, in good faith, that no amount would have been

attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Company without payment);

- (4) the replacement of such Award with other rights or property selected by the board of directors in its sole discretion; or
- (5) any combination of the foregoing.

In taking any of the foregoing actions, the Plan Administrator will not be required to treat all Awards similarly in the transaction.

Notwithstanding the foregoing, and unless otherwise determined by the Plan Administrator or as set out in the Omnibus Plan, if, as a result of a Change in Control, the common shares will cease trading on a stock exchange, the Company may terminate all of the Awards granted under the Omnibus Plan at the time of and subject to the completion of the Change in Control by paying, to each holder an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably.

Non-Transferability of Awards

Except as required by law, the rights of a Participant under the Omnibus Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged unless otherwise approved by the Plan Administrator.

Amendment, Suspension or Termination of the Omnibus Plan

The Plan Administrator may from time to time, without notice and without approval of the shareholders, amend, modify, change, suspend or terminate the Omnibus Plan or any Awards granted pursuant thereto as it, in its discretion, determines appropriate, provided, however, that: (a) no such amendment, modification, change, suspension or termination may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Omnibus Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or TSX requirements; and (b) any amendment that would cause an Award held by a U.S. taxpayer to be subject to the additional tax penalty under the U.S. Internal Revenue Code will be null and void with respect to the U.S. taxpayer unless his or her consent is obtained.

Without limiting the generality of the foregoing, but subject to the below, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Omnibus Plan or any Award for the purposes of:

- any amendments to the general vesting provisions of each Award;
- any amendment regarding the effect of termination of a participant's employment or engagement;
- any amendments to add covenants of the Company for the protection of Participants, provided that the Plan Administrator must be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants;
- any amendments not inconsistent with the Omnibus Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator must be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and non-employee directors; or
- any such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator must be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

Notwithstanding the foregoing and subject to any rules of the TSX, shareholder approval will be required for any amendment, modification or change that:

- increases the percentage of common shares reserved for issuance under the Omnibus Plan, except pursuant to the provisions in the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- increases or removes the 10% limit on common shares issuable or issued to Insiders;
- reduces the exercise price of an Award (for this purpose, a cancellation or termination of an Award of a Participant prior to its expiry date for the purpose of reissuing an Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Award) except pursuant to the provisions in the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- extends the term of an Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the Participant or within five business days following the expiry of such a blackout period);
- permits an Award to be exercisable beyond 10 years from its grant date (except where an expiry date would have fallen within a blackout period);
- increases or removes the non-employee director participation limits;
- permits Awards to be transferred to a person other than a permitted assign or for normal estate settlement purposes;
- changes the eligible participants of the Omnibus Plan; or
- deletes or reduces the range of amendments which require shareholder approval.

Benefit Plans

The Company provides its executive officers, including the NEOs, with life, health and dental insurance programs on the same basis as other employees as well as paid time off. The Company also offers a registered retirement savings plan matching program. The Company offers these benefits consistent with local market practice.

Perquisites

The Company generally does not offer significant perquisites as part of its compensation program, unless otherwise described below under “— Employment Agreements”.

Termination and Change of Control Benefits

For a summary of the termination and change of control benefits provided under each long-term incentive plan, please refer to the “Components of Compensation — Long-Term Incentive Plans”. For a summary of the termination benefits provided under the NEOs’ employment agreements, please refer to the “— Employment Agreements” section below.

Summary Compensation Table

The following table sets out information concerning the expected Fiscal 2021 compensation to be earned by, paid to, or awarded to the NEOs.

Name and Principal Position	Fiscal	Salary (US\$) ⁽¹⁾	Share Based Awards (US\$) ⁽²⁾	Option Based Awards (US\$) ⁽³⁾	Non-Equity Incentive Plan Compensation		All Other Compensation (US\$) ⁽⁵⁾	Total Compensation (US\$)
					Annual Incentive Plans (US\$) ⁽⁴⁾	Long-Term Incentive Plans (US\$)		
Darrell F. Heaps ⁽⁶⁾ President and Chief Executive Officer	2021	258,449	258,449	—	155,070	—	14,314	686,282
Ryan Levenberg ⁽⁶⁾ Chief Financial Officer	2021	218,687	131,213	—	87,475	—	—	437,376
Donna de Winter ⁽⁶⁾ Chief Operating Officer	2021	240,954	144,573	—	96,382	—	—	481,909
Warren Faleiro ⁽⁶⁾ Chief Technology Officer	2021	231,412	138,847	—	92,565	—	—	462,823
Mark Ramsay ⁽⁶⁾ Chief Revenue Officer	2021	198,807	119,284	—	198,807 ⁽⁷⁾	—	—	516,899

Notes:

- (1) Represents the base salary expected to be paid in Fiscal 2021.
- (2) Represents equity grants made in the form of performance share units (“PSUs”) in connection with the initial public offering of the Company. The grant date fair value of the PSUs will be equal to a percentage of base salary as follows: Darrell Heaps — 100% of base salary; other NEOs — 60% of base salary.
- (3) No grant of Options were made or are expected to be made in Fiscal 2021.
- (4) Represents target bonuses payable under the NEO employment agreements as follows: Darrell Heaps — 60% of base salary; other NEOs — 40% of base salary. The actual amount of bonuses paid in respect of Fiscal 2021 may be higher or lower than these amounts depending on our Company’s performance in Fiscal 2021.
- (5) None of NEOs are entitled to perquisites or other personal benefits which, in the aggregate, are worth over \$50,000 or over 10% of their base salary. Mr. Heaps is entitled to a car allowance perquisite of C\$18,000 per annum which is paid semi-monthly.
- (6) Amounts reported have been converted to U.S. dollars using an exchange rate of 0.7952, being the daily rate of exchange published by the Bank of Canada for conversion of Canadian dollars into U.S. dollars on October 5, 2021.
- (7) Represents an annualized “on target” commission potential of C\$150,000 payable under the Company’s commission plan. Payments under the Company’s commission plan are made quarterly based on achievement of targets.

Employment Agreements

We have written employment agreements with each of our NEOs. Our NEOs and each executive is entitled to receive compensation established by us, as well as other benefits in accordance with plans available to the most senior employees.

Pursuant to employment agreements, each of our NEOs will become entitled to certain contractual benefits in connection with termination of their employment without cause. If so terminated, NEOs will be entitled to a severance payment calculated as a function of base salary multiplied by: (i) in the case of our President and Chief Executive Officer, 18 months, (ii) in the case of our remaining NEOs, 12 months. In addition to severance, our NEOs would be entitled to continuation of health benefits equivalent to the severance period, being 18 months in the case of our President and Chief Executive Officer and 12 months for all other NEOs. Payment of such termination benefits shall be subject to, among other things, the applicable NEO executing a full and satisfactory release in favour of the Company (or any successor entity following a change in control of the Company).

Darrell Heaps, President and Chief Executive Officer

Mr. Heaps' employment agreement provides for his base salary and an annual target bonus opportunity of 60% of his base salary. He is eligible to participate in our Omnibus Plan. He is entitled to an annual car allowance of C\$18,000, payable semi-monthly.

If Mr. Heaps' employment is terminated without cause or he resigns with good reason other than within the 12 month period following a change in control, he will be entitled to severance equal to 1.5 times his annual base salary and continued group benefits and car allowance for 18 months. Severance will be paid in installments over 18 months, and the payment of any amounts in excess of his minimum entitlements under applicable employment standards legislation is conditioned on Mr. Heaps executing a release of claims. The treatment of any outstanding Awards granted under the Omnibus Plan will be governed by the terms of the Omnibus Plan and applicable Award Agreements.

If Mr. Heaps' employment is terminated without cause or he resigns with good reason within the 12 month period following a change in control, he will be entitled to severance equal to 1.5 times the sum of his annual base salary and the average annual bonus for the two years prior to the year in which the termination date occurs, and continued group benefits and car allowance for 18 months. Mr. Heaps will also be entitled to full accelerated vesting of any outstanding Awards granted under the Omnibus Plan. Severance will be paid in installments over 18 months, and the payment of any amounts in excess of his minimum entitlements under applicable employment standards legislation is conditioned on Mr. Heaps executing a release of claims.

Mr. Heaps' employment agreement also contains customary provisions regarding confidentiality, non-competition (for a period of 18 months following the termination date), non-solicitation (for a period of 18 months following the termination date), and assignment of intellectual property rights.

Ryan Levenberg, Chief Financial Officer

Mr. Levenberg's employment agreement provides for his base salary and an annual target bonus opportunity of 40% of his base salary. He is eligible to participate in our Omnibus Plan.

If Mr. Levenberg's employment is terminated without cause or he resigns with good reason other than within the 12 month period following a change in control, he will be entitled to severance equal to 1.0 times his annual base salary and continued group benefits for 12 months. Severance will be paid in installments over 12 months, and the payment of any amounts in excess of his minimum entitlements under applicable employment standards legislation is conditioned on Mr. Levenberg executing a release of claims. The treatment of any outstanding Awards granted under the Omnibus Plan will be governed by the terms of the Omnibus Plan and applicable Award Agreements.

If Mr. Levenberg's employment is terminated without cause or he resigns with good reason within the 12 month period following a change in control, he will be entitled to severance equal to 1.0 times the sum of his annual base salary and the average annual bonus for the two years prior to the year in which the termination date occurs, and continued group benefits for 12 months. Mr. Levenberg will also be entitled to full accelerated vesting of any outstanding Awards granted under the Omnibus Plan. Severance will be paid in installments over 12 months, and the payment of any amounts in excess of his minimum entitlements under applicable employment standards legislation is conditioned on Mr. Levenberg executing a release of claims.

Mr. Levenberg's employment agreement also contains customary provisions regarding confidentiality, non-competition (for a period of 12 months following the termination date), non-solicitation (for a period of 12 months following the termination date), and assignment of intellectual property rights.

Donna de Winter, Chief Operating Officer

Ms. de Winter's employment agreement provides for her base salary and an annual target bonus opportunity of 40% of her base salary. She is eligible to participate in our Omnibus Plan.

If Ms. de Winter's employment is terminated without cause or she resigns with good reason other than within the 12 month period following a change in control, she will be entitled to severance equal to 1.0 times her annual base salary and continued group benefits for 12 months. Severance will be paid in installments over

12 months, and the payment of any amounts in excess of her minimum entitlements under applicable employment standards legislation is conditioned on Ms. de Winter executing a release of claims. The treatment of any outstanding Awards granted under the Omnibus Plan will be governed by the terms of the Omnibus Plan and applicable Award Agreements.

If Ms. de Winter's employment is terminated without cause or she resigns with good reason within the 12 month period following a change in control, she will be entitled to severance equal to 1.0 times the sum of her annual base salary and the average annual bonus for the two years prior to the year in which the termination date occurs, and continued group benefits for 12 months. Ms. de Winter will also be entitled to full accelerated vesting of any outstanding Awards granted under the Omnibus Plan. Severance will be paid in installments over 12 months, and the payment of any amounts in excess of her minimum entitlements under applicable employment standards legislation is conditioned on Ms. de Winter executing a release of claims.

Ms. de Winter's employment agreement also contains customary provisions regarding confidentiality, non-competition (for a period of 12 months following the termination date), non-solicitation (for a period of 12 months following the termination date), and assignment of intellectual property rights.

Warren Faleiro, Chief Technology Officer

Mr. Faleiro's employment agreement provides for his base salary and an annual target bonus opportunity of 40% of his base salary. He is eligible to participate in our Omnibus Plan.

If Mr. Faleiro's employment is terminated without cause or he resigns with good reason other than within the 12 month period following a change in control, he will be entitled to severance equal to 1.0 times his annual base salary and continued group benefits for 12 months. Severance will be paid in installments over 12 months, and the payment of any amounts in excess of his minimum entitlements under applicable employment standards legislation is conditioned on Mr. Faleiro executing a release of claims. The treatment of any outstanding Awards granted under the Omnibus Plan will be governed by the terms of the Omnibus Plan and applicable Award Agreements.

If Mr. Faleiro's employment is terminated without cause or he resigns with good reason within the 12 month period following a change in control, he will be entitled to severance equal to 1.0 times the sum of his annual base salary and the average annual bonus for the two years prior to the year in which the termination date occurs, and continued group benefits for 12 months. Mr. Faleiro will also be entitled to full accelerated vesting of any outstanding Awards granted under the Omnibus Plan. Severance will be paid in installments over 12 months, and the payment of any amounts in excess of his minimum entitlements under applicable employment standards legislation is conditioned on Mr. Faleiro executing a release of claims.

Mr. Faleiro's employment agreement also contains customary provisions regarding confidentiality, non-competition (for a period of 12 months following the termination date), non-solicitation (for a period of 12 months following the termination date), and assignment of intellectual property rights.

Mark Ramsay, Chief Revenue Officer

Mr. Ramsay's employment agreement provides for his base salary, and an annual target bonus opportunity of 40% of his base salary and an annualized "on target" commission potential of C\$150,000 payable under the Company's commission plan. He is eligible to participate in our Omnibus Plan.

If Mr. Ramsay's employment is terminated without cause or he resigns with good reason other than within the 12 month period following a change in control, he will be entitled to severance equal to 1.0 times his annual base salary and continued group benefits for 12 months. Severance will be paid in installments over 12 months, and the payment of any amounts in excess of his minimum entitlements under applicable employment standards legislation is conditioned on Mr. Ramsay executing a release of claims. The treatment of any outstanding Awards granted under the Omnibus Plan will be governed by the terms of the Omnibus Plan and applicable Award Agreements.

If Mr. Ramsay's employment is terminated without cause or he resigns with good reason within the 12 month period following a change in control, he will be entitled to severance equal to 1.0 times the sum of his annual base salary and the average annual bonus for the two years prior to the year in which the termination

date occurs, and continued group benefits for 12 months. Mr. Ramsay will also be entitled to full accelerated vesting of any outstanding Awards granted under the Omnibus Plan. Severance will be paid in installments over 12 months, and the payment of any amounts in excess of his minimum entitlements under applicable employment standards legislation is conditioned on Mr. Ramsay executing a release of claims.

Mr. Ramsay's employment agreement also contains customary provisions regarding confidentiality, non-competition (for a period of 12 months following the termination date), non-solicitation (for a period of 12 months following the termination date), and assignment of intellectual property rights.

The table below shows the incremental payments that would be made to the Company's NEOs under the terms of their employment agreements upon the occurrence of certain events if such events were to occur immediately following completion of the offering.

<u>Name and Principal Position</u>	<u>Event</u>	<u>Severance (US\$)⁽¹⁾</u>	<u>Options⁽²⁾</u>	<u>Other Payments (US\$)⁽³⁾</u>	<u>Total (US\$)⁽⁴⁾</u>
Darrell F. Heaps	Termination without cause	387,674	•	30,678	•
President and Chief Executive Officer	Termination without cause/resignation for good reason following change in control	574,831	•	30,678	•
Ryan Levenberg⁽⁴⁾	Termination without cause	218,688	•	6,024	•
Chief Financial Officer	Termination without cause/resignation for good reason following change in control	282,334	•	6,024	•
Donna de Winter⁽⁴⁾	Termination without cause	240,954	•	5,112	•
Chief Operating Officer	Termination without cause/resignation for good reason following change in control	341,062	•	5,112	•
Warren Faleiro⁽⁴⁾	Termination without cause	231,412	•	6,097	•
Chief Technology Officer	Termination without cause/resignation for good reason following change in control	333,837	•	6,097	•
Mark Ramsay⁽⁴⁾	Termination without cause	198,807	•	6,002	•
Chief Revenue Officer	Termination without cause/resignation for good reason following change in control	272,771	•	6,002	•

Note:

- (1) Severance payments are calculated on the base salary we expect to pay to the NEOs. In the event of a termination without cause other than within the 12-month period following a change in control, Mr. Heaps is entitled to severance equal to 1.5 times his annual base salary and the other NEOs are entitled to severance equal to 1.0 times their annual base salary. In the event of a termination without cause or resignation for good reason within the 12-month period following a change in control, Mr. Heaps is entitled to severance equal to 1.5 times the sum of his annual base salary and his average annual bonus for the two prior years, and the other NEOs are entitled to severance equal to 1.0 times the sum of their annual base salary and their average annual bonus for the two prior years.
- (2) In the event of a termination without cause or resignation for good reason within the 12-month period following a change in control, the NEOs are entitled to accelerated vesting of their unvested equity awards. The value of the acceleration of the unvested options is calculated based on the offering price and assumes the completion of the Pre-Closing Capital Changes.
- (3) Represents payments made for 18 months of continuation of health benefits and car allowance for Darrell Heaps. Represents payments made for 12-months of continuation of health benefits for the other NEOs.

- (4) Amounts reported have been converted to U.S. dollars using an exchange rate of 0.7952, being the daily rate of exchange published by the Bank of Canada for conversion of Canadian dollars into U.S. dollars on October 5, 2021.

Except as described above, there are no other contracts or agreements, or predetermined plans or arrangements, between the Company and the NEOs with respect to payments following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of the Company or change in an NEO's responsibilities.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets out information concerning the option-based awards granted to the Company's NEOs that it expects to be outstanding on the closing of this offering. None of the NEOs hold any share-based awards:

Name and Principal Position	Option-based Awards				Share-based Awards ⁽⁴⁾		
	Number of common shares underlying unexercised options (#) ⁽¹⁾	Option exercise price (US\$)	Option expiration date	Value of unexercised in-the-money options (US\$) ⁽²⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based Awards that have not vested (US\$)	Market or payout value of share-based Awards not paid out or distributed (US\$)
Darrell F. Heaps	•	•	November 2, 2025	•	•	•	•
President and							
Chief Executive Officer	•	•	November 2, 2025	•	•	•	•
	•	•	January 1, 2029	•	•	•	•
Ryan Levenberg	•	•	January 1, 2028	•	•	•	•
Chief Financial Officer	•	•	January 1, 2029	•			
Donna de Winter	•	•	December 11, 2028	•	•	•	•
Chief Operating Officer							
Warren Faleiro	•	•	November 11, 2029	•	•	•	•
Chief Technology Officer							
Mark Ramsay	•	•	November 11, 2029	•	•	•	•
Chief Revenue Officer							

Note:

- (1) The options reflected in this column were granted under our Legacy Equity Incentive Plan. In connection with the closing of this offering and completion of the Pre-Closing Capital Changes, each such option will become exercisable for one common share. See "— Principal Elements of Compensation — Long-Term Incentive Plans."
- (2) The value of the unexercised in-the-money options is calculated based on the offering price and assumes the completion of the Pre-Closing Capital Changes.
- (3) The option exercise price is payable in Canadian dollars and has been converted to U.S. dollars for the purposes of this table using an exchange rate of 0.7952, being the daily rate of exchange published by the Bank of Canada for conversion of Canadian dollars into U.S. dollars on October 5, 2021.
- (4) Represents PSUs to be granted to each NEO in connection with the initial public offering. The market value of the PSUs to be granted is equal to a percentage of base salary as follows: Darrell Heaps — 100% of base salary; other NEOs — 60% of base salary.

Incentive Plan Awards — Value Vested or Earned During the Year

The following table sets out, for each of the Company's NEOs, the value of the option-based awards expected to vest in accordance with their terms during Fiscal 2021. Upon closing of this offering, the Company's NEOs will be granted PSUs, none of which are expected to vest during Fiscal 2021.

Name and Principal Position	Option-Based Awards — Value Expected to be Vested During the Year (US\$) ⁽¹⁾	Share-Based Awards — Value Expected to be Vested During the Year (US\$)
Darrell F. Heaps ⁽²⁾ President and Chief Executive Officer	•	—
Ryan Levenberg Chief Financial Officer	•	—
Donna de Winter Chief Operating Officer	•	—
Warren Faleiro Chief Technology Officer	•	—
Mark Ramsay Chief Revenue Officer	•	—

Notes:

- (1) The value of options expected to be vested during the year is calculated based on the offering price and assumes the completion of the Pre-Closing Capital Changes.
- (2) Amounts reported have been converted to U.S. dollars using an exchange rate of 0.7952, being the daily rate of exchange published by the Bank of Canada for conversion of Canadian dollars into U.S. dollars on October 5, 2021.

DIRECTOR COMPENSATION

Our directors' compensation program is designed to attract and retain the most qualified individuals to serve on our board. Our board, through our GCN Committee, will be responsible for reviewing and approving any changes to our directors' compensation arrangements. In consideration for serving on our board, each director that is not an employee will be paid an annual retainer which may, at our board's discretion, be paid in cash or in some combination of cash and DSUs and will be reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors. See also "Executive Compensation — Principal Elements of Compensation".

The chart below outlines our proposed director compensation program for our non-employee directors.

Type of Fee	Role	Cash Retainer (US\$) ⁽¹⁾	Equity Retainer (US\$) ⁽¹⁾	Amount (US\$) ⁽¹⁾
Board retainer	Chair	55,666	55,666	111,332/year
	Board Member	39,761	39,761	79,523/year
Committee retainer	Audit Committee Chair	11,928	—	11,928/year
	Audit Committee Member	5,964	—	5,964/year
	Other Committee Chair	7,952	—	7,952/year
	Other Committee Member	3,976	—	3,976/year
Meeting fees	Board / Committee Meeting	—	—	Nil

Notes:

- (1) Director compensation is paid in Canadian dollars and has been converted to U.S. dollars for the purposes of this table using an exchange rate of 0.7952, being the daily rate of exchange published by the Bank of Canada for conversion of Canadian dollars into U.S. dollars on October 5, 2021. The portion of the director compensation payable in equity will be paid in the form of DSUs under our Omnibus Plan.

Mr. Heaps does not and will not receive additional compensation for serving as a director on the board of directors.

Pursuant to the terms of their arrangements with Ten Coves, Mr. Kittredge and Mr. May will not receive compensation for their service as directors. In recognition of the past service of Mr. Kittredge and Mr. May to Q4 as directors, in lieu of any payments to Mr. Kittredge and Mr. May, or shortly following closing of this offering, we will issue Ten Coves an aggregate of C\$250,000 of our common shares, which common shares will be priced based on the offering price. No additional consideration is expected to be paid to Ten Coves, Mr. Kittredge or Mr. May in respect of director compensation, other than reimbursement of director expenses consistent with our reimbursement policies.

Omnibus Plan

On the closing of this offering, the Company will establish the Omnibus Plan, which will provide for the grant of DSUs to the Company's non-employee directors. See "Executive Compensation — Components of Compensation — Long-Term Incentive Plans".

Each year, the Company's non-employee directors may elect to take all or a portion of their annual cash board retainer in the form of DSUs. Participation by the eligible directors in the Omnibus Plan is entirely voluntary.

Following the end of an eligible director's tenure as a member of the board of directors, the director will receive common shares, a payment in cash at the fair market value of the common shares represented by his or her DSUs, or a combination of the two on the director's elected redemption date. Each director's elected redemption date will not be earlier than the date the director's tenure as a member of the board of directors ceases.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets out information concerning the option-based awards granted to each of the individuals who are non-employee directors that are expected to be outstanding on the closing of this offering:

Name	Option-based Awards				Share-based Awards		
	Number of common shares underlying unexercised options (#) ⁽¹⁾	Option exercise price (US\$)	Option expiration date	Value of unexercised in-the-money options (US\$) ⁽²⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based Awards that have not vested (US\$)	Market or payout value of share-based Awards not paid out or distributed (US\$)
Colleen Johnston	•	•	April 1, 2030	•	•	•	•
Daniel Kittredge	—	—	—	—	•	•	•
Ned May	—	—	—	—	•	•	•
W. Neil Murdoch	—	—	—	—	•	•	•

Note:

- (1) The options reflected in this column were granted under our Legacy Equity Incentive Plan, and, in connection with the closing of this offering and completion of the Pre-Closing Capital Changes, each such option will become exercisable for one common share. See "— Principal Elements of Compensation — Long-Term Incentive Plans."
- (2) The value of the unexercised in-the-money options is calculated based on the offering price and assumes the completion of the Pre-Closing Capital Changes.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Other than as set out below, none of our directors, executive officers, employees, former directors, former executive officers or former employees or any of our subsidiaries, and none of their respective associates, is or has within 30 days before the date of this prospectus or at any time since the beginning of our most recently completed financial year been indebted to us or any of our subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided to us or any of our subsidiaries.

Aggregate Indebtedness

Purpose	To the Company or its Subsidiaries	To Another Entity
Share purchases	US\$252,233	N/A
Other	N/A	N/A

Indebtedness of Directors and Executive Officers

Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding during Fiscal 2020	Amount Outstanding as at October 5, 2021	Financially Assisted Securities Purchases During Fiscal 2020 ⁽¹⁾⁽²⁾	Security for Indebtedness	Amount Forgiven During Fiscal 2020
Ryan Levenberg, Chief Financial Officer ⁽¹⁾	Company is the lender	N/A	US\$252,233	950,832 Options to purchase common shares that were exercised effective May 1, 2021	Security interest in the common shares granted pursuant to a share pledge agreement	N/A

Notes:

- (1) Ryan Levenberg, our Chief Financial Officer, is indebted to us pursuant to a demand promissory note outstanding in the amount of US\$252,232.98, which bears interest at a fixed rate of 2% per annum. Q4 Inc. is entitled to set-off the accrued interest payable against the salary entitlement of Mr. Levenberg. The note is secured against all the shares and outstanding options of Q4 Inc. held by Mr. Levenberg, in favour of Q4 Inc. pursuant to the terms of a share pledge agreement entered into by Q4 Inc. and Mr. Levenberg.
- (2) Prior to giving effect to the Pre-Closing Capital Changes.

PLAN OF DISTRIBUTION

General

Pursuant to an underwriting agreement dated •, 2021 between us, the Selling Shareholder and the Underwriters (the “**Underwriting Agreement**”), we have agreed to sell and the Underwriters have severally agreed to purchase on the closing of this offering an aggregate of • common shares at a price of C\$ • per common share payable in cash to us against delivery of the common shares for aggregate gross proceeds of C\$ •. We have agreed to pay the Underwriters a fee equal to C\$ • per common share (being 6.0% of the offering price) issued from treasury, including, as applicable, any common shares issued from treasury pursuant to the exercise of the Over-Allotment Option. The total Underwriters’ fee for the secondary offering will be paid by the Selling Shareholder based on the number of common shares sold by the Selling Shareholder in the event the Over-Allotment Option is exercised. It is estimated that the total expenses of this offering, not including the Underwriters’ fee, will be approximately C\$ •, which expenses will be paid by us.

Prior to this offering, there was no public market for our common shares. The offering price of C\$ • per common share was determined by negotiation among us, the Selling Shareholder and the Underwriters, and the Underwriters propose to offer the common shares initially at the offering price. After the Underwriters have made a reasonable effort to sell all of the common shares at the price specified on the cover page of this prospectus, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page of this prospectus, and the compensation

realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the common shares is less than the price paid by the Underwriters to us and the Selling Shareholder. Any such reduction will not affect the net proceeds received by us and the Selling Shareholder. The Underwriters may form a selling group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Underwriters out of their fees.

Pursuant to the Underwriting Agreement, we and the Selling Shareholder have granted to the Underwriters the Over-Allotment Option, which is exercisable, in whole or in part, at any time for a period of 30 days after the Closing Date to purchase up to an additional • common shares from the Selling Shareholder and up to an additional • common shares from us (representing in aggregate 15% of the aggregate number of common shares sold in the base offering) on the same terms as set forth above solely for the purpose of covering over-allotments, if any. This prospectus also qualifies for distribution the grant of the Over-Allotment Option and the sale of the common shares issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires common shares forming part of the Underwriters' over-allocation position acquires such common shares under this prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Underwriters agreed that up to • common shares to be sold in the offering will be reserved for sale to certain of our eligible directors, officers, employees and business partners and other purchasers identified by the Company as part of the distribution of the common shares by the Underwriters (the **"President's List Allocation"**), subject to the terms and conditions of the Underwriting Agreement. Sales of common shares pursuant to the President's List Allocation will be subject to the Underwriters' fee. In addition, concurrently with Closing, we may enter into private placement agreements with certain eligible directors, officers and employees of the Company residing or located outside Canada, pursuant to which they will purchase from treasury, on a private placement basis, up to • additional common Shares on the same terms as the offering without any involvement by, or fee payable to, the Underwriters (the **"President's List Private Placement"**). There is no binding agreement or commitment at this time to proceed with the President's List Private Placement, and there is no assurance that the President's List Private Placement will be completed in a timely manner or at all. This prospectus does not qualify the distribution of the common shares to be issued from treasury pursuant to the President's List Private Placement, and therefore such common shares will be subject to restrictions under applicable securities laws. The President's List Allocation and the President's List Private Placement will not represent, on a combined basis, more than • % of the aggregate number of common shares sold under the offering.

Under the terms of the Underwriting Agreement, the Underwriters may, at their discretion, terminate their obligations under the Underwriting Agreement upon the occurrence of certain stated events, including those set out in customary "material change out", "disaster out", "regulatory proceedings out", "market out" and "non-compliance with conditions out" clauses. The Underwriters are, however, severally (and not jointly or jointly and severally) obligated to take up and pay for all of the common shares that they have agreed to purchase if any of the common shares are purchased under the Underwriting Agreement.

We have applied to list the common shares on the TSX under the symbol "QFOR". Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved the listing application and there is no assurance that it will do so.

There is no market through which the common shares may be sold and purchasers may not be able to resell common shares purchased under this prospectus. This may affect the pricing of our common shares in the secondary market, the transparency and availability of trading prices, the liquidity of our common shares and the extent of issuer regulation. See "Risk Factors". Subscriptions for common shares will be received subject to rejection or allocation in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of this offering is expected to occur on • , 2021 or such other date as we and the Underwriters may agree, but in any event not later than • , 2021. Closing is conditional upon our common shares being approved for listing on the TSX.

We have agreed to indemnify the Underwriters and their directors, officers, employees and agents against certain liabilities, including, without restriction, civil liabilities under Canadian securities legislation, and to contribute to any payments that the Underwriters may be required to make in respect thereof.

Our common shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Each Underwriter has agreed that it will not offer or sell common shares within the United States, except as permitted in the Underwriting Agreement and as expressly permitted by applicable laws of the United States and applicable state securities laws. The Underwriting Agreement provides that the Underwriters may re-offer and re-sell the common shares that they have acquired pursuant to the Underwriting Agreement in the United States to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in accordance with Rule 144A under the U.S. Securities Act and exemptions from registration under applicable state securities laws.

The Underwriting Agreement also provides that the Underwriters may offer and sell the common shares outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In connection with the offering, certain of the Underwriters or securities dealers may distribute the prospectus electronically. In addition, until 40 days after the commencement of this offering, an offer or sale of the common shares within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

Price Stabilization, Short Positions and Passive Market Making

In connection with this offering, the Underwriters may, subject to applicable law, over-allocate or effect transactions which stabilize or maintain the market price of our common shares at levels other than those which otherwise might prevail on the open market, including stabilizing transactions, short sales, purchases to cover positions created by short sales, imposition of penalty bids, and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of our common shares while this offering is in progress. These transactions may also include over-allocating or making short sales of our common shares, which involves the sale by the Underwriters of a greater number of common shares than they are required to purchase in this offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the Over-Allotment Option, or may be “naked short sales”, which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing common shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of common shares available for purchase in the open market compared with the price at which they may purchase common shares from the Selling Shareholder through the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing common shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the common shares in the open market. Any naked short sales will form part of the Underwriters’ over-allocation position. A purchaser who acquires common shares forming part of the Underwriters’ over-allocation position resulting from any covered short sales or naked short sales will, in each case, acquire such common shares under this prospectus, regardless of whether the Underwriters’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In addition, in accordance with rules and policy statements of certain Canadian securities regulatory authorities and the Universal Market Integrity Rules for Canadian Marketplaces (“UMIR”), the Underwriters may not, at any time during the period of distribution, bid for or purchase common shares. The foregoing restriction is, however, subject to certain exceptions as permitted by such policy statements and UMIR. These exceptions include a bid or purchase permitted under the provisions of such policy statements and UMIR relating to market stabilization and market balancing activities and a bid or purchase on behalf of a customer where the order was not solicited.

As a result of these activities, the price of our common shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the

Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which our common shares are listed, in the over-the-counter market, or otherwise.

No certificates representing common shares to be sold in this offering will be issued to purchasers under this prospectus. The common shares offered under this prospectus will be deposited with CDS in electronic form on the Closing Date. A purchaser of common shares will receive only a customer confirmation from the registered dealer from or through which common shares are purchased.

Lock-up Arrangements

We and each of our directors and executive officers and certain of our shareholders have agreed (other than in respect of Darrell Heaps and the Ten Coves Entities, who are subject to the lock-up arrangements described below) that he, she or it will not, directly or indirectly, without the prior written consent of the Joint Bookrunners, on behalf of the Underwriters, acting reasonably, sell, offer to sell, issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including, without limitation, by entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our equity securities) any of our common shares, or other securities convertible or exchangeable into or otherwise exercisable into our common shares, secure or pledge any common shares or any securities convertible or exchangeable into common shares, or agree or publicly announce any intention to do any of the foregoing for a period commencing on the Closing Date and ending 180 days after the Closing Date, subject to certain limited exceptions, including the sale of common shares by us pursuant to the exercise of the Over-Allotment Option, the issuance of our securities pursuant to or in connection with our equity incentive compensation plans or the transfer or assignment of our securities by a shareholder to one or more of its affiliates.

Pursuant to the lock-up agreements to be entered into by Mr. Heaps and the Ten Coves Entities, Mr. Heaps and the Ten Coves Entities have agreed that they will not, directly or indirectly, without the prior written consent of the Joint Bookrunners, on behalf of the Underwriters, acting reasonably, sell, offer to sell, issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including, without limitation, by entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common shares) any of our common shares, or other securities convertible or exchangeable into or otherwise exercisable into our common shares, secure or pledge any common shares or any securities convertible or exchangeable into common shares, or agree or publicly announce any intention to do any of the foregoing for a period commencing on the Closing Date and ending: (1) in the case of Mr. Heaps, 12 months after the Closing Date, provided that Mr. Heaps will have the right to sell, offer to sell, issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including, without limitation, by entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our equity securities) up to an aggregate of US\$4.0 million of his shares or other equity securities of the Company pursuant to the Over-Allotment Option and in transactions occurring at least 180 days after the Closing Date, and (2) in the case of the Ten Coves Entities, (a) 180 days after the Closing Date with respect to up to two-thirds of their shares or other equity securities of the Company, and (b) 12 months after the Closing Date with respect to any and all of their remaining shares or other equity securities of the Company, in each case, subject to certain limited exceptions, including the transfer or assignment of our securities by such shareholder to one or more of its affiliates.

Holders of at least 95% of our common shares immediately prior to the closing of this offering will be subject to these lock-up arrangements.

Relationship Between Us and Certain of the Underwriters

CIBC is a wholly-owned subsidiary of Canadian Imperial Bank of Commerce, the lender to the Company under the Credit Facilities. See “Description of Material Indebtedness”. Accordingly, we may be considered a “connected issuer” of CIBC. As of the date of this prospectus, the aggregate amount outstanding under the Credit Facilities was approximately US\$20.8 million (approximately C\$26.2 million), comprising approximately US\$13.3 million (approximately C\$16.7 million) under the Revolving Operating Facility and approximately US\$7.5 million (approximately C\$9.4 million) under the Term Facility. We intend to use a portion of the net proceeds from this offering to repay approximately US\$20.8 million outstanding under our

Credit Facilities. The Credit Facilities provide for a full recourse and unlimited guarantee by the Guarantors. Canadian Imperial Bank of Commerce holds, among other security, a first ranking security interest over all of the Company and each Guarantor's present and after-acquired real and personal property and intellectual property of the Company.

We are currently in compliance with all material terms of the Credit Agreement and no breach hereof has been waived by any of the lenders and/or agents thereunder. Other than as disclosed in the prospectus, our financial position has not materially changed since the Credit Agreement was entered into.

The terms of this offering, including the initial public offering price, were determined through negotiations between us, the Selling Shareholder and the Underwriters. None of the lenders of which any of the Underwriters are affiliates were involved in the decision to proceed with the Offering or in the determination of the terms of this offering. As a consequence of this offering, each of the Underwriters will receive its proportionate share of the Underwriters' fee payable to the Underwriters pursuant to the Underwriting Agreement and the lenders will receive a portion of the net proceeds of the offering as a repayment of outstanding indebtedness under the Credit Facilities. See "Use of Proceeds".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Company, and McCarthy Tétrault LLP, counsel to the Underwriters, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder who: (a) acquires, as beneficial owner, common shares pursuant to this offering or the exercise of the Over-Allotment Option; (b) for the purposes of the Tax Act and at all relevant times, holds the common shares as capital property; (c) deals at arm's length with the Company and each of the Underwriters; and (d) is not affiliated with, the Company or any of the Underwriters (a "**Holder**"). A common share will generally be capital property to a Holder provided the Holder does not acquire or hold such common share in the course of carrying on a business of trading in or dealing in securities or as part of an adventure or concern in the nature of trade.

This summary is based upon the facts set out in this prospectus, the current provisions of the Tax Act and the *Canada-United States Tax Convention* (1980), as amended (the "**Treaty**") as well as counsel's understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency (the "**CRA**"). The summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies or assessing practices of the CRA, whether by way of legislative, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders are urged to consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of common shares.

Residents of Canada

This portion of the summary is generally applicable to a Holder that, for the purposes of the Tax Act, and at all relevant times, is or is deemed to be resident in Canada ("**Resident Holder**"). This portion of the summary is not applicable to a Resident Holder: (a) that is a "financial institution", as defined in the Tax Act for purposes of the "mark-to-market rules" contained in the Tax Act; (b) an interest in which would be a "tax shelter investment" as defined in the Tax Act; (c) that is a "specified financial institution" as defined in the Tax Act; (d) which has elected to report its "Canadian tax results", as defined in the Tax Act, in a currency other than the Canadian currency; (e) that has entered or will enter into a "derivative forward agreement" or a "synthetic disposition agreement", as those terms are defined in the Tax Act with respect to the common shares; or (f) that receives dividends on the common shares under or as part of a "dividend rental agreement" as defined in the Tax Act. Any such Resident Holder to which this summary does not apply should consult its own tax advisor.

Additional considerations, not discussed herein, may be applicable to a Resident Holder that is a corporation resident in Canada (or a corporation that does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada) that is or becomes, as part of a transaction or series of transactions or events that includes the acquisition of the common shares, controlled by a non-resident person or a group of non-resident persons that do not deal with each other at arm's length for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Resident Holders should consult their own tax advisors with respect to the consequences of acquiring common shares.

Certain Resident Holders whose common shares might not otherwise qualify as capital property may, in certain circumstances, make the irrevocable election pursuant to subsection 39(4) of the Tax Act to have their common shares, and every other "Canadian security", as defined in the Tax Act, owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years, deemed to be capital property. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and advisable in their own circumstances.

Dividends on Common Shares

Dividends received or deemed to be received on a common share by a Resident Holder that is an individual (other than certain trusts) will be included in computing such Resident Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from "taxable Canadian corporations" as defined in the Tax Act, including the enhanced gross-up and dividend tax credit under the Tax Act in respect of dividends designated by the Company as "eligible dividends" within the meaning of the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

Dividends received or deemed to be received on a common share by a Resident Holder that is a corporation will be included in computing such Resident Holder's income for the taxation year and will generally also be deductible in computing its taxable income for that taxation year. In certain circumstances, a dividend received or deemed to be received by a Resident Holder that is a corporation may be treated as proceeds of disposition or as a capital gain pursuant to subsection 55(2) of the Tax Act. A Resident Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, will generally be liable to pay an additional refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on a common share to the extent such dividends are deductible in computing the Resident Holder's taxable income. A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act), including any dividends or deemed dividends that are not deductible in computing the Resident Holder's taxable income. Resident Holders that are corporations should consult their own tax advisors regarding their particular circumstances.

Dispositions of Common Shares

Generally, on a disposition or a deemed disposition of a common share by a Resident Holder (other than in a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an the open market), the Resident Holder will realize a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the Resident Holder's proceeds of disposition of the common share, net of any reasonable costs of the disposition, exceed (or are less than) the "adjusted cost base" (as defined in the Tax Act) of the common share to the Resident Holder immediately before the disposition or deemed disposition. For this purpose, the adjusted cost base to a Resident Holder of a common share will be determined at any particular time by averaging the cost of such common share with the adjusted cost base of any other common shares owned by the Resident Holder as capital property at that time, if any. Such capital gain (or capital loss) will be subject to the treatment described below under "Residents of Canada — Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Generally, one-half of the amount of any capital gain (a "taxable capital gain") realized by a Resident Holder for a taxation year of disposition must be included in computing the Resident Holder's income for the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct

one-half of the amount any capital loss (an “**allowable capital loss**”) realized in a taxation year of disposition from taxable capital gains realized in that taxation year and allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years, or in any subsequent year against net taxable capital gains realized in such years. If the Resident Holder is a corporation, any such capital loss realized on the sale of a common share may be reduced by the amount of any dividends, including deemed dividends, which have been received by the Resident Holder on such common share (or a share substituted for such share) to the extent and in circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns common shares, directly or indirectly through a partnership or a trust. Such Resident Holder should consult its own tax advisor.

Taxable capital gains realized by a Resident Holder that is an individual may give rise to alternative minimum tax depending on the Resident Holder’s own circumstances. A Resident Holder that is throughout the year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on its “aggregate investment income”, which is defined in the Tax Act to include an amount in respect of taxable capital gains.

Non-Residents of Canada

This portion of the summary is generally applicable to a Holder that, for the purposes of the Tax Act and at all relevant times, is not (and is not deemed to be) resident in Canada and will not use or hold (and will not be deemed to use or hold) the common shares in, or in the course of, carrying on a business or part of a business in Canada (a “**Non-Resident Holder**”). This summary does not apply to a Non-Resident Holder that carries on an insurance business in Canada and elsewhere and such Non-Resident Holders should consult their own tax advisors.

Dividends on Common Shares

Dividends paid or credited, or deemed to be paid or credited, on a common share to a Non-Resident Holder will generally be subject to Canadian withholding tax under the Tax Act at the rate of 25%, subject to any reduction in the rate of withholding to which that Non-Resident Holder may be entitled under an applicable income tax treaty or convention. For example, the rate of withholding tax applicable to a dividend paid on a common share to a Non-Resident Holder that is a resident of the United States for purposes of the Treaty, beneficially owns the dividend and is fully entitled to the benefits of the Treaty will generally be reduced to 15%. Non-Resident Holders should consult their own tax advisors to determine their entitlement to relief under an applicable income tax treaty or convention.

Dispositions of Common Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of a common share unless the common share constitutes “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. Generally, a common share will not constitute taxable Canadian property of a Non-Resident Holder at any particular time provided that the common share is listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the TSX), unless at any time during the 60-month period immediately preceding such time: (a) 25% or more of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm’s length (for the purposes of the Tax Act), and (iii) partnerships in which the Non-Resident Holder or a person described in the foregoing item (ii) holds a membership interest directly or indirectly through one or more partnerships; and (b) more than 50% of the fair market value of the common share was derived directly or indirectly from one or any combination of (i) real or immovable property situated in Canada, (ii) “Canadian resource property” (as defined in the Tax Act), (iii) “timber resource property” (as defined in the Tax Act) and (iv) options in respect of, interests in, or for civil law rights in, any such property (whether or not such property exists). Notwithstanding the foregoing,

a common share may also be deemed to be taxable Canadian property in certain circumstances set out in the Tax Act. Non-Resident Holders for whom a common share is, or may be, taxable Canadian property should consult their own tax advisors.

RISK FACTORS

This offering and investing in our common shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, before making a decision to invest in our common shares. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may also become important factors that affect our future business, financial condition and results of operations. If any of the following risks actually occurs, our business, prospects, operating results and financial condition could suffer materially, the trading price of our common shares could decline and you could lose all or part of your investment. Please also see “Forward-Looking Information”.

Risks Related to Our Business and Our Industry

The market in which we participate is competitive, and if we do not compete effectively, our results of operations could be harmed.

The capital markets communications market is highly competitive, rapidly evolving and fragmented, and we expect competition to continue to increase in the future. Our competitors range from large global information services providers to much smaller software and service point solutions that target specific aspects of the investor relations workflows. There are a significant number and variety of solutions that our competitors have developed, or are developing, and products and services that currently, or in the future may, compete with some or all of our offerings and that could be superior. This competition could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses, and loss of market share, any of which could adversely affect our business, results of operations, and financial condition.

We face potential competition from participants in adjacent markets that may enter our markets by leveraging related technologies and partnering with or acquiring other companies, or providing alternative approaches to provide similar results. We may also face competition from companies entering our market, including large technology companies that could expand their offerings or acquire one of our competitors. While these companies may not currently focus on our market, they may have significantly greater financial resources and longer operating histories than we do. As a result, our competitors and potential competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, or customer requirements. Further, some potential customers, particularly large enterprises, may elect to develop their own internal solutions to interact with investors.

If our customers do not expand their use of our platform beyond their current engagements or renew their existing contracts with us, our ability to grow our business and improve our results of operations may be adversely affected.

We generate revenue principally through the sale of subscriptions for a number of different products available on our platform as well as through additional services that we offer. Our future success depends, in part, on our ability to increase the adoption of additional products on our platform by our existing customers and future customers, including investment managers and investment banks. Many of our customers initially use our platform for a specific product or use case. Our ability to grow our business depends in part on our ability to persuade existing and new customers to expand their use of our platform to address additional use cases.

Further, to continue to grow our business, it is important that our customers renew their subscriptions when existing contracts expire and that we expand our relationships with our existing customers by engaging their use of our additional services and products. Our customers have no obligation to renew their subscriptions, and our customers may decide not to renew their subscriptions with a similar contract period, at the same prices and terms, or at all.

To date, most of our growth has been from adding new corporate customers to our platform. A key aspect of our growth strategy is to increase our customer base, including by targeting sell-side and buy-side

customers. We do not know whether we will be able to continue to achieve similar or any growth in the future. Our ability to retain our customers and expand our deployments with them may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our platform, our customer support, our prices, the prices and features of competing solutions, reductions in our customers' spending levels, and new feature releases.

As we seek to increase our sales to our customers, we face upfront sales costs and longer sales cycles, higher customer acquisition costs, more complex customer requirements and pricing demands. We may enter into customized contractual arrangements with our customers in which we offer more favourable pricing terms in exchange for larger total contract values that accompany large deployments. As we drive a greater portion of our revenue through our deployments with customers, we expect that our revenue will continue to grow significantly but the prices we charge for products and services may decline. This may result in reduced margins in the future if our direct cost of revenue increases. For example, customers may request that we integrate our platform with their existing technologies, and these customization efforts could create additional costs and delays in use. In addition, customers often begin to use our platform on a limited basis, but nevertheless require education and interactions with our sales team, which increases our upfront investment in the sales effort with no guarantee that these customers will use our platform widely enough across their organization to justify our upfront investment. As we continue to expand our sales efforts to customers, we will need to continue to increase the investments we make in sales and marketing, and there is no guarantee that our investments will succeed and contribute to additional customer acquisition and revenue growth.

If our customers do not purchase additional subscriptions or renew their existing subscriptions, renew on less favorable terms, or fail to continue to expand their engagement with our platform, our revenue may decline or grow less quickly than anticipated, which would harm our results of operations. In addition, if we are unable to increase sales while mitigating the risks associated with serving such customers, our business, financial condition, and results of operations will suffer.

If we are not able to develop new platform features that respond to the needs of our customers, our business and results of operations would be adversely affected.

We pride ourselves on the quality and functionality of our platform. However, we cannot assure you that any future features or enhancements that we develop will be successful. The success of any enhancement or new feature depends on several factors, including our understanding of market demand, timely execution, successful introduction, and market acceptance. We may not successfully develop new features or enhance our existing platform to meet customer needs or our new features and enhancements may not achieve adequate acceptance in the market. Our growth is highly dependent on the development, implementation and adoption of new features and functionality. Our future success will depend on our ability to adapt and innovate. To attract new customers and increase revenue from existing customers, we will need to continually enhance and improve our platform and introduce new features. The success of any enhancement or new feature depends on several factors, including timely completion, introduction and market acceptance. If we are unable to successfully develop or acquire new features or enhance our existing platform to meet customer needs, our business and operating results could be adversely affected. Our success has been based on our ability to identify and anticipate the needs of our customers and design and maintain a platform that provides public companies, investment managers and banks with the tools they need to interact and operate their respective business. Our ability to attract new customers, retain revenue from existing customers, and increase revenue to both new and existing customers will depend in large part on our ability to continue to improve and enhance the functionality, performance, reliability, design, security, and scalability of our platform. Furthermore, we may not sufficiently increase our revenue to offset the upfront technology, sales and marketing, and other expenses we incur in connection with the development of additional platform features and enhancements. Any of the foregoing may adversely affect our business and results of operations.

Failure to effectively expand our sales and marketing capabilities or to select appropriate marketing channels could harm our ability to increase our customer base and achieve broader market acceptance of our platform.

Our ability to broaden our customer base and achieve broader market acceptance of our platform and the different products we offer will depend to a significant extent on the ability of our sales and marketing organizations to work together to drive our sales pipeline and cultivate customer and partner relationships to

drive revenue growth. We have invested in and plan to continue expanding our sales and marketing organizations, both domestically and internationally. Identifying, recruiting, and training sales personnel will require significant time, expense, and attention. We also plan to dedicate significant resources to sales and marketing programs, including lead generation activities and brand awareness campaigns, such as search engine and email marketing, online banner and video advertising, customer events, and webinars. If we are unable to hire, develop, and retain talented sales or marketing personnel, if our new sales or marketing personnel are unable to achieve desired productivity levels in a reasonable period of time, or if we fail to select appropriate marketing channels and our sales and marketing programs are not effective, our ability to broaden our customer base and achieve broader market acceptance of our platform and products could be harmed. In addition, the investments we make in our sales and marketing organization will occur in advance of experiencing benefits from such investments, making it difficult to determine in a timely manner if we are efficiently allocating our resources in these areas.

Market adoption of a broad multi-service capital markets platform for all market stakeholders is relatively new and unproven and may not grow as we expect, which may harm our business and results of operations and even if market demand increases, the demand for our platform may not increase.

We believe our future success will depend in part on the growth, if any, in the demand for a broad capital markets communication platform. The widespread adoption of our platform depends not only on strong demand for new forms of capital markets communications products, but also for solutions delivered via a SaaS business model in particular. It is difficult to predict customer demand for our platform, customer adoption and renewal, the rate at which existing customers expand their engagement with our platform, the size and growth rate of the market for our platform, the entry of competitive products into the market, or the success of existing competitive products. Furthermore, even if businesses want to adopt a cloud-based capital markets communication platform, it may take them a long time to fully transition to this type of solution or they could be delayed due to budget constraints, weakening economic conditions, or other factors. Some businesses may also have long-term contracts with existing vendors and cannot switch in the short term. Even if market demand for cloud-based capital markets communications platforms generally increases, we cannot assure you that adoption of our platform and products will also increase. If the market for cloud-based capital markets communications platforms does not grow as we expect or our platform does not achieve widespread adoption it could result in reduced customer spending, customer attrition, and decreased revenue, any of which would adversely affect our business and results of operations.

If customer information or data is disclosed prematurely or otherwise obtained, whether due to a breach of our security measures or other unauthorized access, our platform may be perceived as insecure, we may lose existing customers or fail to attract new customers, our reputation may be harmed, and we may incur significant liabilities.

We host and transmit significant information on behalf of our customers and routinely have access to material non-public information regarding our corporate customers before its dissemination to the markets. Premature access to this information, whether due to a security breach, unauthorized access or inadvertence, could have a material adverse effect on our public company customers. Any such disclosure could result in material liabilities, including civil liabilities or statutory liabilities and penalties, or perceived reputational concerns regarding our ability to securely maintain customer information prior to its public dissemination. Further, an actual or perceived instance of premature disclosure affecting one of our customers, even if no information is compromised, may adversely affect the market perception of our security measures and we could lose potential sales and existing customers, all of which could have a material adverse effect on our business, operations and results from operations.

We operate in an industry that is prone to cyber-attacks and the safety and privacy of our customers' information is essential to their use of our platform, which stores, transmits and processes our customers' proprietary information. Unauthorized access use or disclosure to, or other security breaches of (including malware attacks), our platform or the other systems or networks used in our business, including those of our vendors, contractors, or those with whom we have strategic relationships, could result in the loss, compromise, unavailability or corruption of data, loss of business, reputational damage adversely affecting customer or investor confidence, regulatory and governmental investigations and orders, media inquiries and coverage, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or

regulations, significant costs for remediation, and other liabilities. We maintain insurance coverage, but this coverage may be insufficient to compensate us for all liabilities that we may incur.

Our platform and the other systems or networks used in our business are also at risk for breaches as a result of third-party action, or employee, vendor, or contractor error or malfeasance. We have incurred and expect to continue to incur significant expenses to prevent security breaches in our internal networks and our platform, including deploying additional personnel and protection technologies, training employees and engaging third-party experts and consultants. However, since the techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not identified until after they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period and, therefore, have a greater impact on our platform, the proprietary and other confidential data contained therein or otherwise stored or processed in our operations, and ultimately on our business.

Moreover, our platform could be breached if vulnerabilities in our platform are exploited by unauthorized third parties or due to employee error, malfeasance, or otherwise. Further, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as usernames, passwords or other information or otherwise compromise the security of our internal networks, electronic systems and/or physical facilities in order to gain access to our data or our customers' data. Since techniques used to obtain unauthorized access change frequently and the size and severity of distributed denial of service ("DDoS") attacks and security breaches are increasing, we may be unable to implement adequate preventative measures or stop DDoS attacks or security breaches while they are occurring. Although we retain service providers whose services are designed to protect and defend our platform against DDoS and other security incursions, there can be no certainty that their services will be effective in protecting any such activities.

If a security breach were to occur, as a result of third-party action, employee error, malfeasance, or otherwise, and the confidentiality, integrity or availability of our customers' data was disrupted, we could incur significant liability to our customers, and our platform may be perceived as less desirable, which could negatively affect our business and damage our reputation.

In addition to our own platform, some of the third parties we work with, including service providers we use and other services used by our customers, may receive information provided by us or by our customers through web or mobile applications integrated with Q4. If these third parties fail to adhere to adequate data security practices, or in the event of a breach of their networks, our own and our customers' data may be improperly accessed, used or disclosed. Even if such a failure or breach is unrelated to our own action or inaction, an incident could negatively affect our business and damage our reputation.

Any actual or perceived DDoS attack or security breach could damage our reputation and brand, expose us to a risk of litigation and possible liability and require us to expend significant capital and other resources to respond to and/or alleviate problems caused by the DDoS attack or security breach. Some jurisdictions have enacted laws requiring companies to notify individuals, regulators or other organizations of data security breaches involving certain types of personal data and our agreements with certain customers and partners require us to notify them in the event of a security incident. Such mandatory disclosures are costly, could lead to negative publicity, and may cause our customers to lose confidence in the effectiveness of our data security measures. Moreover, if a high profile security breach occurs with respect to another Software-as-a-Service ("SaaS") provider, customers may lose trust in the security of the SaaS business model generally, which could adversely impact our ability to retain revenue from existing customers or attract new ones. Any of these events could harm our reputation or subject us to significant liability, and materially and adversely affect our business and financial results.

Privacy, data protection, and information security concerns and data collection and transfer restrictions and related domestic or foreign regulations, may limit the use and adoption of our platform and adversely affect our business.

Use of our platform involves the storage, transmission, and processing of data and confidential information from our partners, customers and their employees or other personnel, including certain personal or individually identifying information. While we have access to the content that our corporate customers upload and store on our platform, we neither control nor review the content uploaded by our customers and,

therefore, we do not control the substance of the content hosted within our platform, which may include personal and confidential information. Additionally, we use third-party service providers to help us deliver services to our customers and their clients. These service providers may store personal information and other confidential information. We may in the future experience successful attempts by third parties to obtain unauthorized access to the confidential information of our partners, our customers and our customers' consumers, and events or situations as a result of which this information was or could be exposed through human error, malfeasance or otherwise. The unauthorized or inadvertent release or access, or other compromise of this information could have a material adverse effect on our business, financial condition and results of operations. Even if such a data breach were to affect one or more of our competitors or our customers' competitors, rather than us, the resulting consumer concern could negatively affect our customers and/or our business.

Personal privacy, information security and data protection are significant issues in North America, Europe and many other jurisdictions where we offer our platform. The regulatory framework governing the collection, processing, storage and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations and/or contractual obligations may adversely affect our business.

The Canadian federal and various provincial and territorial and foreign governments have adopted or proposed requirements regarding the collection, distribution, use, security and storage of personally identifiable information and other data relating to individuals, including the Personal Information Protection and Electronic Documents Act (Canada), the proposed adoption of the Consumer Privacy Protection Act and the Personal Information and Data Protection Tribunal Act, as well as federal and provincial and territorial consumer protection laws. These frameworks govern the online collection, use and dissemination of data. Some of these requirements include obligations of companies to notify individuals, regulators or other organizations of security breaches involving particular personal information, which could result from breaches experienced by us or by our vendors, contractors, or organizations with which we have formed strategic relationships. Existing and proposed legislation includes material penalties for breaches. Even though we may have contractual protections with such vendors, contractors, or other organizations, notifications and follow-up actions related to a security breach could impact our reputation, cause us to incur significant costs, including legal expenses, harm customer confidence, hurt our expansion into new markets, cause us to incur remediation costs, or cause us to lose existing customers.

Further, many foreign countries and governmental bodies, including the United States and European Union ("EU"), where we conduct business, have laws and regulations concerning the collection and use of personal data obtained from their residents or by businesses operating within their jurisdictions. These laws and regulations can be more restrictive than those in Canada. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, Internet Protocol ("IP"), addresses. The policies and frameworks we use to comply with these laws may be subject to legal challenge by data protection authorities, and we may experience reluctance or refusal by European customers to use our platform due to potential risk exposure created by transferring personal data from Europe. We and our customers face a risk of enforcement actions taken by European data protection authorities regarding data transfers from Europe.

The European General Data Protection Regulations 2016/679 ("**GDPR**") took effect on May 25, 2018. The GDPR applies to any company established in the EU as well as to those outside the EU if they collect and use personal data through the provision of goods or services to individuals in the EU or monitor their behavior. The GDPR enhances data protection obligations of businesses and provides direct legal obligations for service providers processing personal data on behalf of customers, including with respect to cooperation with European data protection authorities, implementation of security measures and keeping records of personal data processing activities. Separate EU laws and regulations (and member states' implementations thereof) govern the protection of consumers and of electronic communications.

States in the United States are also implementing statutory regimes, such as the California Consumer Protection Act ("**California CCPA**"), which came into effect on January 1, 2020. The California CCPA applies to companies doing business in California and collect personal data that satisfy certain quantifiable thresholds. Companies falling under the regulation of the California CCPA are required to implement and maintain

reasonable security procedures and practices in the protection of personal data, which include data protection obligations, security measures and data breach notification requirements that closely mirror those of GDPR.

These statutes provide for material penalties for breaches of the frameworks.

We also expect that there will continue to be new proposed laws, regulations, and industry standards concerning privacy, data protection, and information security in the United States, the EU, and other jurisdictions. We cannot determine the impact such future laws, regulations, and standards may have on our business. Such laws and regulations are often subject to differing interpretations and may be inconsistent among jurisdictions. These and other requirements could reduce demand for our platform, increase our costs, impair our ability to grow our business, or restrict our ability to store and process data or, in some cases, impact our ability to offer our platform in some locations and may subject us to liability. Further, in view of new or modified federal, provincial, state, or foreign laws and regulations, industry standards, contractual obligations, and other legal obligations, or any changes in their interpretation, we may find it necessary or desirable to fundamentally change our business activities and practices or to expend significant resources to modify our platform and otherwise adapt to these changes. We may be unable to make such changes and modifications in a commercially reasonable manner, or at all, and our ability to develop new features could be limited.

The costs of compliance with and other burdens imposed by laws, regulations, and standards may limit the use and adoption of and reduce overall demand for our platform, or lead to significant fines, penalties, or liabilities for any noncompliance. Privacy, information security and data protection concerns, actual and perceived, may inhibit market adoption of our platform, particularly in certain industries and foreign countries.

Our failure to comply with legal or contractual requirements around the security of personal information could lead to significant fines and penalties imposed by regulators, as well as claims by our partners, our customers and their consumers, our employees or other relevant stakeholders. These proceedings or violations could force us to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or injunctive relief, diversion of management's time and attention, increase our costs of doing business, and materially adversely affect our reputation and the demand for our platform and products.

Our growth depends in part on the success of our relationships with strategic partners and third party vendors and suppliers.

We anticipate that the growth of our business will continue to depend on third-party relationships, including relationships with our suppliers, app developers, theme designers and other third party technology partners and services providers (“**channel partners**”) as referral sources.

Identifying the proper channel partners with which we partner will be essential to our growth strategy. Negotiating and documenting relationships with appropriate channel partners will require significant time and resources, as will integrating third-party content and technology. Our agreements with other channel partners may not prohibit them from working with our competitors or from offering competing services. Our competitors may be effective in providing incentives to third party channel partners to favour their products or services or to prevent or reduce subscriptions to our platform and products. In addition, these partners and providers may not perform as expected under our agreements, and we may in the future have disagreements or disputes with such partners and providers, which could negatively affect our brand and reputation. A global economic slowdown and other factors could also adversely affect the businesses of our channel partners, and it is possible that they may not be able to devote the resources we expect to the relationship. If we are unsuccessful in establishing or maintaining our relationships with these third parties, or if a channel partner refuses to partner with us, terminates or limits or restricts access to our offerings, our ability to compete in the marketplace or to grow our revenue could be impaired or grow less quickly than expected and our operating results could suffer. Even if we are successful, there can be no assurance that these relationships will result in improved operating results.

Identifying, negotiating and documenting relationships with third party vendors and suppliers requires significant time and resources as does integrating third-party technology. Our agreements with providers of cloud hosting, technology, and consulting services are typically non-exclusive and do not prohibit such service

providers from working with our competitors or from offering competing services. Certain components of our platform may also be dependent on the integration of certain third party technology or services that are critical to the success of the platform. These third-party providers may choose to raise the prices charged to us or terminate their relationship with us or to make material changes to their businesses, products or services in a manner that is adverse to us.

Third-party developers may also change the features of their offering of applications and themes or alter the terms governing the use of their offerings in a manner that is adverse to us. If third-party applications and themes change such that we do not or cannot maintain the compatibility of our platform with these applications and themes, or if we fail to provide third-party applications and themes that our customers desire to add to their businesses, demand for our platform could decline. If we are unable to maintain technical interoperation, our customers may not be able to effectively integrate our platform with other systems and services they use. We may also be unable to maintain our relationships with certain third-party vendors if we are unable to integrate our platform with their offerings. In addition, third-party developers may refuse to partner with us or limit or restrict our access to their offerings. Such changes could functionally limit or terminate our ability to use these third-party offerings with our platform, which could negatively impact our product offerings and harm our business. If we fail to integrate our platform with new third-party offerings that our customers need for their businesses, or to adapt to the data transfer requirements of such third-party offerings, we may not be able to offer the functionality that our customers and their clients expect, which would negatively impact our offerings and, as a result, harm our business.

Further, our competitors may effectively incentivize third-party developers to favor our competitors' products or services, which could diminish our prospects for collaborations with third-parties and reduce subscriptions to our platform. In addition, providers of third-party offerings may not perform as expected under our agreements and we may in the future have disagreements or disputes with such providers. If any such disagreements or disputes cause us to lose access to products or services from a particular supplier, or lead us to experience a significant disruption in the supply of products or services from a current supplier, especially a single-source supplier, they could have an adverse effect on our business and operating results.

Our growth could be adversely affected if we fail to execute our growth strategy.

Our revenue and growth are dependent, in part, on our ability to retain existing customers, to recruit new customers and to sell them additional products and services. Our ability to execute this aspect of our growth strategy will depend on a variety of factors, including:

- our ability to expand our customer base;
- continued strength in the capital markets and demand for public companies
- our ability to support growth of existing customers;
- our ability to enhance our platform;
- our ability to selectively pursue acquisitions;
- customer willingness to accept any price increases;
- the quality and perceived value of our platform and our service offerings by our customers;
- effective sales and marketing efforts with respect to existing customers;
- our speed to market and avoidance of difficulties or delays in development of new products and services;
- the successful implementation of products and services; and
- the regulatory needs and requirements facing us and our existing customers.

Our inability to retain existing customers, sell those customers additional products and services, or successfully develop and implement new and enhanced products and services and, accordingly, increase our revenues, could adversely affect our future results of operations.

There can be no assurance that we can successfully achieve any or all of the above initiatives in the manner or time period that we expect. Further, achieving these objectives will require investments which may

result in short-term costs without generating any current revenue and therefore may be dilutive to our earnings. We cannot provide any assurance that we will realize, in full or in part, the anticipated benefits we expect our strategy will achieve. The failure to realize those benefits could have a material adverse effect on our business, financial condition and results of operations.

Any failure to offer high-quality customer support and a high level service experience may harm our relationships with our customers and our results of operations.

Our customers depend on our customer support teams to resolve technical and operational issues if and when they arise. We may engage third parties to provide certain services on our behalf. We or a third party partner are unable to respond quickly enough to accommodate short-term increases in customer demand for customer support. Customer demand for support may also increase as we expand the features and products available on our platform. Increased customer demand for customer support, without corresponding revenue, could increase costs and harm our results of operations. As we continue to expand our customer base, we need to be able to provide efficient and effective customer support that meets our customers' needs and expectations globally at scale. The number of our customers has grown significantly, which puts additional pressure on our support organization. In order to meet these needs, we have relied in the past and will continue to rely on self-service customer support to resolve common or frequently asked questions, which supplement our customer support teams. We may face unexpected service outages. Any extended service outages could also adversely affect our reputation, which would also impact our future revenue and operating results. Our customers depend on our customer success organization to resolve technical issues relating to our services. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services. Increased customer demand for these services, without corresponding revenue, could increase costs and adversely affect our operating results. Our customers' loyalty, likelihood to expand the products that they use with us and the likelihood to recommend us is dependent upon our ability to provide a service experience that meets or exceeds our customers' expectations and that is differentiated from our competitors. If we or a third party partner are unable to provide efficient and effective customer support globally at scale including through the use of self-service support, our ability to grow our operations may be harmed and we may need to hire or onboard additional support personnel, which could harm our margins and results of operations. Our sales are highly dependent on our business reputation and on positive recommendations from our existing customers. If we are unable to maintain a consistently high level of customer service and support, or a market perception that we or a third party partner do not maintain high-quality customer service and support, this could harm our reputation, our ability to sell our platform to existing and prospective customers, our customers could choose not to use our platform and products, could terminate their existing subscription agreements or request reimbursements or credits. Should any of those events occur, our business, results of operations, and financial condition would be negatively impacted.

In addition, the corporate sustainability and social purpose activities in which we are involved also assist us in attracting and retaining customers. The corporate sustainability and social purpose activities that we are involved in are important to our company and are a part of our culture, and thus it is also becoming a differentiating factor for customers in selecting a service provider. More and more companies, including many of our customers, are demanding that their service providers embody corporate sustainability and social purpose goals that reflect their own brand image and are consistent with the ones their clients and other stakeholders have adopted. If we are unable to meet or exceed the evolving expectations of our customers in these areas or implement high quality corporate sustainability and social purpose activities on a timely basis, and effectively communicate them to our customers, our reputation may suffer, which may negatively impact our ability to attract new and retain existing customers.

Our growth strategy depends, in part, on completing acquisitions. Undertaking acquisitions could divert our management's attention or result in dilution to our shareholders. We may not successfully be able to identify, consummate or integrate acquisitions of other companies or technologies, which could disrupt our operations and harm our results of operations.

We may, in the future, pursue acquisitions of complementary businesses, technologies and services or seek to invest in businesses, people or technologies that we believe could be accretive, complement or expand our platform or otherwise offer growth opportunities. This strategy depends on our ability to find suitable acquisitions. The identification of suitable acquisition candidates can be difficult, time consuming and costly

and we may not be able to complete acquisitions successfully. If we are unable to acquire suitable acquisition candidates, we may experience slower growth.

Additionally, the pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses, including in identifying, investigating and pursuing acquisitions, whether or not any such acquisitions are ultimately consummated. Further, even if we successfully complete acquisitions, any integration process may result in unforeseen operating difficulties and require significant time and resources and, although we have been successful in the past, we may not be able to integrate the acquired personnel, operations, and technologies successfully or effectively manage the combined business in connection with any future acquisition. We may also not achieve the anticipated benefits from the acquired business due to a number of factors, including, among others:

- costs or liabilities associated with the acquisition;
- diversion of management's attention from other business concerns;
- inability to integrate or benefit from acquired content, technologies, or services in a profitable manner;
- harm to our existing relationships with customers as a result of the acquisition;
- difficulty integrating the accounting systems, operations and personnel of the acquired business;
- difficulty converting the customers of the acquired business onto our platform and contract terms;
- the potential loss of key employees;
- the possibility of adverse tax consequences;
- regulatory constraints associated with the acquisition that may impact our strategy and/or operations;
- in the case of an acquisition, retention and integration of employees from the acquired company and preservation of our corporate culture;
- litigation or other claims arising in connection with the acquired company or investment;
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries;
- use of resources that are needed in other parts of our business; and
- the use of substantial portions of our available cash or equity to consummate the acquisition.

Our profitability may be impacted by gains or losses on any sales of businesses, or lost operating income or cash flows from such businesses. In addition, if our acquisitions do not yield expected returns in the future, we may be required to take charges for the write-down or impairment of amounts related to goodwill and intangible assets which could negatively impact our results of operations. We may issue additional equity securities in connection with any future acquisitions that would dilute our existing shareholders, use cash that we may need in the future to operate our business, incur debt on terms unfavorable to us or that we are unable to pay, incur large charges or substantial liabilities, and become subject to adverse tax consequences, substantial depreciation or deferred compensation charges. These challenges could adversely affect our business, financial conditions, results of operations and prospects.

We might require additional capital to support our growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue making investments to support our growth and from time to time, we may require additional funds to respond to fund our growth, enhance our platform, respond to competitive pressures and business challenges or make acquisitions or other investments, including the need to develop new features or enhance our existing platform or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common shares. The terms of our Credit Agreement involve, and any debt financing secured

by us in the future could involve, restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our growth and to respond to business challenges could be significantly impaired.

If we fail to effectively manage our growth, our business and results of operations could be harmed.

We have experienced, and may continue to experience, rapid growth and organizational change, which has placed, and may continue to place, significant demands on our management and our administrative, operational and financial resources. In addition, we operate globally and have employees in Canada, the United States, the United Kingdom and Denmark. We plan to continue to expand our operations into other countries in the future, which will place additional demands on our resources and operations. Additionally, we continue to increase the breadth and scope of our platform and our operations.

The scalability and flexibility of our platform depends on the functionality of our technology and network infrastructure and its ability to handle increased traffic and demand for bandwidth. The growth in the number of customers using our platform and the number of requests processed through our platform has increased the amount of data that we process. Any problems with the transmission of increased data and requests could result in harm to our brand or reputation. Moreover, as our business grows, we will need to devote additional resources to improving our operational infrastructure and continuing to enhance its scalability in order to maintain the performance of our platform.

To support this growth and to manage any future growth effectively, we must continue to improve our IT and financial infrastructures, our operating and administrative systems and our ability to manage headcount, capital, and internal processes in an efficient manner. We have grown from 141 employees at the end of 2018 to over 500 employees as at June 30, 2021. We intend to further expand our overall business, including headcount, with no assurance that our revenues will continue to grow. As we continue to grow, so does the size of our customers. The increased resources required to service these large customers may cause us to divert resources away from our existing customers, which may have an adverse impact on our ability to maintain existing customers and our results of operations. Our organizational structure is also becoming more complex as we grow our operational, financial, and management infrastructure and we must continue to improve our internal controls as well as our reporting systems and procedures. We intend to continue to invest to expand our business, including investing in technology and sales and marketing operations, hiring additional personnel, improving our internal controls, reporting systems and procedures and upgrading our infrastructure. These investments will require significant capital expenditures and the allocation of management resources, and any investments we make will occur in advance of experiencing the benefits from such investments, making it difficult to determine in a timely manner if we are efficiently allocating our resources. If we do not achieve the benefits anticipated from these investments, or if the achievement of these benefits is delayed, our results of operations may be adversely affected.

Furthermore, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage such growth effectively. In managing our growing operations, we are also subject to the risks of over-hiring and/or overcompensating our employees and over-expanding our operating infrastructure. As a result, we may be unable to manage our expenses effectively in the future, which may negatively impact our gross profit or operating expenses.

We may be unable to achieve or maintain data transmission capacity or our technology may experience unexpected issues resulting in downtime or disruption of services for our customers.

We host shareholder meetings, investor presentations, earnings calls and other events that may draw a significant number of customers and market participants over short periods of time, which may significantly increase the traffic and volume of transactions processed on our platform. Our servers may be unable to achieve or maintain data transmission capacity high enough to handle increased traffic or process orders in a timely manner. Our failure to achieve or maintain high data transmission capacity could significantly reduce demand for our platform and solutions. Further, as we continue to attract larger customers, the volume of transactions processed on our platform will increase. In the future, we may be required to allocate resources,

including spending substantial amounts of money, to expand and, upgrade our technology and network infrastructure in order to handle the increased load. Our ability to deliver our solutions also depends on the development and maintenance of internet infrastructure by third parties, including by our cloud service provider. Such development and maintenance includes the maintenance of reliable networks with the necessary speed, data capacity and bandwidth. If one of these third parties suffers from capacity constraints, our business may be adversely affected.

If we cannot maintain our corporate culture as we grow, we could lose the innovation, teamwork, passion, and focus on execution that we believe contribute to our success and our business may be harmed.

We believe that an important contributor to our success has been our corporate culture. We believe our culture and common values foster innovation, teamwork and passion for our customers and a focus on attractive design and technologically advanced and well-crafted software. As a result of our rapid growth, our average employee tenure is only two years. As we continue to grow and develop the infrastructure of a public company, we must effectively integrate, develop and motivate a growing number of new employees. In addition, we must preserve our ability to execute quickly in further developing our platform and implementing new features and initiatives. As a result, we may find it difficult to maintain our corporate culture and values across our workforce, which could limit our ability to innovate and operate effectively. Any failure to preserve our culture could also negatively affect our ability to recruit and retain personnel, to continue to perform at current levels or to execute on our business strategy effectively and efficiently.

Regulatory requirements placed on our products and services could impose increased costs on us, delay or prevent our introduction of new products and services, and impair the function or value of our existing products and services.

Our products and services are subject to various regulatory requirements. We may be subject to anti-spam laws, regulations and policies that may be subject to high penalties for non-compliance. In Canada, the regulatory authority responsible for enforcement of Canada's anti-spam legislation ("CASL") has issued a bulletin that signals broad potential liability for electronic intermediaries (such as hosting providers and SaaS providers) for failing to take sufficient steps to stop third parties from using intermediary services and facilities to violate CASL, including prohibitions on sending electronic marketing messages or installing computer programs without consent. In the United States, The Controlling the Assault of Non-Solicited Pornography And Marketing Act of 2003 ("CAN-SPAM") regulates the usage of commercial email. In Europe, the GDPR regulates certain activities associated with the data components of our products and services.

Our business may become subject to increasing regulatory requirements and, as these requirements proliferate, we may be required to change or adapt our products and services to comply. Changing regulatory requirements might render our products and services obsolete or might block us from developing new products and services. This might in turn impose additional costs upon us to comply or to further develop our products and services. It might also make introduction of new products and services more costly or more time-consuming than we currently anticipate and could even prevent introduction by us of new products or services or cause the continuation of our existing products or services to become more costly. Accordingly, such regulatory requirements and penalties could have a material adverse effect on our business, financial condition, and results of operations.

If we fail to retain key employees or to recruit qualified technical and sales personnel, our business could be harmed.

We believe that our success depends on the continued employment of our senior management and other key employees, particularly our senior management team, including Darrell Heaps. In addition, because our future success is dependent on our ability to continue to enhance and introduce new platform features and products, we are heavily dependent on our ability to attract and retain qualified personnel with the requisite education, background, and industry experience. As we expand our business, our continued success will also depend, in part, on our ability to attract and retain qualified sales, marketing and operational personnel capable of supporting a larger and more diverse customer base. The loss of the services of a significant number of our technology or sales personnel could be disruptive to our development efforts or customer relationships. In addition, if any of our key employees joins a competitor or decides to otherwise compete with us, we may

experience a material disruption of our operations and business strategy, which may cause us to lose customers or increase operating expenses and may divert our attention as we seek to recruit replacements for the departed employees.

If we are unable to hire, retain and motivate qualified personnel, our business will suffer.

We operate in an industry with growing competition for top talent. The COVID-19 pandemic accelerated this competition with more companies hiring remotely and salaries rising. We may struggle to pay competitive rates, to attract top talent or our margins may decline due to higher salaries.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel, specifically employees with technical and engineering skills and employees with high levels of experience in designing and developing software and internet-related services. Our ability to identify, hire, develop, motivate and retain qualified personnel will directly affect our ability to maintain and grow our business, and such efforts will require significant time, expense and attention. The inability to attract or retain qualified personnel or delays in hiring required personnel may seriously harm our business, financial condition and operating results. Competition for highly skilled personnel in the geographic areas in which we operate can be intense due in part to the more limited pool of qualified personnel as compared to other places in the world. As we become a more mature company, we may find our recruiting efforts more challenging. The incentives to attract, retain, and motivate employees provided by our equity incentive awards, or by other compensation arrangements, may not be as effective as in the past. The cost of hiring highly skilled personnel in our industry is increasing, and this may have an adverse effect on our recruiting efforts. Our recruiting efforts may also be limited by laws and regulations, such as restrictive immigration laws, and restrictions on travel or availability of visas (including during the ongoing COVID-19 pandemic). Further, increases in the Canadian dollar or the Euro relative to the U.S. dollar and other currencies could make it more difficult for us to offer compensation packages to new employees that are competitive with packages in the United States or elsewhere and could increase our costs of acquiring qualified personnel.

In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or have divulged proprietary or other confidential information. While we intend to issue Options or other equity Awards as key components of our overall compensation and employee attraction and retention efforts, we are required under IFRS to recognize compensation expense in our operating results for employee share-based compensation under our equity incentive programs which may increase the pressure to limit share-based compensation.

We rely upon SaaS and other technologies from third parties to operate our business, and interruptions or performance problems with these technologies may adversely affect our business and results of operations.

We rely on hosted SaaS applications and other technology from third parties in order to operate critical functions of our business, including platform delivery, enterprise resource planning, customer relationship management, billing, project management, and accounting and financial reporting. If these services become unavailable due to extended outages, interruptions or because they are no longer available on commercially reasonable terms, our expenses could increase, our ability to manage finances could be interrupted, and our processes for managing sales of our platform and supporting our customers could be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could adversely affect our business.

If we fail to manage our hosting network infrastructure capacity, our existing customers may experience service outages and our new customers may experience delays in accessing our platform.

We host our platform on data centers provided by several providers of cloud infrastructure services. Our operations depend on the virtual cloud infrastructure hosted by third parties as well as the information stored in these virtual data centers and which third-party internet service providers transmit. Although we have disaster recovery plans that utilize multiple locations, any incident affecting their infrastructure that may be caused by fire, flood, severe storm, earthquake, power loss, telecommunications failures, unauthorized intrusion, computer viruses, disabling devices, natural disasters, war, criminal act, military actions, terrorist attacks and other similar events beyond our control could negatively affect the availability and reliability of our platform. A prolonged hosting service disruption affecting our platform for any of the foregoing reasons or the termination of our relationship with one or more hosting service providers could damage our reputation

with current and potential customers, expose us to liability, cause us to lose customers, or otherwise harm our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the hosting services we use.

We have experienced significant growth in the number of customers, transactions, and data that our hosting infrastructure supports. We seek to maintain sufficient excess capacity in our hosting network infrastructure to meet the needs of all of our customers. However, the provision of new hosting infrastructure may require significant lead time and resources. If we do not accurately predict our infrastructure capacity requirements, our existing customers may experience service outages that may adversely impact our results of operations and lead to customer losses. If our hosting infrastructure capacity fails to keep pace with increased sales, customers may experience delays as we seek to obtain additional capacity, which could harm our reputation and adversely affect our revenue growth.

Our quarterly and annual results of operations may vary significantly and may be difficult to predict. If we fail to meet the expectations of investors or securities analysts, our share price and the value of your investment could decline.

Our quarterly and annual revenues and results of operations have fluctuated significantly in the past and may vary significantly in the future due to a variety of factors, many of which are outside of our control. Our financial results in any one quarter should not be relied upon as indicative of future performance. We may not be able to accurately predict our future revenues or results of operations. Factors that may cause fluctuations in our quarterly results of operations include, but are not limited to, those listed below:

- fluctuations in the demand for our services and products on our platform, and the timing of sales, particularly larger subscriptions;
- our ability to attract new customers or retain existing customers;
- changes in customer renewal rates and our ability to increase sales to our existing customers;
- seasonality in our business, the seasonal buying patterns of our customers and the mix of customers and products sold during a period;
- the budgeting cycles and internal purchasing priorities of our customers;
- the payment terms and subscription term length associated with our platform sales and their effect on our revenues and free cash flow;
- our ability to anticipate or respond to changes in the competitive landscape, including consolidation among competitors;
- the timing of expenses and recognition of revenue;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations and infrastructure;
- the timing and success of new product feature and service introductions by us or our competitors;
- network outages or actual or perceived security breaches, including cyber security breaches;
- changes in laws and regulations that impact our business; and
- general economic and market conditions.

If our revenues or results of operations fall below the expectations of investors or securities analysts in a particular quarter, or below any guidance that we may provide, the price of our common shares could decline. Due to the foregoing factors and the other risks discussed in this prospectus, you should not rely on quarter-to-quarter comparisons of our results of operations as an indication of our future performance.

Our sales cycles can be unpredictable and our sales efforts require considerable time and expense. As a result, the timing of our revenue is difficult to predict and may vary substantially from period to period, which may cause our results of operations to fluctuate significantly.

Our results of operations may fluctuate, in part, because of the resource intensive nature of our sales efforts, the length and variability of our sales cycle, and difficulty in adjusting our operating expenses in the

short term. The length of our sales cycle, from identification of the opportunity to delivery of access to our platform, can vary from customer to customer, with sales to larger businesses typically taking longer to complete. In addition, as we increase our enterprise sales to larger businesses, we face longer more complex customer requirements and substantial upfront sales costs. With larger businesses, the decision to subscribe to our platform and platform products frequently requires the approvals of multiple management personnel and more technical personnel than would be typical of a smaller organization and, accordingly, sales to larger businesses may require us to invest more time educating these potential customers. Purchases by larger businesses are also frequently subject to budget constraints and unplanned administrative, processing, and other delays, which means we may not be able to come to agreement on the terms of the sale to larger businesses.

To the extent our competitors develop products that our prospective customers view as equivalent or superior to our platform, our average sales cycle may increase. Additionally, if a key sales member leaves our employment or if our primary point of contact at a customer or potential customers leaves his or her employment, our sales cycle may be further extended or customer opportunities may be lost. As a result of the buying behavior of enterprises and the efforts of our sales force and partners to meet or exceed their sales objectives by the end of each fiscal quarter, we may generate a substantial portion of billings towards the end of each fiscal quarter. These transactions may not close as expected or may be delayed in closing. The unpredictability of the timing of customer purchases, particularly large purchases, could cause our billings and revenue to vary from period to period or to fall below expected levels for a given period, which will adversely affect our business, results of operations, and financial condition.

We recognize revenue from subscriptions over the term of our customer contracts, and as such our reported revenue may differ significantly in a given period, and our revenue in any period may not be indicative of our financial health and future performance.

We report revenue as both subscription revenue and service revenue. Revenue is recognized when, or as, performance obligations are satisfied by transferring control or economic benefit of the service to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for its services. We recognize revenue from subscriptions ratably over the subscription term of the underlying customer contract, commencing when a customer's website is publicly launched. Revenue derived from initial services contracts are recognized over the term of the contract, whereas revenue from services provided after the initial implementation is recognized in the period the work was completed. Payment for services is typically received upfront upon the effective date of the customer contract. As a result, much of the revenue we report each quarter is derived from contracts that we entered into with customers in prior periods. Consequently, a decline in new or renewed subscriptions in any quarter will not be fully reflected in revenue or other results of operations in that quarter but will negatively affect our revenue and other results of operations across future quarters. It is difficult for us to rapidly increase our revenue from additional subscription sales in a given period. Any increases in the average term of subscriptions would result in revenue for those contracts being recognized over longer periods of time with less positive impact on our results of operations in the near term. Accordingly, our revenue in any given period may not be an accurate indicator of our financial health and future performance.

We have incurred operating losses and negative cash flows in the past and may incur operating losses and negative cash flows in the future.

We have experienced net losses and negative cash flows from operations. As of December 31, 2020, we had an accumulated deficit of approximately \$67.6 million. We expect our operating expenses to increase in the future as we expand our operations. Furthermore, as a public company, we will incur legal, accounting and other expenses that we did not incur as a private company. If our revenue does not grow to account for our growth expenditures, we will not be profitable. We cannot assure you that we will be able to achieve or maintain profitability. You should not consider recent revenue growth as indicative of our future performance.

If we fail to develop, maintain, and enhance our brand and reputation cost-effectively, our business and financial condition may be adversely affected.

We believe that developing, maintaining, and enhancing awareness and integrity of our brand and reputation in a cost-effective manner are important to achieving widespread acceptance of our platform and

the products we offer and are important elements in maintaining existing customers and attracting new customers. We believe that the importance of our brand and reputation will increase as competition in our market further intensifies. Successful promotion of our brand will depend on the effectiveness of our marketing efforts, our ability to provide a reliable and useful platform at competitive prices, the perceived value of our platform, and our ability to provide quality customer support. Brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in building and maintaining our brand and reputation. If we fail to promote and maintain our brand successfully or to maintain loyalty among our customers, or if we incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to retain our existing customers and partners or attract new customers and partners and our business and financial condition may be adversely affected. Any negative publicity relating to our employees, partners, or other parties associated with us or them, may also tarnish our own reputation simply by association and may reduce the value of our brand. Damage to our brand and reputation may result in reduced demand for our platform and increased risk of losing market share to our competitors. Any efforts to restore the value of our brand and rebuild our reputation may be costly and may not be successful.

We receive media coverage globally. Any unfavorable media coverage or negative publicity about our industry or our company, including, for example, publicity relating to the quality and reliability of our platform, our privacy and security practices, our product changes, litigation, regulatory activity, or the actions of our partners or our customers, could seriously harm our reputation. Such negative publicity could also adversely affect the size, demographics, engagement, and loyalty of our customers and result in decreased revenue, which could seriously harm our business. Critics of our industry, and others who may want to pursue an agenda have in the past and may in the future utilize the internet, the press and other means to publish criticisms of our industry, our company and our competitors, or make allegations regarding our business and operations, or the business and operations of our competitors. We or others in our industry may receive similar negative publicity or allegations in the future, and it could be costly, time consuming, distracting to management, cause fluctuations in the market price of our common shares and harm our business and reputation.

The estimates of market opportunity and growth forecasts included in this prospectus may prove to be inaccurate and may not be indicative of our future growth.

The estimates of market opportunity included in this prospectus may prove to be inaccurate and may not be indicative of our future growth. Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. While our estimate of the total addressable market included in this prospectus was made in good faith and is based on assumptions and estimates we believe to be reasonable, this estimate may not prove to be accurate. Further, even if the estimates of our market opportunity do prove to be accurate, we could fail to capture a significant portion, or any portion, of the available market. For more information regarding the estimates of market opportunity and the forecasts of market growth included in this prospectus, see “Our Business”.

We believe our long-term success depends in part on continuing to expand our international sales and operations and we are therefore subject to a number of risks associated with international sales and operations.

Our focus is currently on the capital markets in North America, the United Kingdom, certain Scandinavian countries and Central Europe. We intend to continue expanding our international operations into other regions with developed capital markets systems, including Western Europe, Australia, Asia and South America. In order to maintain and expand our sales internationally, we need to hire and train experienced personnel to staff and manage our foreign operations. To the extent that we experience difficulties in recruiting, training, managing, and retaining international staff, and specifically sales and marketing personnel, we may experience difficulties in growing our international sales.

Additionally, our international sales are subject to a number of risks, including, but not limited to, the following:

- unexpected costs and errors in tailoring our products for individual markets, including translation into foreign languages and adaptation for local practices;

- low brand recognition;
- difficulties in adapting to customer desires due to language and cultural differences;
- new and different sources of competition;
- increased financial accounting and reporting burdens and complexities;
- increased expenses associated with international sales and operations, including establishing and maintaining office space and equipment for our international operations;
- lack of familiarity and burdens of complying with foreign laws, legal standards, privacy standards, regulatory requirements, tariffs, and other barriers;
- greater difficulty in enforcing contracts and accounts receivable collection and longer collection periods;
- practical difficulties of enforcing intellectual property rights in countries with fluctuating laws and standards and reduced or varied protection for intellectual property rights in some countries;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties, or other trade restrictions;
- limitations on technology infrastructure, which could limit our ability to migrate international operations to our existing systems, which could result in increased costs;
- difficulties in managing and staffing international operations and differing employer/employee relationships and local employment laws;
- fluctuations in exchange rates that may increase the volatility of our foreign-based revenue; and
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings.

Additionally, operating in international markets also requires significant management attention and financial resources. We plan to continue investing substantial time and resources to expand our international operations, but we cannot be certain that these investments will produce desired levels of revenue or profitability. These factors and other factors could harm our ability to gain future international revenue and, consequently, materially affect our business, results of operations, and financial condition.

Our recent rapid growth makes it difficult to evaluate our future prospects and may increase the risk that we will not continue to grow at or near historical rates.

We have grown rapidly over the last several years and, as a result, our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. Any predictions about our future revenue and expenses may not be accurate. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations, our growth rates may slow, and our business would suffer.

Our growth strategy is largely dependent upon expanding our platform with new products and capabilities, including the creation of new solutions for participants in the capital markets ecosystem. Development of new products incorporating advanced technology is a complex process and subject to numerous uncertainties. Our success in developing such products will depend in part on our ability to develop them in a manner that keeps pace with continuing changes in technology, evolving industry standards, new solution and product introductions by competitors, changing customer preferences and requirements and the interoperability of such products with the rest of our platform and third-party developed portions thereof.

Additionally, any expansion into new markets will require commensurate ongoing expansion of our monitoring of local laws and regulations, including those involving the collection, storage and use of information on consumers involved in transactions, which increases our costs as well as the risk of the solution

not incorporating in a timely fashion or at all due to a failure of the solution to comply with such local laws or regulations. We may incur additional costs and operational challenges in complying with these laws, and differences in these laws may cause us to operate our businesses differently in different territories. If so, we may incur additional costs and may not fully realize the investment in our international expansion. Our ability to further penetrate our existing markets depends on the quality of our products and our ability to design our products to meet changing market demands and industry standards, as well as our ability to assure that our customers will be satisfied with our existing and new solutions. If we are unable to sell our products into new markets or to further penetrate existing markets, or to increase sales from existing customers by selling them additional products and services, our revenue will not grow as expected, which would have a material adverse effect on our business, financial condition and results of operations.

If we are not able to keep pace with technological developments or new versions or updates of operating systems and internet browsers adversely impact the process by which our customers interface with our platform, our business will be harmed.

As our platform is designed to operate on a variety of network, hardware, and software platforms using internet tools and protocols, we will need to continuously modify and enhance our platform to keep pace with changes in internet-related hardware, software, communication, browser, and database technologies. If we are unable to respond in a timely and cost-effective manner to these rapid technological developments, our platform may become obsolete, which would adversely impact our results of operations.

In addition, the industry in which we compete is characterized by rapid technological change, frequent introductions of new products and evolving industry standards. Our ability to attract new customers and increase revenue from customers will depend in significant part on our ability to anticipate industry standards and to continue to enhance existing solutions or introduce or acquire new solutions on a timely basis to keep pace with technological developments. The success of any enhancement or new solution depends on several factors, including the timely completion and market acceptance of the enhancement or new solution. Any new solution we develop or acquire might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of our competitors implements new technologies before we are able to implement them, those competitors may be able to provide more effective solutions than ours at lower prices.

Mergers or other strategic transactions involving our competitors or customers could weaken our competitive position, which could harm our results of operations.

Some of our competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with systems integrators, third-party consulting firms or other parties, including seeking to create comprehensive capital markets communications solutions that compete with our products. Any such consolidation, acquisition, alliance or cooperative relationship could lead to pricing pressure and our loss of market share and could result in a competitor with greater financial, technical, marketing, service and other resources, all of which could have a material adverse effect on our business, results of operations and financial condition.

Consolidation within our existing and target markets as a result of mergers or other strategic transactions may also create uncertainty among customers as they realign their businesses and may impact our new sales and renewal rates.

If we fail to adequately protect our proprietary rights, our competitive position could be impaired and we may lose valuable assets, generate reduced revenue or experience slower growth rates, and incur costly litigation to protect our rights.

Our intellectual property rights are important to our business. Our success is dependent, in part, upon protecting our proprietary information and technology. We rely on a combination of trademarks, copyrights, trade secrets, intellectual property assignment agreements, license agreements, confidentiality procedures, non-disclosure agreements, and employee non-disclosure and invention assignment agreements to establish and protect our proprietary rights. However, the steps we take to protect our intellectual property may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect and mitigate unauthorized use of our intellectual property. Despite our precautions, it may

be possible for unauthorized third parties to copy our platform and use information that we regard as proprietary to create solutions that compete with ours. Policing unauthorized use of our platform is difficult and the steps we take to combat such actions may prove ineffective. Some license provisions protecting against unauthorized use, copying, transfer, and disclosure of our platform may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of Canada and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. To the extent we expand our international activities, our exposure to unauthorized copying and use of our platform and proprietary information may increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our technology and intellectual property.

Although we enter into intellectual property assignment agreements or license agreements with our employees and contractors, confidentiality and invention assignment agreements with our employees and consultants, and confidentiality agreements with the parties with whom we have strategic relationships and business alliances, no assurance can be given that these agreements will be effective in controlling access to, and distribution of, our platform and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our platform.

To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time-consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our platform, impair the functionality of our platform, delay introductions of new platform features, result in our substituting inferior or more costly technologies into our platform, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new platform features or services, and we cannot guarantee that we will be able to license that technology on commercially reasonable terms or at all, and our inability to license this technology could harm our ability to compete.

An assertion by a third-party that we are infringing its intellectual property could subject us to costly and time-consuming litigation which could harm our business.

The capital markets communications market is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents, copyright and other intellectual property rights. Third parties may assert that our platform, solutions, technology, methods, practices or use of customer names, logos or other trademarks infringes, misappropriates or otherwise violates their intellectual property or other proprietary rights. Such claims may be made by our competitors seeking to obtain a competitive advantage or by other parties. Third party entities may purchase intellectual property assets for the purpose of making claims of infringement and attempting to extract settlements from companies like ours. The risk of claims may increase as the number of solutions that we offer and competitors in our market increases and overlaps occur. In addition, to the extent that we gain greater visibility and market exposure, we face a higher risk of being the subject of intellectual property infringement claims.

Such claims may occur in the future and we may actually be found to be infringing on such rights. We may be found to be infringing on patent rights or other intellectual property rights despite being unaware of such rights or infringement. Any such claims, regardless of merit, that result in litigation could result in substantial expenses, divert the attention of management, cause significant delays in introducing new or enhanced services or technology, materially disrupt the conduct of our business and have a material and adverse effect on our brand, business, financial condition and results of operations. Although we do not believe that our proprietary technology, processes and methods have been registered by any third-party, it is possible that intellectual property rights have been issued to third parties that cover all or a portion of our business. As a consequence of any patent or other intellectual property claims, if successfully asserted against us, we could be required to pay substantial damages, develop non-infringing technology, enter into royalty-bearing licensing agreements,

stop selling or marketing some or all of our solutions or re-brand our solutions. We may also be obligated to indemnify our customers or partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications or refund fees, which could be costly. If it appears necessary, we may seek to secure license rights to intellectual property that we are alleged to infringe at a significant cost, potentially even if we believe such claims to be without merit. If required licenses cannot be obtained, or if existing licenses are not renewed, litigation could result. Litigation is inherently uncertain and can cause us to expend significant money, time and attention to it, even if we are ultimately successful. Any adverse decision could result in a loss of our proprietary rights, subject us to significant liabilities, require us to seek licenses for alternative technologies from third parties, prevent us from offering all or a portion of our solutions and otherwise negatively affect our business and operating results.

The use of open source software in our products may expose us to additional risks and harm our intellectual property.

We have in the past and may in the future leverage open source software components in our development processes. These components are developed by third parties over whom we have no control. We have no assurances that those components do not infringe upon the intellectual property rights of others. We could be exposed to infringement claims, security vulnerabilities and liability in connection with the use of those open source software components, and we may be forced to replace those components with internally developed software or software obtained from another supplier, which may increase our expenses. The developers of open source software are usually under no obligation to maintain or update that software and we may be forced to maintain or update such software ourselves or replace such software with internally developed software or software obtained from another supplier, which may increase our expenses. Making such replacements could also delay enhancements to our products. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications we make to such software will be available to all downstream learners of the software, including our competitors.

Certain open source licenses provide that if we wish to combine the licensed software, in whole or in part, with our proprietary software, and distribute copies of the resulting combined work, we may only do so if such copies are distributed under the same terms and conditions as the open source software component of the work that was licensed to us, including the requirement to make the source code to the entire work available to recipients of such copies. The types of combinations of open source software and proprietary code that are covered by the requirement to release the source code to the entire combined work are uncertain and much debated by learners of open source software. There is little or no legal precedent governing the interpretation of many of the terms of these licenses. An incorrect determination as to whether a combination is governed by such provisions will result in non-compliance with the terms of the open source license. Such non-compliance could result in the termination of our license to use, modify and distribute copies of the affected open source software and we may be forced to replace such open source software with internally developed software or software obtained from another supplier, which may increase our expenses. In addition to terminating the affected open source license, the licensor of such open source software may seek to have a court order that the proprietary software that was combined with the open source software be made available to others, including our competitors, under the terms and conditions of the applicable open source license. For those reasons, we have instituted policies and practices which are intended to govern and limit the use of open source software that is distributed under the terms of license have the terms noted above.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties, controls on the origin or development of the software, or remedies against the licensors. Many of the risks associated with usage of open source software cannot be eliminated and could adversely affect our business.

Issues in the use of artificial intelligence in our platform may result in reputational harm or liability.

Our platform uses artificial intelligence (“AI”) and machine learning, and we expect to continue building this functionality into our platform in the future to assist with our functionality, including our current and

planned analytics and intelligence offerings. As with many disruptive innovations, AI presents risks and challenges that could affect its adoption, and therefore our business. AI algorithms may be flawed or inaccurate. Datasets may be insufficient or contain biased information. Inappropriate or controversial data practices by us or others could impair the acceptance, utility and effectiveness of AI solutions or the products and analytics developed. Our customers may rely on recommendations that rely on our data and analytics, which may prove to be inaccurate or incorrect and adversely impact our customers' businesses and relationships. These deficiencies could undermine the decisions, predictions or accuracy of the analysis artificial intelligence applications produce, subjecting us to competitive harm, legal liability, and brand or reputational harm. Some artificial intelligence scenarios present ethical issues. If we enable or offer artificial intelligence solutions that are controversial because of their impact on human rights, privacy, employment, equity, accessibility or other social issues, we may experience brand or reputational harm.

Real or perceived errors, failures, vulnerabilities or bugs in our platform could harm our business and results of operations.

Errors, failures, vulnerabilities, or bugs may occur in our platform, especially when updates are deployed or new features are rolled out. In addition, utilization of our platform in complicated, large-scale customer environments may expose errors, failures, vulnerabilities, or bugs in our platform. Any such errors, failures, vulnerabilities, or bugs may not be found until after they are deployed to our customers. Our brand and reputation is particularly sensitive to such errors, failures, vulnerabilities, or bugs. Real or perceived errors, failures, vulnerabilities, or bugs in our platform could result in negative publicity, loss of competitive position, loss of customer data, loss of or delay in market acceptance of our products, or claims by customers for losses sustained by them, all of which could harm our business and results of operations.

We may not receive significant revenue as a result of our current research and development efforts.

We reinvest a large percentage of our revenue in research and development. Our investment in our current research and development efforts may not provide a sufficient, timely return. We make and will continue to make significant investments in software research and development and related product opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors including the degree of innovation of the products and analytical tools developed through our research and development efforts, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for research and development. These expenditures may materially adversely affect our operating results if they are not offset by revenue increases. We believe that we must continue to dedicate significant resources to our research and development efforts in order to maintain our competitive position. However, significant revenue from new product and service investments may not be achieved for a number of years, if at all. Moreover, new products and services may not be profitable.

If we are unable to successfully refresh or update our source code or other aspects of our platform or detect and adequately address technological deficiencies in a timely and adequate manner, our competitive position could be negatively affected.

Our competitiveness depends, in part, on our ability to deliver an up-to-date customer interface and to promptly address technical deficiencies in a timely and efficient manner. Updates to our source code and other aspects of our platform require significant investment and we may not have the resources to make such investment. We may not be able to expand and upgrade our personnel, technology systems and infrastructure to accommodate increases in our business activity in a timely manner, which could lead to operational breakdowns and delays, loss of customers, a reduction in the growth of our customer base, increased operating expenses or financial losses.

Our products and services are complex and sophisticated and may contain design defects or errors that are difficult to detect and correct. Errors or defects may be found in new products or services after launch and, even if discovered, we may not be able to successfully correct such errors or defects in a timely manner or at all, which could adversely impact our business.

If our software contains serious errors or defects, we may lose revenue and market acceptance and may incur costs to defend or settle claims with our customers.

Software such as ours often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, our platform may contain serious errors or defects, security vulnerabilities or software bugs that we may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to our reputation and brand, any of which could have an adverse effect on our business, financial condition and results of operations. Furthermore, our platform is a multi-tenant cloud based system that allows us to deploy new versions and enhancements to all of our customers simultaneously. To the extent we deploy new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to all of our customers simultaneously, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of our customers.

Since our customers use our services for processes that are critical to their businesses, errors, defects, security vulnerabilities, service interruptions or software bugs in our platform could result in losses to our customers. Our customers may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. Further, a customer could share information about bad experiences on social media, which could result in damage to our reputation and loss of future sales. There can be no assurance that provisions typically included in our agreements with our customers that attempt to limit our exposure to claims would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against us by any of our customers would likely be time-consuming and costly to defend and could seriously damage our reputation and brand, making it harder for us to sell our solutions.

From time to time, we may become defendants in legal proceedings for which we are unable to assess our exposure and which could become significant liabilities in the event of an adverse judgment.

From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. In addition, our insurance or indemnities may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on our business, operating results or financial condition.

We may face exposure to foreign currency exchange rate fluctuations.

The majority of our revenues are currently in the United States and are denominated in U.S. dollars. Revenues outside of Canada are often denominated in local currencies. Many of our expenses are denominated in Canadian dollars. Our financial statements are denominated in U.S. dollars. Additionally, as we expand our international operations, we repost our financial results in U.S. dollars. Therefore, fluctuations in the value of the U.S. dollar and foreign currencies may affect our results of operations when translated into U.S. dollars. We do not currently engage in currency hedging activities to limit the risk of exchange rate fluctuations. In the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

We may not be able to generate sufficient cash to service our indebtedness.

As of June 30, 2021, we had approximately US\$20.8 million (approximately C\$ • million) of aggregate indebtedness outstanding under our Credit Facilities.

Our Credit Agreement contains financial covenants, including those described under "Description of Material Indebtedness". Our ability to make additional borrowings under the Credit Agreement depends

upon compliance with these and other covenants. Our ability to comply with these covenants and requirements may be affected by events beyond our control. Our failure to comply with obligations under the Credit Agreement could result in an event of default under the facilities. A default, if not cured or waived, would prohibit us from obtaining further loans under our Credit Agreement and permit the lenders thereunder to accelerate payment of their loans. In addition, the lenders would have the right to proceed against the collateral securing the Credit Agreement, which consists of, among other security, a first ranking security interest over all of the Company and each Guarantor's present and after-acquired real and personal property and intellectual property of the Company. If our debt is accelerated, we cannot be certain that we will have funds available to pay the accelerated debt or that we will have the ability to refinance the accelerated debt on terms favorable to us, or at all. If we could not repay or refinance the accelerated debt, we could be insolvent and could seek to file for bankruptcy protection. Any such default, acceleration, or insolvency would likely have a material and adverse effect on our business.

Our business is subject to a variety of international laws, including export and import controls and anti-corruption laws and regulations, that could subject us to claims, increase the cost of operations, impair our ability to compete in international markets, or otherwise harm our business due to changes in the laws, changes in the interpretations of the laws, greater enforcement of the laws, or investigations into compliance with the laws.

Our business is subject to regulation by various federal, provincial and territorial, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing copyright laws, employment and labour laws, workplace safety, consumer protection laws, privacy and data protection laws, anti-bribery laws, import and export controls, federal securities laws, and tax laws and regulations. In certain foreign jurisdictions, these regulatory requirements may be more stringent than those in Canada. The U.S. export control laws and U.S. economic sanctions laws may include restrictions or prohibitions on the sale or supply of certain products and services to embargoed or sanctioned countries, governments, persons and entities. In addition, various countries regulate the import of certain encryption and other technology, including import and export permitting and licensing requirements, and have enacted or could enact laws that could limit our ability to distribute our platform, provide our customers access to our platform or could limit our customers' ability to access or use our services in those countries.

We are also subject to various domestic and international anti-corruption laws, such as the Corruption of Foreign Public Officials Act (Canada), U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, as well as other similar anti-bribery and anti-kickback laws and regulations. These laws and regulations generally prohibit companies and their employees and intermediaries from authorizing, offering, providing, and accepting improper payments or benefits for improper purposes. These laws also require that we keep accurate books and records and maintain compliance procedures designed to prevent any such actions. Although we take precautions to prevent violations of these laws, our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in foreign jurisdictions.

We are also subject to consumer protection laws that may impact our sales and marketing efforts, including laws related to subscriptions, billing, and auto-renewal. These laws, as well as any changes in these laws, could make it more difficult for us to retain existing customers and attract new ones.

These laws and regulations are subject to change over time and thus we must continue to monitor and dedicate resources to ensure continued compliance. Although we take precautions to prevent our platform from being provided in violation of such laws, our platform could be provided inadvertently in violation of such laws, despite the precautions we take. Past, present or future non-compliance with applicable regulations or requirements in any jurisdiction under any of the foregoing subject matters or in respect of any other requirements could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, operating results, and financial condition could be materially adversely affected. We may also be adversely affected through penalties, reputational harm, loss of access to certain markets, or otherwise. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, operating results and financial condition.

Our business could be adversely impacted by changes in internet access for our customers or laws specifically governing the internet.

Our platform depends on the quality of our customers' access to the internet and continued use of the internet as a primary medium for capital markets communications. Certain features of our platform require significant bandwidth and fidelity to work effectively. Internet access is frequently provided by companies that have significant market power that could take actions that degrade, disrupt, or increase the cost of customer access to our platform, which would negatively impact our business. We could incur greater operating expenses and our ability to acquire and retain customers could be negatively impacted if network operators:

- implement usage-based pricing;
- discount pricing for competitive products;
- otherwise materially change their pricing rates or schemes;
- charge us to deliver our traffic at certain levels or at all;
- throttle traffic based on its source or type;
- implement bandwidth caps or other usage restrictions; or
- otherwise try to monetize or control access to their networks.

As the internet continues to experience growth in the number of customers, frequency of use, and amount of data transmitted, the internet infrastructure that we and our customers rely on may be unable to support the demands placed upon it. The failure of the internet infrastructure that we or our customers rely on, even for a short period of time, could undermine our operations and harm our results of operations.

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

In addition, there are various laws and regulations that could impede the growth of the internet or other online services, and new laws and regulations may be adopted in the future. These laws and regulations could, in addition to limiting internet neutrality, involve taxation, tariffs, collection and use of data from website visitors and related privacy issues, data protection, information security, content, copyrights, distribution, electronic contracts and other communications, consumer protection, and the characteristics and quality of services, any of which could decrease the demand for, or the usage of, our platform. Legislators and regulators may make legal and regulatory changes, or interpret and apply existing laws, in ways that require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change our business practices. These changes or increased costs could materially harm our business, results of operations, and financial condition.

Our international operations subject us to potentially adverse tax consequences.

We are subject to income taxes as well as non-income-based taxes, such as payroll, sales, use, value-added, property and goods and services taxes, in Canada and various foreign jurisdictions. Our domestic and international tax liabilities are subject to various jurisdictional rules regarding the timing and allocation of revenue and expenses. Additionally, the amount of income taxes paid is subject to our interpretation of applicable tax laws in the jurisdictions in which we file and to changes in tax laws. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. From time to time, we may be subject to income and non-income tax audits. While we believe we have complied with all applicable income tax laws, there can be no assurance that a governing tax authority will not have a different interpretation of the law and assess us with additional taxes. Should we be assessed with additional taxes, there could be a material adverse effect on our business, results of operations, and financial condition.

Our future effective tax rate may be affected by such factors as changes in tax laws, regulations, or rates, changing interpretation of existing laws or regulations, the impact of accounting for equity-based

compensation, the impact of accounting for business combinations, changes in our international organization, and changes in overall levels of income before tax. In addition, in the ordinary course of our global business, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain. Although we believe that our tax estimates are reasonable, we cannot ensure that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions and accruals.

We may have exposure to greater than anticipated tax liabilities and may be affected by changes in tax laws or interpretations, any of which could adversely impact our results of operations.

We are subject to income taxes in Canada and various jurisdictions outside of Canada. Our effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates. Our tax expense could also be impacted by changes in non-deductible expenses, changes in excess tax benefits of equity-based compensation, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes, effects from acquisitions, and the evaluation of new information that results in a change to a tax position taken in a prior period.

Our tax position could also be impacted by changes in accounting principles, changes in Canadian federal, provincial or territorial tax laws, or other international tax laws applicable to corporate multinationals, other fundamental law changes currently being considered by many countries, including Canada and the United States, and changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions. Any of the foregoing changes could have an adverse impact on our results of operations, cash flows, and financial condition.

Our results of operations may be harmed if we are required to collect sales or other related taxes for our subscription services in jurisdictions where we have not historically done so.

We collect sales and value-added tax as part of our subscription agreements in a number of jurisdictions in which we operate. Sales and use, value-added, and similar tax laws and rates vary greatly by jurisdiction. One or more states or countries may seek to impose additional sales, use, or other tax collection obligations on us, including for past sales by us. A successful assertion by a province, state, country, or other jurisdiction that we should have been or should be collecting additional sales, use, or other taxes on our platform could, among other things, result in substantial tax liabilities for past sales, create significant administrative burdens for us, discourage customers from purchasing our platform, or otherwise harm our business, results of operations, and financial condition.

We may not be able to utilize a significant portion of our net operating loss, which could adversely affect our potential profitability.

We have net operating loss carryforwards ("NOLs"), due to prior period losses. These NOLs, and NOLs of companies we may acquire, could expire unused and be unavailable to offset future income tax liabilities, which could adversely affect our potential profitability.

The nature of our business requires the application of complex revenue and expense recognition rules, and any significant changes in current rules could affect our financial statements and results of operations.

The accounting rules and regulations that we must comply with are complex and subject to interpretation by the Canada Accounting Standards Board (the "AcSB"), the Canadian Securities Administrators (the "CSA") and various bodies formed to promulgate and interpret appropriate accounting principles. Recent actions and public comments from the AcSB and the CSA have focused on the integrity of financial reporting and internal controls over financial reporting. In addition, many companies' accounting policies and practices are being subject to heightened scrutiny by regulators and the public.

IFRS accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including revenue recognition, impairment of goodwill and intangible assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their

interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported financial performance or financial condition in accordance with generally accepted accounting principles.

Further, our implementation of and compliance with changes in accounting rules, including new accounting rules and interpretations, could adversely affect our reported financial position or operating results or cause unanticipated fluctuations in our reported operating results in future periods.

We cannot predict the impact of future changes to accounting principles or our accounting policies on our financial statements going forward, which could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of the change. In addition, if we were to change our critical accounting estimates, including those related to the recognition of subscription revenue and other revenue sources, our results of operations could be significantly affected.

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

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the results of which form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our common shares. Significant judgments, estimates, and assumptions used in preparing our consolidated financial statements include, or may in the future include, those related to revenue recognition, equity-based compensation expense, sales commissions costs, long-lived assets, and accounting for income taxes including deferred tax assets and liabilities.

If we fail to maintain an effective system of internal controls, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a public company, we will be subject to the reporting requirements of the CSA and the rules and regulations of the listing standards of the TSX. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place significant strain on our personnel, systems, and resources. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the CSA is recorded, processed, summarized, and reported within the time periods specified in CSA rules and forms and that information required to be disclosed in reports under applicable securities laws is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the CSA.

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

If our management is unable to certify the effectiveness of our internal controls or if material weaknesses in our internal controls are identified, we could be subject to regulatory scrutiny and a loss of public confidence, which could harm our business and cause a decline in the price of our common shares. Failure to accurately report our financial performance on a timely basis could also jeopardize our continued listing on the TSX or any other exchange on which our common shares may be listed. Delisting of our common shares from any exchange would reduce the liquidity of the market for our common shares, which could reduce the price of our common shares and increase the volatility of our share price.

Our by-laws provide that any derivative actions, actions relating to breach of fiduciary duties and other actions asserting a claim relating to relationships among us, our affiliates and their respective shareholders, directors and/or officers are required to be litigated in Canada, which could limit your ability to obtain a favourable judicial forum for disputes with us.

We have included a forum selection provision in our by-laws that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario, Canada and appellate courts therefrom (or, failing such court, any other "court" as defined in the OBCA having jurisdiction, and the appellate courts therefrom), will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the OBCA or our by-laws; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective shareholders, directors and/or officers, but excluding claims related to our business or such affiliates. Our forum selection provision also provides that our security holders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions. Therefore, it may not be possible for our shareholders to litigate any action relating to the foregoing matters outside of the Province of Ontario. Our forum selection provision seeks to reduce litigation costs and increase outcome predictability by requiring derivative actions and other matters relating to our affairs to be litigated in a single forum. While forum selection clauses in corporate charters and by-laws are becoming more commonplace for public companies in the U.S. and have been upheld by courts in certain states, they are untested in Canada. It is possible that the validity of our forum selection provision could be challenged and that a court could rule that such provision is inapplicable or unenforceable. If a court were to find our forum selection provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions and we may not obtain the benefits of limiting jurisdiction to the courts selected.

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our business, financial condition, and results of operations.

As a public company, we will incur greater legal, accounting and other expenses than we incurred as a private company. We are subject to the reporting requirements of the CSA and the rules and regulations of the TSX. We will incur significant legal, accounting, insurance and other expenses as a result of being a public

company. The rules implemented by the securities regulators in each of the provinces and territories of Canada and by the TSX have required changes in corporate governance practices of public companies. We expect that compliance with these laws, rules and regulations will substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. We also expect that these new obligations will require attention from our senior management and could divert their attention away from the day-to-day management of our business. In addition, many of the individuals who now constitute our senior management team have not had any experience managing a publicly traded company and complying with the increasingly complex regulatory environment pertaining to public companies. We have not had experience managing a transition to being a public company subject to significant regulatory oversight and reporting obligations under Canadian securities laws and there can be no guarantee that we will be able to do so without additional costs or impacts to our business.

We also expect these laws, rules and regulations to make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as officers. As a result of the foregoing, we expect a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact our financial performance and could cause our results of operations and financial condition to suffer. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common shares, fines, sanctions and other regulatory action and potentially civil litigation.

Our senior management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day-to-day management of our business.

The individuals who now constitute our senior management team have limited experience managing a publicly traded company and limited experience complying with the increasingly complex laws pertaining to public companies. Our senior management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under Canadian securities laws. In particular, these new obligations will require substantial attention from our senior management and could divert their attention away from the day-to-day management of our business.

Adverse economic and market conditions may adversely impact our business and results of operations.

Unfavorable general economic conditions, such as a recession or economic slowdown in one or more of our major markets, could adversely affect demand for our platform. Changing macroeconomic conditions may affect our business in a number of ways. For example, spending patterns of businesses are sensitive to the general economic climate. Subscriptions to our platform and products may be considered discretionary by many of our current and potential customers. As a result, businesses considering whether to purchase or renew subscriptions to our products may be influenced by macroeconomic factors.

In addition, recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to us or to our industry may materially adversely affect us over the course of time. Volatility in the market price of our common shares due to seemingly unrelated financial developments could hurt our ability to raise capital for the financing of acquisitions or other reasons. Potential price inflation caused by an excess of liquidity in countries where we conduct business may increase the cost we incur to provide our solutions and may reduce profit margins on agreements that govern our provision of products or services to customers over a multi-year period. A reduction in credit, combined with reduced economic activity, may materially adversely affect businesses and industries that collectively constitute a significant portion of our customer base. As a result, these customers may need to reduce their purchases of our products or services, or we may experience greater difficulty in receiving payment for the products or services that these customers purchase from us. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on our business, operating results, and financial conditions.

Public health outbreaks, epidemics or pandemics, including the global COVID-19 outbreak (and COVID-19 variants), could harm our business, results of operations, and financial condition.

Public health outbreaks, epidemics or pandemics, could materially and adversely impact our business. For example, in March 2020, the World Health Organization declared the COVID-19 virus outbreak a global

pandemic, and numerous countries, including Canada, have declared national emergencies with respect to COVID-19. The outbreak and certain intensified preventative or protective public health measures undertaken by governments, businesses and individuals to contain the spread of COVID-19, including orders to shelter-in-place and restrictions on travel and permitted business operations, have, and continue to, result in global business disruptions that adversely affect workforces, organizations, economies, and financial markets globally, leading to an economic downturn and increased market volatility. The ongoing outbreak has disrupted, and will continue to disrupt, the normal operations of many businesses, including our customers, as well as the ability of our technical support teams and sales force to travel to existing customers and new business prospects, and the operations of our customers and partners. We have also limited our in-person marketing activities. While our business has not, to date, experienced a material disruption in the use of our platform or our ability to service customer demands through remote work arrangements from the COVID-19 pandemic, a continued or intensifying outbreak over the short- or medium-term could result in delays in services delivery, delays in implementations, delays in critical development and commercialization activities, including delays in the introduction of new products and services and further international expansion, interruptions in sales and marketing activity, furloughs of employees and disruptions of supply chains. Additionally, we may incur increased costs in the future when employees return to work and we implement measures to ensure their safety.

The related impact on the global economy could also decrease technology spending by our existing and prospective customers and adversely affect their demand for our platform and products. Further, our sales and implementation cycles could increase, resulting in providing contract terms more favorable to customers and a potentially longer delay between incurring operating expenses and the generation of corresponding revenue or in difficulty in accurately predicting our financial forecasts. Additionally, the economic downturn and rising unemployment rates resulting from COVID-19 have the potential to significantly reduce individual and business disposable income and depress consumer confidence. Furthermore, we are unable to predict the impact that COVID-19 may have going forward on the business, results of operations or financial position of any of our major customers, which could impact each customer to varying degrees and at different times and could ultimately impact our own financial performance. Certain of our competitors may also be better equipped to weather the impact of COVID-19 both domestically and abroad and better able to address changes in customer demand.

The outbreak also presents operational challenges as our workforce is currently working remotely and shifting to assisting customers who are also generally working remotely. We have also suspended international and domestic travel. We depend on key officers and employees; should any of them become ill and unable to work, it could impact our productivity and business continuity. Although we continue to monitor the situation and may adjust our current policies as more information and public health guidance become available, it is not possible for us to predict the duration or magnitude of these business disruptions and the adverse results of the outbreak, which ultimately will depend on many factors, including the speed and effectiveness of containment and vaccination efforts throughout the world. These disruptions could negatively affect our operations or internal controls over financial reporting and may require us to implement new processes, procedures and controls to respond to further changes in our business environment.

Additionally, COVID-19 could increase the magnitude of many of the other risks described herein and have other adverse effects on our operations that we are not currently able to predict. For example, we have, and may continue to delay or limit our internal strategies in the short- and medium-term by, for example, redirecting significant resources and management attention away from implementing our strategic priorities or executing opportunistic corporate development transactions.

The magnitude of the effect of COVID-19 on our business will depend, in part, on the length and severity of the restrictions (including the effects of recently announced “re-opening” plans following a recent slowdown of the virus infection rate in certain countries and localities) and other limitations on our ability to conduct our business in the ordinary course. The longer the pandemic continues or resurges, the more severe the impacts described above will be on our business. The extent, length and consequences of the pandemic on our business are uncertain and impossible to predict, but could be material. COVID-19 and other similar outbreaks, epidemics or pandemics could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects and could cause significant volatility in the trading prices of our common shares as a result of any of the risks described above and other risks that we are not able to predict.

Trade wars and changes in international trade law and policies may have a material adverse effect on our business, financial condition and results of operations.

As a global company, our success depends on our ability to sell across borders. Trade wars and changes in laws and policy relating to trade or taxes may have an adverse effect on our business, financial condition and results of operations. More specifically, the geopolitical environment of the markets where we operate may influence customer demand for our products and may have an impact on input costs. For instance, any potential changes in the economic and political climate in the U.S., such as the potential changes to, or the termination of, trade agreements between the U.S., the European Union and the United Kingdom, or among Canada, the U.S. and Mexico, or the increased geopolitical uncertainty in Europe, could impact our business and our sales and profitability.

Our results of operations could be adversely affected by natural disasters, public health crises, political crises, or other catastrophic events.

Natural disasters, such as earthquakes, hurricanes, tornadoes, floods, and other adverse weather and climate conditions, unforeseen public health crises, such as pandemics and epidemics, political crises, such as terrorist attacks, war, and other political instability or other catastrophic events could disrupt our operations in any of our offices or the operations of one or more of our third-party providers and vendors. To the extent any of these events occur, our business and results of operations could be adversely affected.

We do not have the history with our platform, products or pricing models necessary to accurately predict optimal pricing necessary to attract new customers and retain existing customers which may adversely affect our ability to attract new customers and retain existing customers.

We have limited experience determining the optimal prices for our platform and products. We have changed our pricing model from time to time and expect to do so in the future. Given our limited experience with selling new products, we may not offer new products at the optimal price, which may result in our products not being profitable or not gaining market share. As competitors introduce new solutions that compete with our platform and products, we may be unable to attract new customers at the same price or based on the same pricing models as we have used historically. We also must determine appropriate pricing for our products and services in new geographic markets that we may enter in order to compete effectively. Pricing decisions may also impact the mix of adoption among our plans and negatively impact our overall revenue. Moreover, small businesses may be quite sensitive to price increases or prices offered by competitors. As a result, in the future we may be required to reduce our prices, which could adversely affect our revenue, gross profit, profitability, financial position and cash flows. Potential and existing customers may be unwilling to accept any price increases and decide not to subscribe or to continue or renew their subscriptions.

It may be difficult or impossible for investors to enforce judgements against foreign subsidiaries and resident directors or officers of the Company.

Certain of the Company's wholly-owned subsidiaries are organized under the laws of foreign jurisdictions and certain of the directors of the Company, including Daniel Kittredge and Ned May, are residents of countries other than Canada. As a result, it may be difficult or impossible for investors to effect service within Canada upon such persons, or to realize against them in Canada upon judgments of courts of Canada predicated upon the civil liability provisions of applicable Canadian provincial securities laws. There is some doubt as to the enforceability in the United States or other foreign courts by a court in original actions, or in actions to enforce judgments of Canadian courts, of civil liabilities predicated upon such applicable Canadian provincial securities laws.

Risks Related to this Offering and Our Common Shares

There are risks related to forward-looking information in this prospectus.

The forward-looking information included in this prospectus relating to, among other things, our future results, performance, achievements, prospects, targets, intentions or opportunities or the markets in which we operate (including, in particular, the information contained in "Prospectus Summary", "Summary Consolidated Financial Information and Other Data", "Our Business" "Selected Consolidated Financial

Information and Other Data”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”) and the other statements listed in “Forward-Looking Information”, is based on opinions, assumptions and estimates made by our management in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Our actual results in the future may vary significantly from the historical and estimated results and those variations may be material. We make no representation that our actual results (including our financial condition, growth, results of operations and liquidity) in the future will be the same, in whole or in part, as those included in this prospectus. See “Forward-Looking Information”.

There has been no prior public trading market for our common shares and an active trading market may not develop or be sustained following this offering.

We have applied to list our common shares on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved our listing application and there is no assurance that the TSX will approve the listing application.

There is currently no public market for the common shares and there can be no guarantee that an active trading market will develop or be sustained after this offering. If a market does not develop or is not sustained, it may be difficult for you to sell your common shares. This may affect the pricing of the common shares in the secondary market, the transparency and availability of trading prices, the liquidity of the common shares and the extent of regulation applicable to us. We cannot predict the prices at which our common shares will trade. The initial public offering price for our common shares will be determined through our negotiations with the underwriters and may not bear any relationship to the market price at which our common shares will trade after this offering or to any other established criteria of the value of our business. It is possible that, in future quarters, our operating results may be below the expectations of securities analysts and investors. As a result of these and other factors, the price of our common shares may decline, possibly materially.

The market price of our common shares may be volatile and may decline regardless of our operating performance.

The price of our common shares is likely to be volatile. The trading prices of technology companies’ securities have been, and we expect them to continue to be, highly volatile. As a result of this volatility, investors may not be able to sell their common shares at or above the initial public offering price. The market price of our common shares may fluctuate significantly in response to numerous factors, many of which are beyond our control, including, among others:

- volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in our revenue and other results of operations, including as a result of the addition or loss of any number of customers;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- the financial projections we may provide to the public, any changes in these projections, or our failure to meet these projections;
- publication of research reports or news stories about us, our competitors or our industry;
- failure of securities analysts to initiate or maintain coverage of us, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the size of our public float;
- price and volume fluctuations in the trading of our common shares and in the overall stock market, including as a result of trends in the economy as a whole;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business or industry, including data privacy, data protection, and information security;

- lawsuits threatened or filed against us for claims relating to intellectual property, employment issues, or otherwise;
- recruitment or departure of key personnel and changes in our board of directors or management;
- short sales, hedging, and other derivative transactions involving our common shares;
- sales of large blocks of our common shares including sales by our executive officers, directors, and significant shareholders; and
- other events or factors, including changes in general economic, industry, and market conditions, and trends, as well as any natural disasters, which may affect our operations.

As well, certain institutional investors may base their investment decisions on consideration of our environmental, social and governance practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the common shares by those institutions, which could materially adversely affect the trading price of or market for the common shares. There can be no assurance that fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, our operations and the trading price of the common shares may be materially adversely affected.

In addition, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. The price of our common shares could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our common shares regardless of our operating performance. Share prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company. If we are involved in any similar litigation, we could incur substantial costs, our management's attention and resources could be diverted and it could harm our business, operating results and financial condition.

Future sales of common shares by existing shareholders could cause the price of our common shares to decline.

Sales of a substantial number of our common shares in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of common shares or securities convertible into common shares intend to sell common shares, could reduce the market price of our common shares. After giving effect to this offering (before giving effect to the exercise of outstanding options), we will have

- common shares outstanding that may be resold in the public market immediately. Following the consummation of this offering, the common shares held by our directors and executive officers and significant shareholders (including Ten Coves) will be subject to contractual lock-up agreements with the Underwriters and may be subject to restrictions on resale under Canadian securities laws. See "Plan of Distribution — Lock-Up Arrangements." All of these common shares will, however, be able to be resold after the expiration of the lock-up period, as well as pursuant to customary exceptions thereto or upon the waiver of the lock-up agreement by certain of the Underwriters. As restrictions on resale end, the market price of our common shares could decline if the holders of currently restricted common shares sell them or are perceived by the market as intending to sell them.

Moreover, following the consummation of this offering, Ten Coves expects to enter into an investor rights agreement providing for, among other things, registration rights pursuant to which Ten Coves would have the right to require us to file a prospectus covering their registrable securities or to include their registrable securities in prospectuses that we may file for ourselves or on behalf of other shareholders. See "Agreement with Principal Shareholders." Further, we cannot predict the size of future issuances of our common shares or the effect, if any, that future issuances and sales of our common shares will have on the market price of our common shares. Sales of a substantial number of our common shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our common shares.

We have broad discretion in the use of the net proceeds that we receive in this offering.

We intend to use the net proceeds from this offering to (i) repay our outstanding indebtedness under our Credit Facilities; (ii) allow us to pursue our growth strategies, which includes expanding our customer base

through strategic investments in our sales and marketing strategy (including the hiring of employees to expand our sales and marketing team) and our channel partner strategy, supporting the growth in services to our existing customers to enhance product adoption, and expanding our product offerings with new products and capabilities for all participants in the capital markets ecosystem; and (iii) to selectively pursue acquisitions. Some of the net proceeds will also be dedicated to general corporate purposes. See “Use of Proceeds”. However, our management will have broad discretion over the specific use of proceeds that we receive in this offering and might not be able to obtain a significant return, if any, on investment of these proceeds. Accordingly, a purchaser of common shares will have to rely upon the judgment of our management with respect to the use of the proceeds, with only limited information concerning management’s specific intentions. Our management may spend a portion or all of the net proceeds from this offering in ways that our shareholders might not desire, that might not yield a favourable return and that might not increase the value of a purchaser’s investment. The failure by our management to apply these funds effectively could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. Pending their use, we may invest the net proceeds of the offering in a manner that does not produce income or that loses value.

If securities or industry analysts do not publish research or reports about our business, or if they change their recommendations regarding our common shares adversely, the price and trading volume of our common shares could decline.

The trading market for our common shares is influenced by the research and reports that industry or securities analysts publish about us, our business, our market or our competitors. We do not have any control over these analysts. If any of the analysts who cover us or may cover us in the future change their recommendation regarding our common shares adversely, or provide more favorable relative recommendations about our competitors, the price of our common shares would likely decline. If any analyst who covers us or may cover us in the future were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price or trading volume of our common shares to decline.

Our issuance of additional common shares in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute all other shareholders.

Our articles permit us to issue an unlimited number of common shares. We may, from time to time, issue additional common shares in the future. Subject to the requirements of the TSX or any other stock exchange that our shares may be listed on, we will not be required to obtain the approval of shareholders for the issuance of additional common shares. Any further issuances of common shares will result in immediate dilution to existing shareholders and may have an adverse effect on the value of their shareholdings. We expect to grant equity awards to employees, directors, and consultants under our equity incentive plans. As part of our business strategy, we may acquire or make investments in complementary companies, products, or technologies, and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional common shares may cause shareholders to experience significant dilution of their ownership interests and the per share value of our common shares to decline.

We may also raise capital through equity financings in the future. Any additional capital raised through the sale of equity may dilute existing shareholders’ percentage ownership of our common shares and shareholders could be asked in the future to approve the creation of new equity securities which could have rights, preferences and privileges superior to those of holders of our common shares. Capital raised through debt financing would require us to make periodic interest payments and may impose restrictive covenants on the conduct of our business. Furthermore, additional financings may not be available on terms favourable to us, or at all. A failure to obtain additional funding could prevent us from making expenditures that may be required to implement our growth strategy and grow or maintain our operations.

Any issuance of preferred shares could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common shares, which could depress the price of our common shares.

Upon completion of the offering, our board will have the authority to issue preferred shares and to determine the preferences, limitations and relative rights of preferred shares and to fix the number of shares

constituting any series and the designation of such series, without any further vote or action by our shareholders. Our preferred shares could be issued with liquidation, dividend and other rights superior to the rights of our common shares. The potential issuance of preferred shares may delay or prevent a change in control of us, discourage bids for our common shares at a premium over the market price and adversely affect the market price and other rights of the holders of our common shares.

We generally do not intend to pay dividends following the completion of this offering.

Our current policy is to reinvest our earnings to finance the growth of our business. Therefore, we generally do not anticipate paying dividends on our securities, including to the holders of our common shares, following the completion of this offering and for the foreseeable future. Our ability to pay dividends on our common shares is limited by our existing indebtedness and may be further restricted by the terms of any future debt incurred or preferred securities issued by us or our subsidiaries or law. Any future determination to pay dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our business, financial condition, and results of operations, current and anticipated cash needs, plans for expansion and any legal or contractual limitation on our ability to pay dividends. As a result, any capital appreciation in the price of our common shares may be your only source of gain on your investment in our common shares. See “Dividend Policy”.

Our shareholders will have limited control over our operations.

Holders of common shares will have limited control over changes in our policies and operations, which increases the uncertainty and risks of an investment in the Company. Our board will determine major policies, including policies regarding financing, growth, debt capitalization and any future dividends to shareholders. Generally, our board may amend or revise these and other policies without a vote of the holders of common shares. Holders of common shares will only have a right to vote in limited circumstances. Our board’s broad discretion in setting policies and the limited ability of holders of common shares to exert control over those policies increases the uncertainty and risks of an investment in the Company.

Upon completion of the offering and assuming no exercise of the Over-Allotment Option, certain affiliates of Ten Coves will, directly or indirectly, own and control approximately • % of our issued and outstanding common shares. Ten Coves will retain influence with respect to certain matters submitted to the Company’s shareholders for approval through their voting power and ability to nominate a director to our board pursuant to the investor rights agreement. See “Agreement with Principal Shareholders.”

Additionally, the interests of Ten Coves may not align with the interests of our other shareholders. Ten Coves (or its affiliates or related entities) may acquire and hold interests in businesses that compete directly or indirectly with us and they may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. Following this offering, our audit committee will be responsible for reviewing all related party transactions for potential conflict of interest situations and approving all such transactions. Our audit committee will consist of directors who are independent as required by National Instrument 52-110 — *Audit Committees*. In addition, our Code of Conduct, following this offering, will contain provisions designed to address conflicts of interest. However, such provisions may not be effective in addressing Ten Coves’ influence over us.

LEGAL PROCEEDINGS

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

LEGAL MATTERS

The matters referred to under “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations”, as well as certain other legal matters relating to the issue and sale of our common shares, will be passed upon on our behalf by Osler, Hoskin & Harcourt LLP and on behalf of the Underwriters by McCarthy Tétrault LLP. As of the date of this prospectus, the partners and associates of each of Osler, Hoskin & Harcourt LLP and McCarthy Tétrault LLP beneficially own, directly and indirectly, less than 1% of our outstanding securities and the securities of our associates and affiliates.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this prospectus, there are no material interests, direct or indirect, of any of our directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Related Party Transactions”.

AUDITOR, TRANSFER AGENT AND REGISTRAR

PricewaterhouseCoopers LLP, Chartered Professional Accountants, located at PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2, is our independent auditor and has advised us that it is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

The transfer agent and registrar for our common shares will be Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Certain of our operations and assets are located outside of Canada and certain of our directors, including Daniel Kittredge and Ned May, reside outside of Canada. Each such person has appointed Q4 Inc., 469A King Street West, Toronto, Ontario, M5V 1K4, as their agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce against such person’s judgments obtained in Canadian courts predicated on the civil liability provisions of applicable securities laws in Canada.

MATERIAL CONTRACTS

This prospectus includes a summary description of certain of our material agreements. The summary description discloses all attributes material to an investor in our common shares but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com, under our profile. Investors are encouraged to read the full text of such material agreements.

The following are our only material contracts that will be in effect on the closing of this offering (other than certain agreements entered into in the ordinary course of business):

- (a) the Underwriting Agreement; and
- (b) the Credit Agreement.

Copies of the foregoing documents have been filed or will be filed and will be available following the Closing Date on SEDAR at www.sedar.com.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal advisor.

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Q4 Inc.

Consolidated Financial Statements
December 31, 2020
(expressed in US dollars)



Independent auditor's report

To the Shareholders of Q4 Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Q4 Inc. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2020 and 2019;
- the consolidated statements of loss and comprehensive loss for each of the three years in the period ended December 31, 2020;
- the consolidated statements of changes in shareholders' equity for each of the three years in the period ended December 31, 2020;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2020; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

-

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

- , 2021

Q4 INC.
CONSOLIDATED BALANCE SHEETS
As at December 31, 2020 and 2019
(expressed in US dollars)

	<u>2020</u> \$	<u>2019</u> \$
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	4,575,950	5,861,055
Short-term investments	—	6,986,315
Accounts receivable (Note 4, 19)	9,724,401	3,904,620
Costs to obtain contracts (Note 14)	2,358,953	1,360,264
Contract assets (Note 14)	388,477	339,791
Prepaid expenses	1,729,940	1,126,673
Deferred financing fees	221,956	—
Investment tax credits receivable (Note 16)	887,223	896,510
	<u>19,886,900</u>	<u>20,475,228</u>
Costs to obtain contracts (Note 14)	699,971	834,613
Contract assets (Note 14)	93,182	113,897
Intangible assets (Note 5)	22,333,661	1,408,539
Property and equipment (Note 6)	782,642	241,273
Right-of-use assets (Note 7)	2,491,993	1,491,023
Goodwill (Note 8)	7,576,311	7,576,311
	<u>53,864,660</u>	<u>32,140,884</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 20)	5,576,880	3,641,287
Deferred revenue (Note 14)	12,647,647	5,968,660
Loans payable (Note 9)	1,701,838	—
Lease liability (Note 7)	705,195	490,774
Other liabilities (Note 10)	2,280,229	2,185,944
	<u>22,911,789</u>	<u>12,286,665</u>
Deferred revenue (Note 14)	5,176,514	2,684,940
Lease liability (Note 7)	2,067,863	1,132,130
Deferred tax liability (Note 16)	386,605	344,175
Other liabilities (Note 10)	—	230,000
	<u>30,542,771</u>	<u>16,677,910</u>
Shareholders' Equity		
Share capital (Note 11)	85,404,804	65,049,879
Contributed surplus	2,575,910	2,001,899
Accumulated other comprehensive income	91,028	42,515
Deficit	(64,749,853)	(51,631,319)
	<u>23,321,889</u>	<u>15,462,974</u>
	<u>53,864,660</u>	<u>32,140,884</u>

The accompanying notes are an integral part of these consolidated financial statements.

Q4 INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

	2020 \$	2019 \$	2018 \$
Revenue (Note 14)	40,381,180	22,400,374	17,300,990
Direct cost of revenue (Note 15)	18,706,167	10,428,569	8,097,575
Gross profit	<u>21,675,013</u>	<u>11,971,805</u>	<u>9,203,415</u>
Operating expenses			
Sales and marketing (Note 15)	11,677,219	8,072,298	5,171,534
Research and development (Note 15)	6,539,652	3,272,166	2,054,465
General and administrative (Note 15)	10,549,132	8,035,612	5,572,131
Depreciation and amortization	4,116,681	1,597,935	1,466,585
Foreign exchange (gain) loss	528,108	280,680	(500,177)
Fair value adjustment on contingent consideration (Note 10) . . .	—	—	(232,929)
Other (Note 15)	498,729	610,142	120,939
	<u>33,909,521</u>	<u>21,868,833</u>	<u>13,652,548</u>
Loss from operations	<u>(12,234,508)</u>	<u>(9,897,028)</u>	<u>(4,449,133)</u>
Other expenses (income)			
Finance expenses (Note 15)	326,084	369,730	3,513,836
Finance income (Note 15)	(72,996)	(240,815)	—
(Gain) loss on derivative financial instruments (Note 20)	386,285	843,471	(17,731)
	<u>639,373</u>	<u>972,386</u>	<u>3,496,105</u>
Loss before income taxes	<u>(12,873,881)</u>	<u>(10,869,414)</u>	<u>(7,945,238)</u>
Income taxes (Note 16)	244,653	183,692	319,857
Net loss for the year	<u>(13,118,534)</u>	<u>(11,053,106)</u>	<u>(8,265,095)</u>
Other comprehensive income			
Foreign exchange gain on foreign operations	48,513	26,463	16,052
Net loss and comprehensive loss	<u>(13,070,021)</u>	<u>(11,026,643)</u>	<u>(8,249,043)</u>
Basic and diluted earnings per share (Note 13)	(0.32)	(0.28)	(0.22)
Weighted average number of Common Shares (Note 13)	40,819,942	39,621,262	37,475,419

The accompanying notes are an integral part of these consolidated financial statements.

Q4 INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

	Common Shares (Note 11) \$	Class A Preferred Shares (Note 11) \$	Class B Preferred Shares (Note 11) \$	Class C Preferred Shares (Note 11) \$	Contributed surplus \$	Deficit \$	Accumulated other comprehensive income \$	Total \$
As at January 1, 2018	9,222,762	1,212,972	20,960,172	—	1,392,264	(32,313,118)	—	475,052
Exercise of stock options	188,418	—	—	—	(44,513)	—	—	143,905
Share-based compensation (Note 12)	—	—	—	—	162,666	—	—	162,666
Net loss for the year	—	—	—	—	—	(8,265,095)	—	(8,265,095)
Conversion of convertible note to Class C Preferred Shares (Note 11)	—	—	—	9,743,562	—	—	—	9,743,562
Issuance of Class C Preferred Shares — net (Note 11)	—	—	—	23,145,651	—	—	—	23,145,651
Translation adjustment	—	—	—	—	—	—	16,052	16,052
Share conversion	637,115	(227,578)	(409,537)	—	—	—	—	—
As at December 31, 2018	10,048,295	985,394	20,550,635	32,889,213	1,510,417	(40,578,213)	16,052	25,421,793
Exercise of stock options	359,390	—	—	—	(75,228)	—	—	284,162
Share-based compensation (Note 12)	—	—	—	—	566,710	—	—	566,710
Net loss for the year	—	—	—	—	—	(11,053,106)	—	(11,053,106)
Translation adjustment	—	—	—	—	—	—	26,463	26,463
Transaction fees	—	—	—	(38,252)	—	—	—	(38,252)
Exercise of warrants (Note 20)	255,204	—	—	—	—	—	—	255,204
As at December 31, 2019	10,662,889	985,394	20,550,635	32,850,961	2,001,899	(51,631,319)	42,515	15,462,974
Exercise of stock options	354,925	—	—	—	(179,987)	—	—	174,938
Share-based compensation (Note 12)	—	—	—	—	753,998	—	—	753,998
Net loss for the year	—	—	—	—	—	(13,118,534)	—	(13,118,534)
Issuance of Class C Preferred Shares (Note 11)	—	—	—	20,000,000	—	—	—	20,000,000
Translation adjustment	—	—	—	—	—	—	48,513	48,513
As at December 31, 2020	11,017,814	985,394	20,550,635	52,850,961	2,575,910	(64,749,853)	91,028	23,321,889

The accompanying notes are an integral part of these consolidated financial statements.

Q4 INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

	<u>2020</u> \$	<u>2019</u> \$	<u>2018</u> \$
Cash provided by (used in)			
Operating activities			
Loss before income taxes	(12,873,881)	(10,869,414)	(7,945,238)
Items not involving cash			
Depreciation of property and equipment (Note 6)	84,770	104,763	106,047
Depreciation of right-of-use assets (Note 7)	957,033	800,572	540,265
Amortization of intangible assets (Note 5)	3,074,878	692,600	820,273
Unrealized foreign exchange loss (gain)	542,531	56,207	(223,013)
Fair value adjustment on contingent consideration	—	—	(232,929)
Finance income (Note 15)	(72,996)	(240,815)	—
Finance expenses (Note 15)	326,084	369,730	3,513,836
(Gain) loss on derivative financial instruments (Note 20)	386,285	843,471	(17,731)
Share-based compensation (Note 12)	753,998	566,710	162,666
Changes in non-cash working capital items (Note 17)	3,507,169	1,748,943	327,644
Income tax paid	(201,015)	(164,310)	(165,400)
	<u>(3,515,144)</u>	<u>(6,091,543)</u>	<u>(3,113,580)</u>
Financing activities			
Proceeds from issuance of loan	—	—	2,024,322
Financing fees	(244,130)	(38,252)	(2,013,633)
Proceeds from exercise of stock options and warrants (Note 12, 20)	174,938	410,162	154,737
Proceeds from issuance of Preferred Shares — net	—	—	32,999,903
Draws on loans payable (Note 9)	7,406,475	—	—
Repayment of loan (Note 9)	(6,249,168)	(4,183,819)	(6,172,265)
Payment of principal portion of lease liabilities (Note 7)	(883,890)	(698,932)	(472,720)
Interest paid	(134,957)	(313,489)	(1,111,230)
	<u>69,268</u>	<u>(4,824,330)</u>	<u>25,409,114</u>
Investing activities			
Purchase of short-term investments	—	(6,986,315)	(16,999,655)
Proceeds from short-term investments	6,986,315	16,999,655	—
Purchase of property and equipment (Note 6)	(626,139)	(32,890)	(31,147)
Prepayment of right-of-use assets	(65,176)	(2,900)	—
Purchase of intangible assets (Note 5)	(4,000,000)	(230,000)	—
Loss on short-term investment	(21,076)	—	—
Repayment of future payment obligation	—	—	(499,997)
Repayment of contingent consideration	—	—	(251,866)
Interest received	72,996	240,815	—
Payment of contract database obligation	(230,000)	—	—
	<u>2,116,920</u>	<u>9,988,365</u>	<u>(17,782,665)</u>
(Decrease) increase in cash and cash equivalents during the year . .	(1,328,956)	(927,508)	4,512,869
Net foreign exchange difference	43,851	114,713	(174,875)
Cash and cash equivalents — Beginning of year	5,861,055	6,673,850	2,335,856
Cash and cash equivalents — End of year	<u>4,575,950</u>	<u>5,861,055</u>	<u>6,673,850</u>

The accompanying notes are an integral part of these consolidated financial statements.

Q4 INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

1 NATURE OF BUSINESS (CORPORATE INFORMATION)

Q4 Inc. (the “Company”) is a provider of a capital markets communication software platform. The Company offers a broad suite of services to publicly listed companies, investment managers and investment banks along a variety of workflows, including investor relations, corporate access, deal management and research. Our cloud-based software platform of products provides corporate customers with critical technology infrastructure and data that may be used to support their investor relations teams through our website, virtual events, CRM and analytics products. The Company delivers its services primarily over the internet on a subscription basis using the software-as-a-service (“SaaS”) model. The Company conducts business worldwide from its headquarters located in Toronto, Canada.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Q4 US, LLC, Q4 Denmark ApS and Q4 London Limited.

The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in Canadian and international markets. In response to the pandemic, the Company has modified its business practices with a focus on the health and well-being of its workforce both in Europe and North America. All offices are currently closed with employees working remotely.

The consolidated financial statements of the Company and its wholly-owned subsidiaries were authorized for issue in accordance with a resolution of the directors on May 24, 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements have been prepared on a historical cost basis, except for financial instrument derivatives and contingent consideration that have been measured at fair value through profit and loss. The consolidated financial statements are presented in United States dollars, unless otherwise noted.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional balance sheet at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the consolidated financial statements.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiaries. All intercompany transactions, balances, and unrealized gains and losses are eliminated upon consolidation. Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

2.3 Summary of significant accounting policies

The following are the significant accounting policies applied by the Company in preparing its consolidated financial statements.

a) Revenue from contracts with customers

The Company reports revenue under two main categories being, Capital Markets Platform and Platform Services. Capital Markets Platform revenue is comprised of fees charged for website subscriptions, virtual events, CRM and analytics products. Platform Services revenue is comprised of fees charged for website and CRM implementation services. The Company accounts for a customer contract when the rights of the parties, including the payment terms, are identified, the contract has commercial substance, collection of consideration is probable, and the contract has been signed and agreed to by both parties. Revenue is recognized when, or as, performance obligations are satisfied by transferring control or economic benefit of the service to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for its services. Revenue is reported net of any revenue-based taxes assessed by governmental authorities that are imposed on revenue producing transactions.

• **Nature of products and services**

Revenue from our website product, which allows customers to host their websites on Q4 software over a term, is provided on a subscription basis. Revenue from the subscription, which includes the website hosting and ongoing support services are billed and initially recorded as deferred revenue and are subsequently recognized as revenue on a ratable basis over the term of the

Q4 INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

contract once the website is launched. Initial website implementation fees do not have stand-alone value because they are only sold in conjunction with a subscription to the Company's platform and can only be provided by the Company. The initial implementation is not a separate performance obligation and is therefore recognized on the same basis as website hosting. Revenue associated with additional design services after the initial implementation is recognized in the period performance is complete.

Revenue from our virtual events products is recognized at the time the event occurs. When annual contracts are entered into, the balances are recorded as deferred revenue and are recognized as revenue in the period in which the event takes place.

Revenue from our CRM product is provided on a subscription basis. Revenue from these subscriptions, which also include ongoing support services is billed and initially recorded as deferred revenue and is subsequently recognized as revenue on a ratable basis over the term of the contract.

Revenue from our analytics product is provided on a subscription basis. Revenue from these subscriptions, which also include ongoing support services is billed and initially recorded as deferred revenue and is subsequently recognized as revenue on a ratable basis over the term of the contract.

- Contracts with multiple products or services

The Company enters into contracts that contain multiple services listed above. The Company evaluates this arrangement to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the service is distinct from some or all of the other services in the arrangement.

Where a contract consists of more than one performance obligation, revenue is allocated to each based on their estimated stand-alone selling price ("SSP"). The SSP reflects the price the Company would charge for a specific service if it were sold separately in similar circumstances to similar customers.

- Costs to obtain contracts

Incremental costs of obtaining a contract include only those costs that would not otherwise have been incurred should the contract had not been obtained, such as sales commissions. The Company has determined certain commission programs meet the requirements to be capitalized. Commissions are typically amortized over a two-year period.

- Direct cost of revenue

The Company's direct cost of revenue consists of costs for maintaining hosting infrastructure, third-party data fees that are integrated into the platform, other third-party costs associated with virtual events and employee expenses for the support and implementation teams.

- Contract assets and deferred revenue

The timing of revenue recognition and the contractual payment schedules often differ, resulting in contractual payments being billed before contractual products or services are delivered. When products or services have been transferred to customers and revenue has been recognized, but not billed, the Company recognizes and includes these amounts as contract assets.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets.

Deferred revenue is recognized if a payment is received from a customer before the Company transfers the related goods or services. Deferred revenue is recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

b) Investment tax credits

Refundable research and development investment tax credits are accounted for as a reduction to research and development expenses when the Company has made the qualifying expenditures and there is reasonable assurance the credits will be realized.

c) Property and equipment

Property and equipment are recorded at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditures directly attributable to the acquisition of the asset. The Company provides for depreciation using rates designed to depreciate the cost of the equipment and leasehold improvements over their estimated useful lives. The annual depreciation rates are as follows on a straight-line basis:

Q4 INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture and fixtures	5 years
Leasehold improvements	Over the term of the lease

An item of property and equipment initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible assets

Intangible assets are stated at historical cost, net of accumulated amortization and impairment losses, if any. Internally generated intangibles, excluding capitalized development costs (if any), are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Amortization is recognized on a straight-line basis over the estimated useful lives of the related assets, starting from the date they are acquired and available for use, since this most closely reflects the expected usage and pattern of consumption of the future economic benefits embodied in the asset. The annual amortization rates are as follows:

Technology	5 years
Customer lists	5-10 years
Contact database	5 years

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

Research and development costs

Research and development costs are generally expensed as incurred. These costs primarily consist of personnel and related expenses. No development costs have been capitalized to-date.

e) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company has elected not to distinguish between lease and non-lease components.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office space — 1 to 6 years
- Computer servers — 2 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

Q4 INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of computer equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

f) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU's") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

g) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair

Q4 INC.

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Goodwill is initially recognized at cost, which represents the excess of the purchase price over the fair value of net identifiable assets acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

h) Contingent consideration

Any contingent consideration to be transferred related to the acquisition of a business, property, equipment and/or intangible assets is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 3, is measured at fair value and reassessed annually with the changes in value recognized in profit or loss. Contingent consideration is included in other liabilities on the consolidated balance sheet.

i) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of loss and comprehensive loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Q4 INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Share-based compensation

Equity instruments awarded to employees, consultants and board members, and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instrument at the grant date, using the Black-Scholes valuation model. Compensation costs are expensed over the award's vesting period with a corresponding increase to contributed surplus. An estimate of forfeitures is applied when determining compensation expense. On exercise of the equity instrument, consideration paid by the holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

Employees (including senior executives), consultants and board members of the Company receive remuneration in the form of share-based compensation, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 12.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of loss and comprehensive loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based compensation transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

k) Contributed surplus

The contributed surplus balance relates to the granting of stock options (collectively referred to as equity instruments) to employees, consultants and board members as part of the Company's share-based compensation plan. Under this plan, in exchange for services rendered the employees, consultants and board members receive a certain number of equity instruments at an agreed on exercise price. The equity instruments vest in accordance with the terms of the stock option agreements.

l) Foreign currency translation

Assets, liabilities and operations of foreign subsidiaries are recorded based on the functional currency of each entity. The functional currency is the currency of the primary economic environment in which the Company operates. The Company considered the following economic factors to arrive at the determination of the functional currency: cash flow indicators, sales price indicators, sales market indicators, expense indicators and financing indicators. The functional and reporting currency of the Company is the US dollar. For certain foreign operations, the functional currency is the local currency, in which case the assets, liabilities and operations are translated at current exchange rates from the local currency to the reporting currency, the US dollar. The resulting unrealized gains or losses are reported as a component of accumulated other comprehensive income.

Foreign currency transactions that are denominated in a currency other than the functional currency are recorded by applying the average exchange rate applicable for the given period. At the end of the reporting period, foreign currency-denominated monetary assets and liabilities are revalued to functional currency by applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognized in the consolidated statement of loss and comprehensive loss. Those foreign currency-denominated transactions, which are classified as non-monetary, are remeasured using the exchange rates at the dates of the initial transactions.

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market-place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Currently, the Company only has investments in financial asset debt instruments classified at amortized cost and has no financial assets within the other categories.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include cash and cash equivalents, short-term investments in commercial paper and accounts receivable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated balance sheet) when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment

The Company recognizes an allowance for expected credit losses ("ECLs") for all financial asset debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

For short-term investments, trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The fair value of the derivative liability for warrants was determined using Monte Carlo simulation valuation techniques. Volatility of the Company's share price is a significant assumption in the model.

The Company's financial liabilities include accounts payable and accrued liabilities, loans payable, and other liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments, entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9 *Financial Instruments* ("IFRS 9"). Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. The Company's financial liabilities at fair value through profit or loss are limited to its derivative liabilities and contingent consideration.

Financial liabilities at amortized cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of loss and comprehensive loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fair value measurements

The Company measures its warrants at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the fair value of its financial assets and liabilities using a fair value hierarchy. A financial instrument's classification within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities;

Level 2 — observable inputs other than Level 1 prices such as: quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 — unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties include:

- Capital management (Note 19)
- Financial instruments risk management and policies (Note 19)
- Sensitivity analyses disclosures (Note 19)

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

- **Functional currency:** The Company and its subsidiaries use the United States dollar, British pound, and Danish krone as their functional currency, based on the predominant currency of each entity's transactions and cash flows. Management uses judgement in determining the primary economic environment in which a subsidiary operates. In assessing a subsidiary's functional currency, management considers the currency which primarily influences the pricing of services and labour costs of the subsidiary.
- **Preferred shares:** The Class C-1 and Class C-2 Preferred Shares have an 8% cumulative dividend that will become mandatorily payable if declared by the Board or upon the completion of a successful IPO. As the Company has no obligation to deliver cash or another financial asset, and no contractual obligation for the Company to deliver a variable number of its own equity instruments upon conversion, the Class C-1 and C-2 Preferred Shares are considered equity host contracts.
- **Valuation of derivative financial liabilities:** In measuring the fair value of its derivative liabilities, the Company uses judgment to determine key assumptions used in the valuation model, specifically with respect to volatility and expected term.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible asset acquired

The consideration transferred and assets acquired are recognized at fair value on the date the Company effectively obtains control of the asset. The measurement of the asset acquisition is based on the information available on the acquisition date. The estimated fair value of the asset is based on estimates and assumptions. The measurement is largely based on the fair value of the cash and shares provided in exchange for the asset where the share value is determined using a market approach, including available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices.

Amortization

Amortization of intangible assets incorporate estimates of useful lives. These estimates are based on past experience and industry norms and may change as more experience is obtained or as market conditions change.

Share-based compensation

Estimating fair value for share-based compensation transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model. The assumptions and models used for estimating fair value for share-based compensation transactions are disclosed in Note 12.

Valuation of warrants

The Company measures its warrants at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of the derivative liability for warrants was determined using Monte Carlo simulation valuation techniques. Volatility of the Company's share price is a significant assumption in the model.

3 CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at banks on hand	4,575,950	5,810,100
Short-term deposits	—	50,955
	<u>4,575,950</u>	<u>5,861,055</u>

4 ACCOUNTS RECEIVABLE

Accounts receivable are non-interest bearing and are generally on terms of 30 to 90 days.

	2020	2019
	\$	\$
Trade accounts receivable	9,850,380	4,020,798
Provision for expected credit losses	(280,659)	(210,585)
Tax credits receivable	154,680	94,407
	<u>9,724,401</u>	<u>3,904,620</u>

Set out below is the movement in the allowance for expected credit losses of accounts receivable (there are no ECLs attributable to contract assets):

	2020	2019
	\$	\$
As at January 1	210,585	158,647
Provision for expected credit losses	281,038	232,380
Write-off	(210,964)	(180,442)
As at December 31	<u>280,659</u>	<u>210,585</u>

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5 INTANGIBLE ASSETS

	Technology \$	Non-compete agreements \$	Customer lists \$	Contact Database \$	Total \$
Cost					
As at January 1, 2019	2,605,373	924,689	340,129	—	3,870,191
Additions	—	—	—	690,000	690,000
Derecognition	—	(924,689)	—	—	(924,689)
As at December 31, 2019	2,605,373	—	340,129	690,000	3,635,502
Additions	—	—	24,000,000	—	24,000,000
As at December 31, 2020	<u>2,605,373</u>	<u>—</u>	<u>24,340,129</u>	<u>690,000</u>	<u>27,635,502</u>
Amortization					
As at January 1, 2019	1,381,305	924,689	153,058	—	2,459,052
Amortization	521,074	—	68,026	103,500	692,600
Derecognition	—	(924,689)	—	—	(924,689)
As at December 31, 2019	1,902,379	—	221,084	103,500	2,226,963
Amortization	468,853	—	2,468,025	138,000	3,074,878
As at December 31, 2020	<u>2,371,232</u>	<u>—</u>	<u>2,689,109</u>	<u>241,500</u>	<u>5,301,841</u>
Net Book Value					
As at December 31, 2019	702,994	—	119,045	586,500	1,408,539
As at December 31, 2020	<u>234,141</u>	<u>—</u>	<u>21,651,020</u>	<u>448,500</u>	<u>22,333,661</u>

On January 1, 2020, the Company acquired approximately 746 clients from S&P Global Market Intelligence Inc. through an asset purchase for total consideration of \$20,000,000 payable in 14,744,587 Class C-3 Preferred Shares and \$4,000,000 payable in cash.

6 PROPERTY AND EQUIPMENT

	Furniture and fixtures \$	Leasehold improvements \$	Total \$
Cost			
As at January 1, 2019	91,357	450,158	541,515
Additions	31,178	1,712	32,890
As at December 31, 2019	122,535	451,870	574,405
Additions	577,260	48,879	626,139
As at December 31, 2020	<u>699,795</u>	<u>500,749</u>	<u>1,200,544</u>
Depreciation			
As at January 1, 2019	48,436	179,933	228,369
Depreciation	24,916	79,847	104,763
As at December 31, 2019	73,352	259,780	333,132
Depreciation	76,685	8,085	84,770
As at December 31, 2020	<u>150,037</u>	<u>267,865</u>	<u>417,902</u>
Net Book Value			
As at December 31, 2019	49,183	192,090	241,273
As at December 31, 2020	<u>549,758</u>	<u>232,884</u>	<u>782,642</u>

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7 LEASES

The Company has lease contracts for office space and computer servers used in its operations. Leases of office space have lease terms between 1 and 6 years, and leases of computer servers have lease terms of 2 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below. The Company also has certain leases of office space with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the "short-term leases" and "leases of low-value assets" recognition exemptions for these leases.

	Office space \$	Computer servers \$	Total \$
As at January 1, 2019	1,490,468	201,809	1,692,277
Additions	612,697	—	612,697
Depreciation	(598,763)	(201,809)	(800,572)
Exchange adjustments	(13,379)	—	(13,379)
As at December 31, 2019	<u>1,491,023</u>	<u>—</u>	<u>1,491,023</u>
Additions	1,981,688	—	1,981,688
Depreciation	(957,033)	—	(957,033)
Exchange adjustments	(23,685)	—	(23,685)
As at December 31, 2020	<u><u>2,491,993</u></u>	<u><u>—</u></u>	<u><u>2,491,993</u></u>

Set out below are the carrying amount of lease liabilities and the movements during the period:

	2020 \$	2019 \$
As at January 1, ...	1,622,904	1,639,637
Additions	1,916,512	609,797
Accretion of interest	131,932	129,567
Payments	(1,015,822)	(828,499)
Exchange adjustments	117,532	72,402
As at December 31, ...	<u>2,773,058</u>	<u>1,622,904</u>
Current	705,195	490,774
Non-Current	2,067,863	1,132,130

The following are the amounts recognized in profit or loss:

	2020 \$	2019 \$	2018 \$
Depreciation expense of right-of-use assets	957,033	800,572	540,265
Interest expense on lease liabilities	131,932	129,567	131,948
Expense relating to short-term leases	262,297	86,707	212,482
Expenses relating to leases of low-value assets	250,039	240,519	184,955
Variable lease payments	290,903	347,893	364,313
Total amount recognized in profit or loss	<u><u>1,892,204</u></u>	<u><u>1,605,258</u></u>	<u><u>1,433,963</u></u>

The Company had total cash outflows for leases of \$1,819,061 for the year ended December 31, 2020 (2019 — \$1,503,618, 2018 — \$1,366,418). The Company also had non-cash additions to right-of-use assets and lease liabilities of \$1,978,272 during the year ended December 31, 2020 (2019 — \$603,935).

The Company has some lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs.

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7 LEASES (Continued)

The Company's office space leases contain variable payments based on actual costs incurred by the landlord such as cleaning, maintenance, insurance and taxes. Variable lease payments were \$290,903 for the year ended December 31, 2020 (2019 — \$347,893, 2018 — \$364,313).

8 GOODWILL

Goodwill is tested for impairment at the consolidated entity level. The Company performed the annual impairment test as at December 31, 2020 and December 31, 2019.

Under IAS 36: Impairment of Assets, the carrying amount of the cash-generating unit to which goodwill is allocated is compared to its recoverable amount ("RA"), with the RA measured as the higher of: (a) the asset's fair value less costs to sell, and (b) the asset's value in use. If the recoverable amount of the asset is less than its carrying amount, the carrying amount shall be reduced to its RA and the reduction is taken as an impairment loss. To determine RAs, the Company uses a market approach based on the prices other purchasers in the market have paid for assets that can be considered reasonably similar to those being valued. Costs to sell are estimated at 2.5% of enterprise value.

For the years ended December 31, 2019 and 2020, the Company arrived at the following revenue multiples:

	<u>Revenue multiples</u>
2019 Revenue	4.9x
2020 Revenue	3.7x

Based on the analysis above, the Company determined that the RA at each valuation date exceeds the carrying value and therefore there is no impairment of goodwill. The RA of the Company's CGU is considered to be a Level 3 fair value calculation as the multiples are not based on observable market data.

9 LOANS PAYABLE

Credit facilities

On April 6, 2020, the Company entered into a credit facility agreement with Canadian Imperial Bank of Commerce (CIBC), which provides for a \$25,000,000 CAD revolving line of credit bearing interest at Prime plus 1.00% per annum if drawn in Canadian dollars and the WSJ Prime Rate plus 1.00% per annum if drawn in US dollars. As at December 31, 2020, \$1,701,838 (2019 - \$nil) was drawn in Canadian dollars and the effective interest rate was 3.45% (Canada Prime Rate plus 1.00%). The credit facility has a maturity date of April 6, 2023 and is collateralized by all of the Company's assets. The loan is governed by certain financial covenants and reporting requirements to the lender. As at December 31, 2020 \$1,701,838 (2019 — \$nil) has been drawn under this credit facility and the Company was in compliance with the covenants. Total interest charged in the year was \$128,282 (2019 — \$nil, 2018 — \$nil).

The credit facility with CIBC is convertible into a term loan at any point prior to April 6, 2021 up to a maximum of \$10,000,000 bearing interest at the WSJ Prime Rate plus 2.5% per annum. The term loan has a maturity date of April 6, 2024 and is collateralized by all of the Company's assets. As at December 31, 2020 the Company has not yet exercised this option.

The Company maintained a credit facility during 2019 of \$4,275,000 revolving line of credit bearing interest at 13% per annum payable on the last day of each month and 2% per annum on maturity. The credit facility had a maturity date of June 30, 2020 and was collateralized by all of the Company's assets. The loan was governed by certain financial covenants and reporting requirements to the lender. Total interest charged in the year was \$nil (2019 — \$215,250, 2018 — \$439,867).

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10 OTHER LIABILITIES

	2020	2019
	\$	\$
Current		
Contact database obligation	230,000	230,000
Contingent consideration	—	250,000
Warrants (Note 20)	1,712,229	1,325,944
Other	338,000	380,000
	<u>2,280,229</u>	<u>2,185,944</u>
Long-term		
Contact database obligation	<u>—</u>	<u>230,000</u>

Contingent consideration at December 31, 2019 relates to a retention payment for migration of customers to the Company over a two year period and is based on management's best estimate of the probability of payment. During the year ended December 31, 2020, the full amount that was accrued was paid.

The contact database obligation is payable to the seller of the perpetual license acquired in 2019 in three equal annual instalments with the final payment being due in the second quarter of 2021.

Warrants for Class A Preferred Shares and Class B Preferred Shares were issued to investors as a part of financing rounds. See Note 20 for further information.

11 COMMON AND PREFERRED SHARES

The Company is authorized to issue the following:

- Unlimited number of Common Shares, issuable in series, of which an unlimited number are designated as Series 1 Voting Common Shares, an unlimited number are designated as Series 2 Voting Common Shares, an unlimited number are designated as Series 3 Voting Common Shares, an unlimited number are designated as Series 4 Voting Common Shares and an unlimited number are designated as Non-Voting Common Shares
- Unlimited number of Class A Preferred Shares
- Unlimited number of Class B Preferred Shares
- Unlimited number of Class C Preferred Shares, issuable in series, of which an unlimited number are designated as Class C-1 Preferred Shares, an unlimited number are designated as Class C-2 Preferred Shares and an unlimited number are designated as Class C-3 Preferred Shares.

All preferred shares in the capital of the Company are entitled to vote on an as-converted basis with the Common Shares.

The Company has issued the following:

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11 COMMON AND PREFERRED SHARES (Continued)

	Common Shares	Class A Preferred Shares	Class B Preferred Shares	Class C Preferred Shares
January 1, 2018	37,084,980	2,449,361	28,114,920	—
Exercise of stock options	417,875	—	—	—
Conversion of convertible note	—	—	—	—
Issuance of Preferred C Shares	—	—	—	12,572,697
Share conversion	1,070,245	(543,478)	(526,767)	27,777,778
Anti-dilution impact	—	—	495,125	—
December 31, 2018	<u>38,573,100</u>	<u>1,905,883</u>	<u>28,083,278</u>	<u>40,350,475</u>
Exercise of stock options	1,040,395	—	—	—
Exercise of warrants	800,000	—	—	—
December 31, 2019	<u>40,413,495</u>	<u>1,905,883</u>	<u>28,083,278</u>	<u>40,350,475</u>
Exercise of stock options	1,148,385	—	—	—
Issuance of Class C Preferred Shares	—	—	—	14,744,587
December 31, 2020	<u>41,561,880</u>	<u>1,905,883</u>	<u>28,083,278</u>	<u>55,095,062</u>

On January 1, 2020, the Company issued 14,744,587 Class C-3 Preferred Shares as part of an asset acquisition of 746 clients from S&P Global Market Intelligence Inc.

On September 6, 2018, the Company issued 40,350,475 Class C Preferred Shares for aggregate proceeds of \$31,145,651 (net of financing costs of \$1,854,252) (the “**Series C Preferred Share Financing Round**”). Coincident with the issuance of Class C Preferred Shares, certain Class A Preferred Shares and Class B Preferred Shares held by investors who elected not to participate in the Series C Preferred Share Round were automatically converted into 1,070,245 Non-Voting Common Shares.

In connection with the Series C Preferred Share Financing Round, the anti-dilution provision of the Class B Preferred Shares and warrants exercisable for Class B Preferred Shares was triggered. This resulted in the Company issuing 495,125 additional Class B Preferred Shares and 39,260 additional warrants exercisable for Class B Preferred Shares, respectively.

Class A, Class B and Class C-3 Preferred Shares have an 8% non-cumulative, discretionary dividend and do not have a mandatory redemption obligation. The Class C-1 and Class C-2 Preferred Shares have an 8% cumulative dividend that will become mandatorily payable if declared by the Board or upon the completion of a successful IPO. As the Company has no obligation to deliver cash or another financial asset, and no contractual obligation for the Company to deliver a variable number of its own equity instruments upon conversion, as such Class A, B, C-1 and C-2 Preferred Shares are considered equity host contracts. The cumulative accrued and undeclared dividends as at December 31, 2020 for the Class C-1 and C-2 Preferred Shares is \$6,118,996 (2019 — \$3,471,771, 2018 — \$831,778).

The holders of Class A, B and C Preferred Shares have the option to convert each such Preferred Share into a Series 1, Series 3 or Series 4 Voting Common Share, respectively at any time and all will automatically convert upon a qualified IPO. The conversion prices for the Class A, B and C Preferred Shares are equal to their respective original issue price.

12 SHARE-BASED COMPENSATION

The Company has an incentive Stock Option Plan (the plan). The plan provides for options to be granted for the benefit of employees, directors and consultants. The aggregate number of shares issuable on the exercise of all options granted under the plan shall not exceed 20,772,523 Common Shares in the aggregate of the Company. Each option under the plan allows for the purchase of one Series 1 Voting Common Share or one Non-Voting Common Share of the Company. The exercise price of the options granted under the plan will be determined by the board of directors. Generally, the options expire no later than ten years from the date granted. For options that vest based on service conditions only, 25% of the options vest on the first anniversary of the date of issuance, with the remainder vesting monthly in instalments commencing one month after the first anniversary of the date of issuance, or earlier, at the discretion of the board of directors. For options that contain a performance condition, options vest when certain performance conditions are met within the service period. The fair value of the options granted is estimated at the date of grant using the Black-Scholes valuation model.

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12 SHARE-BASED COMPENSATION (Continued)

During the year ended December 31, 2020, the Company expensed \$753,998 (2019 — \$566,710, 2018 — \$162,666) in equity instruments with a corresponding increase to contributed surplus.

Equity instruments vested

As at December 31, 2020, the Company had 8,515,978 (2019 — 5,971,679) in equity instruments vested and exercisable at exercise prices ranging from \$0.001 to \$0.78 with a weighted average exercise price of \$0.27 (2019 — \$0.23) per share.

Information regarding stock options outstanding as of December 31, 2020 is summarized below:

	Number of Stock options	Weighted average remaining contractual life (in years)	Weighted average exercise price per Stock option \$
Options exercisable	8,515,978	5.92	0.27
Options unvested, but expected to vest	8,526,698	8.55	0.31

Information regarding stock options outstanding as of December 31, 2019 is summarized below:

	Number of Stock options	Weighted average remaining contractual life (in years)	Weighted average exercise price per Stock option \$
Options exercisable	5,971,679	4.26	0.23
Options unvested, but expected to vest	9,940,999	8.95	0.28

The fair value of the stock options granted during the year ended December 31, 2020 was determined to be \$723,656 (2019 — \$1,220,300).

Management uses the Black-Scholes valuation model in order to value stock options at the grant date. The following inputs were used by management to determine the valuation of stock options granted during the year:

	2020	2019
Expected volatility	60%	60%
Risk free interest rate	0.67%	1.55%
Dividend yield	Nil	Nil
Average expected life	10	10

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12 SHARE-BASED COMPENSATION (Continued)

Equity instruments granted

Equity instruments issued and outstanding to employees, consultants and board members as part of the plan are summarized as follows:

	Number of instruments	Weighted average exercise price \$
Balance — January 1, 2019	9,133,896	0.25
Stock options granted	7,873,000	0.29
Stock options forfeited	(22,627)	(0.25)
Stock options expired	(31,196)	(0.21)
Stock options exercised	<u>(1,040,395)</u>	<u>(0.32)</u>
Balance — December 31, 2019	15,912,678	0.27
Stock options granted	2,628,000	0.38
Stock options forfeited	(313,436)	(0.30)
Stock options expired	(36,181)	(0.28)
Stock options exercised	<u>(1,148,385)</u>	<u>(0.15)</u>
Balance — December 31, 2020	<u>17,042,676</u>	<u>0.29</u>

13 EARNINGS PER SHARE (“EPS”)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2020 \$	2019 \$	2018 \$
Loss attributable to ordinary equity holders	(13,118,534)	(11,053,106)	(8,265,095)
Basic and diluted weighted average number of Common Shares	40,819,942	39,621,262	37,475,419
Basic and diluted loss per share	(0.32)	(0.28)	(0.22)

For the periods presented, the diluted loss per share was the same as the basic loss per share as the inclusion of convertible preferred shares, stock options and warrants would have been anti-dilutive. Accordingly, the diluted loss per share for the period was calculated using the basic weighted average number of Common Shares outstanding.

14 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table represents the breakdown of revenue:

	2020 \$	2019 \$	2018 \$
Capital Markets Platform	38,138,561	20,212,154	15,601,155
Platform Services	<u>2,242,619</u>	<u>2,188,220</u>	<u>1,699,835</u>
	<u>40,381,180</u>	<u>22,400,374</u>	<u>17,300,990</u>

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14 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Contract Balances

The following tables provide information about costs to obtain contracts, contract assets and deferred revenue:

Costs to obtain contracts

	2020	2019
	\$	\$
Balance — January 1	2,194,877	1,170,467
Increase from capitalized costs incurred	2,830,811	2,066,863
Amortization of costs incurred	(2,042,896)	(1,315,440)
Foreign exchange	76,132	272,987
Balance — December 31	<u>3,058,924</u>	<u>2,194,877</u>
Current portion	2,358,953	1,360,264
Long-term portion	699,971	834,613

Contract assets

	2020	2019
	\$	\$
Balance — January 1	453,688	102,764
Increase from unbilled revenue recognized in the period	486,521	350,924
Decrease from transfers to accounts receivable	(405,004)	—
Adjustments due to unfulfilled contracts	(53,546)	—
Balance — December 31	<u>481,659</u>	<u>453,688</u>
Current portion	388,477	339,791
Long-term portion	93,182	113,897

Deferred revenue

	2020	2019
	\$	\$
Balance — January 1	8,653,600	6,011,833
Increase from cash received during the period	49,287,861	24,224,439
Decrease due to amounts recognized as revenue during the period	(39,872,753)	(21,731,433)
Foreign exchange and other adjustments	(244,547)	148,761
Balance — December 31	<u>17,824,161</u>	<u>8,653,600</u>
Current portion	12,647,647	5,968,660
Long-term portion	5,176,514	2,684,940

Deferred Revenue

Revenue allocated to remaining performance obligations represents revenue that has not yet been recognized (“contracted not yet recognized”) and includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods. Contracted not yet recognized revenue was approximately \$21,352,263, as at December 31, 2020, of which 63% is estimated to be earned over the next 12 months and the remainder thereafter (2019 — \$11,898,791, 60%, 2018 — \$8,316,179, 61% respectively).

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15 INCOME AND EXPENSES BY NATURE

Other operating expenses:

	2020	2019	2018
	\$	\$	\$
Severance	105,727	230,142	120,939
Other	393,002	380,000	—
	<u>498,729</u>	<u>610,142</u>	<u>120,939</u>

Finance income:

	2020	2019	2018
	\$	\$	\$
Interest income	63,765	240,815	—
Other	9,231	—	—
	<u>72,996</u>	<u>240,815</u>	<u>—</u>

Finance expenses:

	2020	2019	2018
	\$	\$	\$
Financing fees	41,772	24,844	564,439
Interest on debt facilities	131,304	215,319	1,040,950
Interest on lease liabilities	131,932	129,567	131,948
Interest on convertible debt	—	—	1,743,562
Loss on short-term investment	21,076	—	—
Accretion on future payment obligation	—	—	32,937
	<u>326,084</u>	<u>369,730</u>	<u>3,513,836</u>

Salaries, benefits and share-based compensation expenses:

	2020	2019	2018
	\$	\$	\$
Included in direct cost of revenue	7,532,092	4,712,790	3,352,780
Included in sales and marketing expense	7,376,123	4,331,446	2,888,761
Included in research and development expense	6,664,969	4,095,791	2,716,079
Included in general and administrative expense	5,096,140	3,694,989	2,491,713
	<u>26,669,324</u>	<u>16,835,016</u>	<u>11,449,333</u>

16 INCOME TAXES

Significant components of income taxes for the years ended December 31, 2020, 2019 and 2018 are as follows:

	2020	2019	2018
	\$	\$	\$
Current income tax			
Current income tax expense	202,804	135,524	187,094
Adjustments in respect of current income tax of previous year	(580)	1,271	—
Deferred tax			
Relating to the origination and reversal of temporary differences	42,429	46,897	132,763
Income taxes reported in the consolidated statement of loss and comprehensive loss	<u><u>244,653</u></u>	<u><u>183,692</u></u>	<u><u>319,857</u></u>

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16 INCOME TAXES (Continued)

Reconciliation of tax expense and the accounting loss multiplied by the Company's domestic tax rate for 2020, 2019 and 2018:

	2020	2019	2018
	\$	\$	\$
Accounting loss before income tax	(12,873,881)	(10,869,414)	(7,945,238)
Income tax recovery at the statutory rate of 26.5% (2019 — 26.5%)	(3,411,578)	(2,880,395)	(2,105,488)
Adjustments in respect of income tax of previous years	(580)	1,271	—
Earnings of subsidiaries taxed at other than statutory rate	(7,479)	(51,739)	(26,760)
Change in unrecognized net deferred tax asset	3,190,798	2,344,458	2,018,463
Non-deductible expenses	436,253	771,130	433,519
Other items	37,239	(1,033)	123
Income taxes	<u>244,653</u>	<u>183,692</u>	<u>319,857</u>

Deferred tax relates to the following:

	Consolidated balance sheet		Consolidated statement loss and comprehensive loss		
	2020	2019	2020	2019	2018
	\$	\$	\$	\$	\$
Costs to obtain contracts	(378,802)	(236,537)	142,265	32,805	17,099
Goodwill	(150,158)	(111,739)	38,419	38,099	38,989
Excess tax over accounting basis in property and equipment and intangible assets	3,126	2,893	(233)	(41,236)	38,344
Other	139,229	1,208	(138,022)	17,229	38,331
	<u>(386,605)</u>	<u>(344,175)</u>	<u>42,429</u>	<u>46,897</u>	<u>132,763</u>

The Company has not recognized deferred tax assets of \$14,627,684 (2019 — \$11,218,163) in excess of deferred income tax liabilities with respect of the following attributes as it is not probable that sufficient future taxable profit will be available against which the Company may use the benefits.

	2020	2019
	\$	\$
Deferred income tax assets		
Non-capital losses	13,709,469	10,427,171
Property and equipment and intangible assets	(56,612)	(311,099)
Undeducted SR&ED expenditures	923,194	1,157,811
Deferred revenue	(94,098)	(196,226)
Reserves	63,765	47,743
Financing fees	81,966	92,762
Net unrecognized deferred income tax assets	<u>14,627,684</u>	<u>11,218,163</u>

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16 INCOME TAXES (Continued)

The Company has non-capital tax losses that may be applied to reduce future years' taxable income. The losses expire as follows:

	\$
2030	634,000
2031	379,000
2032	128,000
2033	205,000
2034	1,324,000
2035	2,070,000
2036	4,077,000
2037	15,607,000
2038	7,643,000
2039	7,282,000
2040	12,388,000
	<u>51,737,000</u>

As at December 31, 2020, the Company had deductible SR&ED expenditures in the amount of \$4,434,342 (2019 — \$5,265,702). These pools of expenditures are available to reduce the taxable income of future years and carry forward indefinitely.

During the year, SR&ED refundable credits of \$887,223 (2019 — \$896,510) were accrued as a receivable from the federal and provincial governments for eligible expenditures incurred by the Company during the year and recorded against research and development expenses on the consolidated statement of loss and comprehensive loss.

17 CHANGES IN NON-CASH WORKING CAPITAL

	2020 \$	2019 \$	2018 \$
Accounts receivable	(5,819,781)	(612,776)	(1,421,569)
Contract assets	(27,971)	(350,924)	(102,764)
Prepaid expenses	(603,267)	(692,108)	(113,696)
Investment tax credits receivable	9,287	(136,396)	(15,194)
Costs to obtain contracts	(864,047)	(1,024,410)	(217,324)
Accounts payable and accrued liabilities	1,934,387	1,293,790	549,668
Other liabilities	(292,000)	630,000	—
Deferred revenue	9,170,561	2,641,767	1,648,523
	<u>3,507,169</u>	<u>1,748,943</u>	<u>327,644</u>

18 RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	2020 \$	2019 \$	2018 \$
Proceeds from bridge financing loan	—	—	1,349,248
Interest expense on bridge financing	—	215,250	873,033
Repayment of bridge financing loan	—	4,183,820	—
	<u>—</u>	<u>4,399,070</u>	<u>2,222,281</u>

Related party transactions are with shareholders of the Company.

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18 RELATED PARTY TRANSACTIONS (Continued)

Key management compensation

The Company's key management personnel include members of the executive leadership team.

	2020	2019	2018
	\$	\$	\$
Salaries and benefits	1,913,191	1,121,939	637,650
Share-based compensation	309,935	181,188	42,321
	<u>2,223,126</u>	<u>1,303,127</u>	<u>679,971</u>

19 FINANCIAL AND CAPITAL RISK MANAGEMENT

The general objectives of the Company's capital management strategy reside in the preservation of its capacity to continue operating, in providing benefits to stakeholders and in providing an adequate return on investment to shareholders by selling the Company's services at a price commensurate with the level of operating risk assumed.

The Company determines the total amount of capital required consistent with risk levels. This capital structure is adjusted on a timely basis depending on changes in the economic environment and risks of the underlying assets.

Credit risk

The Company is exposed to credit risk with respect to cash and cash equivalents, short-term investments, contract assets, and the accounts receivable from its customers. The Company manages credit risk by holding cash and cash equivalents with Schedule I banks. The Company does not have significant credit exposure to any individual customer. The maximum exposure to credit risk of accounts receivable is their carrying value. As at December 31, 2020, no customer balance represented a significant portion of accounts receivable.

The aging of accounts receivables is as follows:

	2020	2019
	\$	\$
Current	5,253,440	2,362,634
1-30 days past due	1,293,809	659,622
31-60 days past due	1,649,270	505,302
61-90 days past due	1,074,883	126,822
Greater than 90 days past due	578,978	366,418
	<u>9,850,380</u>	<u>4,020,798</u>
Less: credit loss impairment	(280,659)	(210,585)
	<u>9,569,721</u>	<u>3,810,213</u>

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is not exposed to significant liquidity risk outside of accounts payable, accrued liabilities and loans payable. The Company's ability to meet its obligations, in part, depends on the receipt of funds from its investment tax credits receivable, debt facility, and future financings. The Company manages liquidity risk through regular monitoring of forecasted and actual cash flows, review of available credit or financing alternatives and strategic planning in evaluating the cash requirements of the business to ensure it will have sufficient liquidity to meet liabilities when they come due.

Market risk

Market risk is the risk of loss that might arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

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19 FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

- Interest rate risk

Interest rate risk arises because of the fluctuation in interest rates. The Company's objective in managing interest rate risk is to minimize the interest expense on liabilities and debt. The Company does not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates.

- Foreign currency risk

The Company provides certain services to customers and purchases certain supplies from vendors located in Canada and is therefore subject to foreign exchange fluctuations. The Company manages this risk by monitoring its Canadian dollar cash flow.

As at December 31, 2020, the Company had Canadian denominated cash, accounts receivable, accounts payable, lease liabilities, loans payable, sales and purchases. The net carrying value of these Canadian dollar denominated balances is as follows:

	2020 \$	2019 \$	2018 \$
Cash	459,896	922,598	—
Accounts receivable	232,268	159,602	—
Accounts payable	1,122,289	1,198,826	—
Lease liabilities	2,521,603	1,358,413	—
Loans payable	1,701,838	—	—
Sales	2,394,495	2,135,660	1,711,411
Purchases	5,016,757	2,798,810	2,372,883

If there was a 1% strengthening of the US dollar against the Canadian dollar, there would be a corresponding increase of:

	2020 \$	2019 \$	2018 \$
Cash	4,599	9,226	—
Accounts receivable	2,323	1,596	—
Accounts payable	11,223	11,988	—
Lease liabilities	25,216	13,584	—
Loans payable	17,018	—	—
Sales	23,945	21,357	17,114
Purchases	50,168	27,988	23,729

There would be an equal and opposite impact if there was a 1% weakening of the Canadian dollar against the US dollar.

20 FINANCIAL INSTRUMENTS

As at December 31, 2020, the Company's financial instruments, measured at fair value, were as follows:

	Amount at fair value \$	2020 Fair value measurements used		
		Level 1	Level 2	Level 3
		\$	\$	\$
Liabilities				
Warrant liability	1,712,229	—	—	1,712,229

All cash equivalents mature within 90 days of the consolidated balance sheet date. The carrying value of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities and loans payable approximate the fair value due to the short-term nature. The fair value of other long-term liabilities approximates their carrying value as at December 31, 2020 and 2019.

Q4 INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

20 FINANCIAL INSTRUMENTS (Continued)

As at December 31, 2019, the Company's financial instruments, measured at fair value, were as follows:

	2019			
	Amount at fair value \$	Fair value measurements used		
		Level 1 \$	Level 2 \$	Level 3 \$
Liabilities				
Warrant liability	1,325,944	—	—	1,325,944

All cash equivalents mature within 90 days of the consolidated balance sheet date. The carrying value of cash and cash equivalents, short-term investments, accounts receivable and accounts payable and accrued liabilities approximate the fair value due to the short-term nature.

From 2019 to 2020 there have been no adjustments to the classification of assets in the fair value hierarchy.

	Interest Rate	Maturity	2020 \$	2019 \$
Current interest-bearing loans and borrowings				
Lease liabilities	3.45%-7.75%	2022-2025	705,195	490,774
Current loans payable	3.45%	2021	1,701,838	—
Total current interest-bearing loans and borrowings			<u>2,407,033</u>	<u>490,774</u>
Non-current interest-bearing loans and borrowings				
Lease liabilities	3.45%-7.75%	2022-2025	<u>2,067,863</u>	<u>1,132,130</u>

Warrant liability

The following table reflects the continuity of the warrant liability for the years ended December 31, 2020 and 2019:

	Number of warrants	Fair value \$	Weighted average exercise price \$
Balance — January 1, 2019	5,336,542	611,677	0.57
Exercise of 800,000 Common Share warrants	(800,000)	(129,204)	0.15
Change in fair value	—	843,471	—
Balance — December 31, 2019	4,536,542	1,325,944	0.65
Change in fair value	—	386,285	—
Balance — December 31, 2020	<u>4,536,542</u>	<u>1,712,229</u>	<u>0.66</u>

The warrants described below are considered a derivative instrument and classified as financial liabilities at FVTPL as they do not meet the criteria for equity classification under IFRS. The warrants are initially measured at fair value and subsequent changes in fair value are recorded through the consolidated statement of loss and comprehensive loss.

Common Share warrants

Each Common Share warrant issued entitled the holder to one Common Share of the company and had an expiry date of April 4, 2019. During the year ended December 31, 2019, 800,000 Common Share warrants were exercised for proceeds of \$126,000.

Class A Preferred Share warrant

Each Class A Preferred Share warrant issued entitles the holder to one Class A Preferred Share of the Company and has an expiry date of February 13, 2021.

Q4 INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

20 FINANCIAL INSTRUMENTS (Continued)

Class B Preferred Share warrant

Each Class B Preferred Share warrant issued entitles the holder to one Class B Preferred Share of the Company and has an expiry date of June 15, 2022.

Valuation

The Company applied the Monte Carlo option pricing approach to value the warrants upon initial measurement and subsequently at December 31, 2020.

The key assumptions used in the model at December 31, 2020 are as follows:

	Class A Preferred Share warrants	Class B Preferred Share warrants
Risk-free interest rate	0.08%	0.11%
Term to maturity (years)	0.12	1.46
Expected volatility	55%	55%
Exercise price	<u>C\$0.69</u>	<u>\$0.78</u>
Fair value of warrant	<u>\$0.57</u>	<u>\$0.18</u>

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at December 31, 2020:

	On demand \$	Less than 3 months \$	3 to 12 months \$	1 to 5 years \$	Total \$
Interest bearing loans and borrowings	—	—	1,701,838	—	1,701,838
Lease liabilities	—	278,159	543,309	1,951,590	2,773,058
Other liabilities	—	—	568,000	—	568,000
Trade and other payables	—	5,576,880	—	—	5,576,880
Warrant liability	1,712,229	—	—	—	1,712,229
	<u>1,712,229</u>	<u>5,855,039</u>	<u>2,813,147</u>	<u>1,951,590</u>	<u>12,332,005</u>

Trade payables are non-interest bearing and are normally settled on 30 to 60-day terms.

21 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Current lease liabilities	Loans payable	Other liabilities	Non-current lease liabilities	Non-current other liabilities	Total
January 1, 2020	490,774	—	2,185,944	1,132,130	230,000	4,038,848
Cash flows	(883,890)	1,157,307	(230,000)	—	—	43,417
Non-cash items	394,038	—	(292,000)	1,522,474	—	1,624,512
Foreign exchange movement	(922)	396,649	—	118,454	—	514,181
Changes in fair value	—	—	386,285	—	—	386,285
Non-cash interest and accretion	—	147,882	—	—	—	147,882
Reclassification	705,195	—	230,000	(705,195)	(230,000)	—
December 31, 2020	<u>705,195</u>	<u>1,701,838</u>	<u>2,280,229</u>	<u>2,067,863</u>	<u>—</u>	<u>6,755,125</u>

Q4 INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

21 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

	Current lease liabilities	Loans payable	Other liabilities	Non-current lease liabilities	Non-current other liabilities	Total
January 1, 2019	384,359	4,091,830	611,677	1,255,278	—	6,343,144
Cash flows	(698,932)	(4,183,819)	—	—	—	(4,882,751)
Non-cash additions	297,523	—	860,000	312,274	230,000	1,699,797
Foreign exchange movement	17,050	58,676	—	55,352	—	131,078
Exercise of warrants	—	—	(129,204)	—	—	(129,204)
Changes in fair value	—	—	843,471	—	—	843,471
Non-cash interest and accretion	—	33,313	—	—	—	33,313
Reclassification	490,774	—	—	(490,774)	—	—
December 31, 2019	490,774	—	2,185,944	1,132,130	230,000	4,038,848

22 SEGMENT INFORMATION

The Company operates primarily in one principal business, that being the development, marketing and support of investor relations and capital market software services. The Company's Chief Operating Decision-Maker (CODM) is a function comprising two C-Level executives, specifically the Chief Executive Officer and the Chief Financial Officer. The CODM is the highest level of management responsible for assessing the Company's overall performance and making operational decisions such as resource allocations related to operations, product prioritization, and delegation of authority. Management has determined that the Company operates in a single operating and reportable segment.

Geographic revenue information is based on the location of the customer invoiced. Non-current assets include non-current costs to obtain contracts, non-current contract assets, intangible assets, property and equipment, right-of-use assets and goodwill.

Revenue

	2020 \$	2019 \$	2018 \$
Canada	2,394,495	2,135,660	1,711,411
United States	34,315,580	17,568,948	13,625,196
Europe	2,809,055	1,986,477	1,451,425
Other	862,050	709,289	512,958
	<u>40,381,180</u>	<u>22,400,374</u>	<u>17,300,990</u>

Non-current assets

	2020 \$	2019 \$
Canada	33,353,173	10,694,021
Other	624,587	971,635
	<u>33,977,760</u>	<u>11,665,656</u>

23 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement

Q4 INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

23 STANDARDS ISSUED BUT NOT YET EFFECTIVE (Continued)

- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework — Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

Onerous Contracts — Costs of Fulfilling a Contract — Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 9 Financial Instruments — Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

Q4 INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the years ended December 31, 2020, 2019 and 2018
(expressed in US dollars)

23 STANDARDS ISSUED BUT NOT YET EFFECTIVE (Continued)

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

24 EVENTS AFTER THE REPORTING PERIOD

For the period January 1, 2021 to October 5, 2021, 7,298,186 stock options were exercised resulting in the issuance 7,298,186 Non-Voting Common Shares of the Company for total cash proceeds of \$1,907,731.

On January 29, 2021, 1,847,826 Class A Preferred Share warrants were exercised and on March 15, 2021, the remaining 461,956 Class A Preferred Share warrants were exercised for total proceeds of \$1,252,871.

Effective March 31, 2021, the Company entered into an amended and restated credit facility agreement with Canadian Imperial Bank of Commerce (CIBC), which now provides for a \$22,500,000 USD revolving line of credit bearing interest at the CIBC Prime Rate plus 1.00% per annum if drawn in Canadian dollars and the WSJ Prime Rate plus 1.00% per annum if drawn in US dollars, and a \$7,500,000 USD term loan bearing interest at the WSJ Prime Rate plus 4.5% which will amortize at 10% per annum after a 24-month interest-only period and matures on March 31, 2025. As part of the revolving line of credit, \$7,500,000 USD is convertible into a term loan at the election of the Company and would bear interest at the WSJ Prime Rate plus 2.5%, amortize at 10% per annum after a 24-month no payment period and mature on March 31, 2025. This election is available to the Company from the effective date until the first anniversary. The credit facility is collateralized by all of the Company's assets. The loan is governed by certain financial covenants and reporting requirements to the lender.

On May 1, 2021, the Company issued a demand promissory note worth \$252,233 to a member of key management which bears interest at a fixed rate of 2% per annum and matures in 24 months.

On May 3, 2021, 445,352 Class B Preferred Share warrants were exercised for total proceeds of \$346,240.

On May 14, 2021, the Company filed Articles of Amendment to create an unlimited number of New Common Shares, issuable in series, of which an unlimited number are designated as Series 1 Voting New Common Shares, an unlimited number are designated as Series 2 Voting New Common Shares, an unlimited number are designated as Series 3 Voting New Common Shares, an unlimited number are designated as Series 4 Voting New Common Shares, an unlimited number are designated as Non-Voting New Common Shares, an unlimited number are designated as Series A New Common Shares, an unlimited number are designated as Series B New Common Shares, an unlimited number are designated as Series C-1 New Common Shares, an unlimited number are designated as Series C-2 New Common Shares and an unlimited number are designated as Series C-3 New Common Shares. As of May 24, 2021, no new shares were issued under the new class of shares.

On May 18, 2021, the Company incorporated Q4 Software Holdings ULC, a new Canadian entity. The intellectual property of Q4 Inc. was transferred to the newly incorporated entity in exchange for shares in the newly incorporated entity representing 100% ownership.

Q4 Inc.

Interim Condensed Consolidated Financial
Statements (Unaudited)

For the three and six months ended June 30, 2021
(expressed in US dollars)

Q4 INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
As at June 30, 2021 and December 31, 2020
(expressed in US dollars)

	June 30, 2021	December 31, 2020
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	14,899,241	4,575,950
Accounts receivable (Note 4)	14,268,867	9,724,401
Costs to obtain contracts	2,329,764	2,358,953
Contract assets (Note 10)	597,656	388,477
Prepaid expenses	2,571,636	1,729,940
Deferred financing fees	266,172	221,956
Investment tax credits receivable	1,168,407	887,223
	<u>36,101,743</u>	<u>19,886,900</u>
Costs to obtain contracts	624,300	699,971
Contract assets (Note 10)	143,175	93,182
Deferred transaction costs (Note 18)	2,114,450	—
Promissory note receivable (Note 12)	252,233	—
Intangible assets (Note 5)	20,874,554	22,333,661
Property and equipment	827,975	782,642
Right-of-use assets (Note 3)	2,016,446	2,491,993
Goodwill	7,576,311	7,576,311
	<u>70,531,187</u>	<u>53,864,660</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	9,546,980	5,576,880
Deferred revenue (Note 10)	13,352,592	12,647,647
Loans payable (Note 6)	13,445,856	1,701,838
Lease liability (Note 3)	678,620	705,195
Other liabilities (Note 7)	2,860,950	2,280,229
	<u>39,884,998</u>	<u>22,911,789</u>
Deferred revenue (Note 10)	6,077,509	5,176,514
Loans payable (Note 6)	7,312,500	—
Lease liability (Note 3)	1,659,201	2,067,863
Deferred tax liability	383,482	386,605
	<u>55,317,690</u>	<u>30,542,771</u>
Shareholders' Equity		
Share capital (Note 8)	93,040,133	85,404,804
Contributed surplus	1,417,921	2,575,910
Accumulated other comprehensive income	77,642	91,028
Deficit	<u>(79,322,199)</u>	<u>(64,749,853)</u>
	<u>15,213,497</u>	<u>23,321,889</u>
	<u>70,531,187</u>	<u>53,864,660</u>

The accompanying notes are an integral part of these consolidated financial statements.

Q4 INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
For the three month and six month periods ended June 30, 2021 and 2020
(expressed in US dollars)

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Revenue (Note 10)	17,288,583	9,722,223	28,613,936	19,279,016
Direct cost of revenue (Note 16)	7,470,911	4,620,035	12,634,885	8,674,971
Gross profit	<u>9,817,672</u>	<u>5,102,188</u>	<u>15,979,051</u>	<u>10,604,045</u>
Operating expenses				
Sales and marketing (Note 16)	4,443,660	2,622,794	8,836,584	5,230,810
Research and development (Note 16)	2,783,952	1,400,791	5,624,089	2,944,212
General and administrative (Note 16)	4,626,277	2,237,834	9,608,979	4,724,212
Depreciation and amortization	1,016,123	1,050,860	2,082,049	2,037,275
Foreign exchange loss	193,153	101,600	166,536	14,635
Other	50,741	25,096	271,782	62,167
	<u>13,113,906</u>	<u>7,438,975</u>	<u>26,590,019</u>	<u>15,013,311</u>
Loss from operations	<u>(3,296,234)</u>	<u>(2,336,787)</u>	<u>(10,610,968)</u>	<u>(4,409,266)</u>
Other expenses (income)				
Finance expenses (Note 16)	309,234	68,558	439,924	136,503
Finance income (Note 16)	(7,012)	(119,052)	(8,226)	(49,142)
(Gain) loss on derivative financial instruments (Note 15)	(1,350,408)	96,571	3,463,098	193,142
	<u>(1,048,186)</u>	<u>46,077</u>	<u>3,894,796</u>	<u>280,503</u>
Loss before income taxes	<u>(2,248,048)</u>	<u>(2,382,864)</u>	<u>(14,505,764)</u>	<u>(4,689,769)</u>
Income taxes (Note 13)	68,497	44,252	66,582	73,743
Net loss for the period	<u>(2,316,545)</u>	<u>(2,427,116)</u>	<u>(14,572,346)</u>	<u>(4,763,512)</u>
Other comprehensive loss				
Foreign exchange gain (loss) on foreign operations	3,132	10,229	(13,386)	1,661
Net loss and comprehensive loss	<u>(2,313,413)</u>	<u>(2,416,887)</u>	<u>(14,585,732)</u>	<u>(4,761,851)</u>
Basic and diluted loss per share	(0.05)	(0.06)	(0.33)	(0.12)
Weighted average number of Common Shares (Note 14)	46,880,690	40,598,972	44,272,136	40,536,893

The accompanying notes are an integral part of these consolidated financial statements.

Q4 INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS'
EQUITY
(Unaudited)
For the six months ended June 30, 2021 and 2020
(expressed in US dollars)

	Common Shares (Note 8) \$	Class A Preferred Shares (Note 8) \$	Class B Preferred Shares (Note 8) \$	Class C Preferred Shares (Note 8) \$	Contributed surplus \$	Deficit \$	Accumulated other comprehensive income \$	Total \$
As at December 31, 2019 . . .	10,662,889	985,394	20,550,635	32,850,961	2,001,899	(51,631,319)	42,515	15,462,974
Exercise of share options . . .	147,466				(51,054)			96,412
Share-based compensation (Note 9)					376,999			376,999
Net loss for the period						(4,763,512)		(4,763,512)
Translation adjustment							1,661	1,661
Issuance of Class C Preferred Shares (Note 8)				20,000,000				20,000,000
As at June 30, 2020	10,810,355	985,394	20,550,635	52,850,961	2,327,844	(56,394,831)	44,176	31,174,534
As at December 31, 2020 . . .	11,017,814	985,394	20,550,635	52,850,961	2,575,910	(64,749,853)	91,028	23,321,889
Exercise of share options . . .	3,461,807				(1,613,042)			1,848,765
Share-based compensation (Note 9)					455,053			455,053
Net loss for the period						(14,572,346)		(14,572,346)
Translation adjustment							(13,386)	(13,386)
Exercise of warrants (Note 15)		2,838,661	1,334,861					4,173,522
As at June 30, 2021	<u>14,479,621</u>	<u>3,824,055</u>	<u>21,885,496</u>	<u>52,850,961</u>	<u>1,417,921</u>	<u>(79,322,199)</u>	<u>77,642</u>	<u>15,213,497</u>

The accompanying notes are an integral part of these consolidated financial statements.

Q4 INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited)
For the six month periods ended June 30, 2021 and 2020
(expressed in US dollars)

	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Cash provided by (used in)		
Operating activities		
Net loss before tax	(14,505,764)	(4,689,769)
Items not involving cash		
Depreciation of property and equipment	146,516	60,029
Depreciation of right-of-use assets (Note 3)	476,426	413,696
Amortization of intangible assets (Note 5)	1,459,107	1,563,550
Unrealized foreign exchange loss	266,360	65,921
Loss (gain) on derivative financial instruments (Note 15)	3,463,098	193,142
Finance income (Note 16)	(8,226)	(49,142)
Finance expenses (Note 16)	439,924	136,503
Share-based compensation (Note 9)	455,053	376,999
Deferred tax liability	(3,123)	23,445
Changes in non-cash working capital items (Note 11)	(1,498,213)	(3,012,949)
Income taxes paid	(221,531)	(40,602)
	<u>(9,530,373)</u>	<u>(4,959,177)</u>
Financing activities		
Proceeds from exercise of stock options and warrants (Note 9)	3,195,583	96,412
Draws on loans payable (Note 6)	18,600,833	3,603,760
Payment of principal portion of lease liability (Note 3)	(505,898)	(352,023)
Interest paid	(205,777)	(63,290)
Financing fees paid	(80,215)	(244,129)
Transaction costs paid (Note 18)	(784,814)	—
	<u>20,219,712</u>	<u>3,040,730</u>
Investing activities		
Proceeds from short-term investment	—	6,856,148
Purchase of property and equipment	(191,438)	(236,948)
Purchase of intangible asset	—	(1,500,000)
Interest received	8,226	49,142
Payment of contact database obligation	(230,000)	(230,000)
	<u>(413,212)</u>	<u>4,938,342</u>
Increase (decrease) in cash and cash equivalents during the period	10,276,127	3,019,895
Net foreign exchange difference	47,164	41,663
Cash and cash equivalents — Beginning of period	4,575,950	5,861,055
Cash and cash equivalents — End of period	<u>14,899,241</u>	<u>8,922,613</u>

The accompanying notes are an integral part of these consolidated financial statements.

Q4 Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)
(expressed in US dollars)

1 NATURE OF BUSINESS (CORPORATE INFORMATION)

Q4 Inc. (the Company) is a provider of a capital markets communication software platform. The Company offers a broad suite of services to publicly listed companies, investment managers and investment banks along a variety of workflows, including investor relations, corporate access, deal management and research. Our cloud-based software platform of products provides corporate customers with critical technology infrastructure and data that may be used to support their investor relations teams through our website, virtual events, CRM and analytics products. The Company delivers its services primarily over the internet on a subscription basis using the software-as-a-service ("SaaS") model. The Company conducts business worldwide from its headquarters located in Toronto, Canada.

These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Q4 Software Holdings ULC, Q4 US, LLC, Q4 Denmark ApS and Q4 London Limited.

The spread of COVID-19 around the world in the second quarter of 2021 has caused significant volatility in Canadian and international markets. In response to the pandemic, the Company has modified its business practices with a focus on the health and well-being of its workforce both in Europe and North America. The Company currently employs a hybrid model allowing employees to work from home or work under strict guidelines and a capacity limit at the office.

These interim condensed consolidated financial statements of the Company and its wholly-owned subsidiaries were authorized for issue in accordance with a resolution of the directors on October 5, 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Presentation

The interim condensed consolidated financial statements for the three and six months ended June 30, 2021 have been prepared in accordance with the International Accounting Standard ("IAS") 34 — Interim Financial Reporting. The interim condensed consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2020.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiaries. All intercompany transactions, balances, and unrealized gains and losses are eliminated upon consolidation. Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

2.3 New standards, interpretations and amendments adopted by the Company

The accounting policies followed in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2020. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Company.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

Q4 Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)
(expressed in US dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework — Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

Onerous Contracts — Costs of Fulfilling a Contract — Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 9 Financial Instruments — Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

Q4 Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)
(expressed in US dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods.

3 LEASES

	Total \$
As at December 31, 2020	2,491,993
Additions	—
Depreciation	(476,426)
Exchange adjustments	879
As at June 30, 2021	<u>2,016,446</u>

Set out below are the carrying amount of lease liabilities and the movements during the period:

	\$
As at December 31, 2020	2,773,058
Additions	—
Accretion of interest	60,662
Payments	(566,560)
Exchange adjustments	70,661
As at June 30, 2021	<u>2,337,821</u>
Current	678,620
Non-current	1,659,201

The following are the amounts recognized in profit or loss for the three month and six month periods ended:

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Depreciation expense of right-of-use assets	211,621	234,256	476,426	413,696
Interest expense on lease liabilities	29,153	34,411	60,662	63,290
Expense relating to short-term leases	9,831	101,735	39,017	205,207
Expenses relating to leases of low-value assets	136,956	76,953	239,892	153,052
Variable lease payments	82,073	65,351	164,146	138,397
Total amount recognized in profit or loss	<u>469,634</u>	<u>512,706</u>	<u>980,143</u>	<u>973,642</u>

The Company had total cash outflows for leases of \$453,843 for the three months ended June 30, 2021 (three months ended June 30, 2020 — \$435,037) and \$1,009,615 for the six months ended June 30, 2021 (six months ended June 30, 2020 — \$848,679). The Company also had non-cash additions to right-of-use assets and lease liabilities of \$nil during the three months ended June 30, 2021 (three months ended June 30, 2020 — \$830,939).

The Company's office space leases contain variable payments based on actual costs incurred by the landlord such as cleaning, maintenance, insurance and taxes. Variable lease payments were \$82,073 for the three months ended June 30, 2021 (three months ended June 30, 2020 — \$65,351) and \$164,146 for the six months ended June 30, 2021 (six months ended June 30, 2020 — \$138,397).

Q4 Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)
(expressed in US dollars)

4 ACCOUNTS RECEIVABLE

Accounts receivable are non-interest bearing and are generally on terms of 30 to 90 days.

	June 30, 2021	December 31, 2020
	\$	\$
Trade accounts receivable	14,452,856	9,850,380
Provision for expected credit losses	(357,703)	(280,659)
Tax credits receivable	173,714	154,680
	<u>14,268,867</u>	<u>9,724,401</u>

The aging of accounts receivable is as follows:

	June 30, 2021	December 31, 2020
	\$	\$
Current	8,425,952	5,253,440
1-30 days past due	2,794,101	1,293,809
31-60 days past due	1,362,352	1,649,270
61-90 days past due	277,707	1,074,883
Greater than 90 days past due	1,592,744	578,978
	<u>14,452,856</u>	<u>9,850,380</u>
Less: credit loss impairment	(357,703)	(280,659)
	<u>14,095,153</u>	<u>9,569,721</u>

5 INTANGIBLE ASSETS

	Technology	Customer lists	Contact Database	Total
	\$	\$	\$	\$
Cost				
As at December 31, 2020	2,605,373	24,340,129	690,000	27,635,502
Additions	—	—	—	—
As at June 30, 2021	<u>2,605,373</u>	<u>24,340,129</u>	<u>690,000</u>	<u>27,635,502</u>
Amortization				
As at December 31, 2020	2,371,232	2,689,109	241,500	5,301,841
Amortization	156,094	1,234,013	69,000	1,459,107
As at June 30, 2021	<u>2,527,326</u>	<u>3,923,122</u>	<u>310,500</u>	<u>6,760,948</u>
Net Book Value				
As at December 31, 2020	234,141	21,651,020	448,500	22,333,661
As at June 30, 2021	<u>78,047</u>	<u>20,417,007</u>	<u>379,500</u>	<u>20,874,554</u>

Q4 Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)
(expressed in US dollars)

6 LOANS PAYABLE

Credit facility

On March 31, 2021, the Company entered into an amended and restated credit facility agreement with Canadian Imperial Bank of Commerce (CIBC), which now provides for a \$22,500,000 USD revolving line of credit bearing interest at the CIBC Prime Rate plus 1.00% per annum if drawn in Canadian dollars and the WSJ Prime Rate plus 1.00% per annum if drawn in US dollars, and a \$7,500,000 USD term loan bearing interest at the WSJ Prime Rate plus 4.5% which will amortize at 10% per annum after a 24-month interest-only period and matures on March 31, 2025. As part of the revolving line of credit, \$7,500,000 USD is convertible into a term loan at the election of the Company and would bear interest at the WSJ Prime Rate plus 2.5%, amortize at 10% per annum after a 12-month interest-only period and matures on March 31, 2025. The credit facility is collateralized by all of the Company's assets. The loan is governed by certain financial covenants and reporting requirements to the lender. As at June 30, 2021, \$13,258,356 (December 31, 2020 — \$1,701,838) on the revolving line of credit was drawn in Canadian dollars and the effective interest rate was 3.45% (2.45% plus 1%) and \$7,500,000 (December 31, 2020 — \$nil) on the term loan was drawn in U.S. dollars and the effective interest rate was 7.75% (3.25% plus 4.5%). As at June 30, 2021, the Company was in compliance with the covenants. Total interest charged during the three months ended June 30, 2021 was \$260,042 (three months ended June 30, 2020 — \$23,679). Total interest charged during the six months ended June 30, 2021 was \$343,868 (six months ended June 30, 2020 — \$23,769).

7 OTHER LIABILITIES

	June 30, 2021	December 31, 2020
	\$	\$
Current		
Contact database obligation	—	230,000
Warrant liability (Note 15)	2,600,855	1,712,229
Other	260,095	338,000
	<u>2,860,950</u>	<u>2,280,229</u>

Contact database is payable to the seller of the perpetual license acquired in 2019 in three equal annual instalments with the final payment having been paid in the quarter.

Warrants for Class A Preferred Shares and Class B Preferred Shares were issued to investors as a part of financing rounds. See Note 15 for further information.

8 COMMON AND PREFERRED SHARES

The Company is authorized to issue the following:

Authorized

- Unlimited number of Common Shares, issuable in series, of which an unlimited number are designated as Series 1 Voting Common Shares, an unlimited number are designated as Series 2 Voting Common Shares, an unlimited number are designated as Series 3 Voting Common Shares, an unlimited number are designated as Series 4 Voting Common Shares and an unlimited number are designated as Non-Voting Common Shares
- Unlimited number of Class A Preferred Shares
- Unlimited number of Class B Preferred Shares
- Unlimited number of Class C Preferred Shares, issuable in series, of which an unlimited number are designated as Class C-1 Preferred Shares, an unlimited number are designated as Class C-2 Preferred Shares and an unlimited number are designated as Class C-3 Preferred Shares

All preferred shares in the capital of the Company are entitled to vote on an as-converted basis with the Common Shares.

	Common Shares #	Class A Preferred Shares #	Class B Preferred Shares #	Class C Preferred Shares #
December 31, 2020	41,561,880	1,905,883	28,083,278	52,095,062
Exercise of stock options	7,104,025	—	—	—
Exercise of warrants	—	2,309,782	445,352	—
June 30, 2021	<u>48,665,905</u>	<u>4,215,665</u>	<u>28,528,630</u>	<u>52,095,062</u>

Q4 Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)
(expressed in US dollars)

8 COMMON AND PREFERRED SHARES (Continued)

In the quarter, 4,642,117 stock options were exercised resulting in the issuance of 4,642,117 Common Shares of the Company for total cash proceeds of \$1,267,305.

See Note 15 for further information on the exercises of Class A Preferred Share warrants resulting in the issuance of Class A Preferred Shares and the exercises of Class B Preferred Share warrants resulting in the issuance of Class B Preferred Shares.

9 SHARE-BASED COMPENSATION EXPENSE

During the three months and six months ended June 30, 2021, the Company expensed \$207,799 (three months ended June 30, 2020 — \$188,499) and \$455,053 (six months ended June 30, 2020 — \$376,999) respectively, in equity instruments with a corresponding increase to additional paid-in capital.

Equity instruments vested

As at June 30, 2021, the Company had 3,688,435 (June 30, 2020 — 7,751,495) in equity instruments vested and exercisable at exercise prices ranging from \$0.001 to \$0.78 with a weighted average exercise price of \$0.29 (June 30, 2020 — \$0.24) per share.

Information regarding stock options outstanding as of June 30, 2021 is summarized below:

	Number of Stock options	Weighted average remaining contractual life (in years)	Weighted average exercise price per stock option
Options exercisable	3,688,435	5.65	0.29
Options unvested, but expected to vest	7,800,222	8.51	0.38

Information regarding stock options outstanding as of June 30, 2020 is summarized below:

	Number of Stock options	Weighted average remaining contractual life (in years)	Weighted average exercise price per stock option
Options exercisable	7,751,495	5.19	0.24
Options unvested, but expected to vest	9,617,338	8.84	0.30

Equity instruments granted

Equity instruments issued and outstanding to employees, consultants and board members as part of the plan are summarized as follows:

	Number of instruments	Weighted average exercise price \$
Balance — December 31, 2019	15,912,678	0.27
Stock options granted	1,528,000	0.38
Stock options forfeited	(4,710)	(0.29)
Stock options expired	(1,489)	(0.25)
Stock options exercised	(65,646)	(0.25)
Balance — June 30, 2020	<u>17,368,833</u>	<u>0.28</u>
Balance — December 31, 2020	16,998,810	0.29
Stock options granted	1,942,000	0.58
Stock options forfeited	(603,431)	(0.34)
Stock options expired	(947)	(0.29)
Stock options exercised	(6,904,026)	(0.27)
Balance — June 30, 2021	<u><u>11,432,406</u></u>	<u><u>0.35</u></u>

Q4 Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)
(expressed in US dollars)

10 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table represents the breakdown of revenue for the three month and six month periods ended:

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Capital Markets Platform	16,421,278	9,206,911	27,018,833	18,130,558
Platform Services	847,010	515,312	1,566,017	1,148,458
Other	20,295	—	29,086	—
	<u>17,288,583</u>	<u>9,722,223</u>	<u>28,613,936</u>	<u>19,279,016</u>

Contract Balances

	June 30, 2021 \$	December 31, 2020 \$
Accounts receivable	14,268,867	9,724,401
Contract assets	740,831	481,659
Deferred revenue	19,430,101	17,824,161

11 CHANGES IN NON-CASH WORKING CAPITAL

	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Accounts receivable	(4,544,466)	(6,337,442)
Contract assets	(259,172)	(59,167)
Prepaid expenses	(841,696)	(537,162)
Investment tax credits receivable	(281,184)	(443,611)
Costs to obtain contracts	104,860	(179,612)
Accounts payable and accrued liabilities	2,795,411	235,332
Other liabilities	(77,906)	—
Deferred revenue	<u>1,605,940</u>	<u>4,308,713</u>
	<u>(1,498,213)</u>	<u>(3,012,949)</u>

12 RELATED PARTY TRANSACTIONS

Key management compensation

The Company's key management personnel includes members of the executive leadership team. Key management compensation is presented in aggregate below for the three month and six month periods ended:

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Salaries and benefits	567,432	432,227	1,148,957	896,979
Share-based compensation	<u>89,601</u>	<u>75,774</u>	<u>142,328</u>	<u>151,548</u>
	<u>657,033</u>	<u>508,001</u>	<u>1,291,285</u>	<u>1,048,527</u>

On May 1, 2021, the Company issued a demand promissory note worth \$252,233 to a member of key management which bears interest at a fixed rate of 2% per annum and matures in 24 months.

Q4 Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)
(expressed in US dollars)

13 INCOME TAXES

Significant components of income tax expense for the three month and six month periods ended are as follows:

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Current income tax				
Current income tax charge	55,612	55,891	103,063	97,020
Adjustments in respect of current income tax of previous period	—	—	(25,675)	—
Deferred tax				
Relating to the origination and reversal of temporary differences	12,885	(11,639)	(10,806)	(23,277)
Income tax (recovery) expense reported in the statement of operations and comprehensive loss	<u>68,497</u>	<u>44,252</u>	<u>66,582</u>	<u>73,743</u>

14 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations for the three month and six month periods ended:

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Loss attributable to ordinary equity holders	(2,316,545)	(2,427,116)	(14,572,346)	(4,763,512)
Basic and diluted weighted average number of Common Shares	46,880,690	40,598,972	44,272,136	40,536,893
Basic and diluted loss per share	(0.05)	(0.06)	(0.33)	(0.12)

For the periods presented, the diluted loss per share was the same as the basic loss per share as the inclusion of convertible preferences shares, stock options and warrants would have been anti-dilutive. Accordingly, the diluted loss per share for the three months ended was calculated using the basic weighted average number of Common Shares outstanding.

15 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to credit risk with respect to cash and cash equivalents, contract assets, and the accounts receivable from its customers. The Company manages credit risk by holding cash and cash equivalents with Schedule I banks. The maximum exposure to credit risk of accounts receivable is their carrying value. As at June 30, 2021, one customer represented 33% of accounts receivable (December 31, 2020 — no customers represented a significant portion of accounts receivable). Potential effects from COVID-19 on the Company's credit risk have been considered and have resulted in increases to its allowances for expected credit losses on customer balances. The Company continues its assessment given the fluidity of COVID-19's global impact.

As at June 30, 2021, the Company's financial instruments, measured at fair value, were as follows:

	2021			
	Fair value measurements used			
	Amount at fair value \$	Level 1 \$	Level 2 \$	Level 3 \$
Liabilities				
Warrant liability	2,600,855			2,600,855

Q4 Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)
(expressed in US dollars)

15 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

All cash equivalents mature within 90 days of the consolidated balance sheet date. The carrying value of cash and cash equivalents, accounts receivable and accounts payable, accrued liabilities and loans payable approximate the fair value due to the short-term nature. The fair value of long-term loans payable is a level 2 measurement and is approximately \$5,900,000 as at June 30, 2021.

As at December 31, 2020, the Company's financial instruments, measured at fair value, were as follows:

	2020			
	Amount at fair value \$	Fair value measurements used		
		Level 1 \$	Level 2 \$	Level 3 \$
Liabilities				
Warrant liability	1,712,229			1,712,229

All cash equivalents mature within 90 days of the consolidated balance sheet date. The carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate the fair value due to the short-term nature.

Warrant liability

The following table reflects the continuity of the warrant liability for the three months ended June 30, 2021 and 2020:

	Number of warrants	Fair value \$	Weighted average exercise price \$
Balance — January 1, 2020	4,536,542	1,325,944	0.65
Change in fair value	—	193,142	—
Balance — June 30, 2020	4,536,542	1,519,086	0.63
Balance — January 1, 2021	4,536,542	1,712,229	0.66
Exercise of Class A Preferred Share warrants	(2,309,782)	(1,585,790)	0.54
Exercise of Class B Preferred Share warrants	(445,352)	(988,682)	0.78
Change in fair value	—	3,463,098	—
Balance — June 30, 2021	1,781,408	2,600,855	0.78

The warrants described below are considered derivative instruments and are classified as financial liabilities at FVTPL as they do not meet the criteria for equity classification under IFRS. The warrants are initially measured at fair value and subsequent changes in fair value are recorded through the consolidated statements of operations and comprehensive loss.

Class A Preferred Share warrant

Each Class A Preferred Share warrant issued entitled the holder to one Class A Preferred Share of the Company. On January 29, 2021, 1,847,826 Class A Preferred Share warrants were exercised and on March 15, 2021, the remaining 461,956 Class A Preferred Share warrants were exercised for total proceeds of \$1,252,871.

Class B Preferred Share warrant

Each Class B Preferred Share warrant issued entitles the holder to one Class B Preferred share of the Company and has an expiry date of June 15, 2022. On May 3, 2021, 445,352 Class B Preferred Share warrants were exercised for total proceeds of \$346,180.

Valuation

The Company applied the Monte Carlo option pricing approach to value the warrants upon initial measurement and subsequently at each reporting period.

Q4 Inc.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)
(expressed in US dollars)

15 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

The key assumptions used in the model at June 30, 2021 are as follows:

	Class B Preferred Share warrants
Risk-free interest rate	0.10%
Term to maturity (years)	0.96
Expected volatility	55%
Exercise price	\$0.78
Fair value of warrant	<u>\$1.46</u>

16 INCOME AND EXPENSES BY NATURE

Finance income:

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Interest income	7,012	27,951	8,226	49,142
Gain on cash equivalents	—	91,101	—	—
	<u>7,012</u>	<u>119,052</u>	<u>8,226</u>	<u>49,142</u>

Finance expenses:

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Amortization of financing fees	20,039	10,378	35,394	10,378
Interest on debt facilities	260,042	23,769	343,868	23,769
Interest on lease liabilities	29,153	34,411	60,662	63,290
Loss on short-term investment	—	—	—	39,066
	<u>309,234</u>	<u>68,558</u>	<u>439,924</u>	<u>136,503</u>

Salaries, benefits and share-based compensation expense:

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Included in direct cost of revenue	3,604,161	1,454,514	6,041,931	2,737,768
Included in sales and marketing	2,922,689	1,715,027	5,777,749	3,456,823
Included in research and development	2,436,374	1,489,058	4,966,962	3,089,479
Included in general and administrative	2,185,234	1,330,850	4,582,825	2,837,604
	<u>11,148,458</u>	<u>5,989,449</u>	<u>21,369,467</u>	<u>12,121,674</u>

Q4 Inc.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)****(expressed in US dollars)****17 SEGMENT INFORMATION**

The Company operates primarily in one principal business, that being development, marketing and support of investor relations and capital market software services. The Company's Chief Operating Decision-Maker (CODM) is a function comprising two C-Level executives, specifically the Chief Executive Officer and the Chief Financial Officer. The CODM is the highest level of management responsible for assessing the Company's overall performance and making operational decisions such as resource allocations related to operations, product prioritization, and delegation of authority. Management has determined that the Company operates in a single operating and reportable segment.

Geographic revenue information is based on the location of the customer invoiced. Non-current assets include non-current contract assets, intangible assets, property and equipment, right-of-use assets and goodwill.

Revenue

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Canada	999,861	704,443	1,722,027	1,232,179
United States	15,101,720	8,171,182	24,613,863	16,429,966
Europe	933,427	584,639	1,760,425	1,168,424
Other	253,575	261,959	517,621	448,447
	<u>17,288,583</u>	<u>9,722,223</u>	<u>28,613,936</u>	<u>19,279,016</u>

Non-current assets

	June 30, 2021 \$	December 31, 2020 \$
Canada	34,083,871	33,353,173
Other	345,573	624,587
	<u>34,429,444</u>	<u>33,977,760</u>

18 DEFERRED TRANSACTION COSTS

In relation to the planned public offering, the Company incurred fees, costs and expenses amounting to \$2,933,449, out of which \$2,114,450 were deferred to be offset against the equity raised from such offering, and the balance \$818,999 was booked to the Consolidated Statements of Loss and Comprehensive Loss. The Company paid \$784,814 of these fees during the six months ended June 30, 2021.

19 EVENTS AFTER THE REPORTING PERIOD

For the period July 1, 2021 to October 5, 2021, 194,161 stock options were exercised resulting in the issuance of 194,161 Non-Voting Common Shares of the Company for total cash proceeds of \$58,966.

APPENDIX A

MANDATE OF THE BOARD OF DIRECTORS

The board of directors (the “**Board**”) of Q4 Inc. (the “**Company**”) is elected by shareholders and is responsible for the stewardship of the activities and affairs of the Company. The purpose of this mandate is to describe the main duties and responsibilities of the Board.

Certain aspects of the composition and organization of the Board are prescribed or governed by the *Business Corporations Act* (Ontario) and the constating documents of the Company.

Duties of Directors

The Board discharges its responsibility for overseeing the management of the Company’s business by delegating to the Company’s senior management the responsibility for day-to-day management of the Company. The Board discharges its responsibilities both directly and by delegation through its committees. In addition to these standing committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature.

The Board’s primary roles are overseeing the Company’s performance and the quality, depth and continuity of management needed to meet the Company’s strategic objectives.

Other principal duties, which may be carried out directly or via one or more committees, include, but are not limited to the following:

Relationship with Management

1. The Board is responsible for approving the appointment of the Chief Executive Officer and all other senior management.
2. In approving the appointment of the Chief Executive Officer and all other senior management, the Board will, to the extent feasible, satisfy itself as to the integrity of these individuals and that they create a culture of integrity throughout the Company.
3. The Board from time to time delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board.
4. The Board oversees that succession planning programs are in place, including programs to train and develop management.
5. The Board assesses and revises the Company’s executive compensation policy to, among other things, better align management’s interests with those of the Company’s shareholders. This includes establishing minimum shareholding requirements for senior management.

Board Organization

6. The Board will receive recommendations from the Governance, Compensation and Nominating Committee, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, the selection of the lead independent director of the Board, if applicable, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation.
7. The Board may establish committees of the Board, where required or prudent, and define their mandate. The Board may delegate to Board committees those matters it is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal control systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.
8. The Board will oversee orientation and education programs for new directors and ongoing educational opportunities for continuing directors.

Strategic Planning

9. The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the Company and its objectives and goals.
10. The Board is responsible for advising management on strategic issues, approving the Company's strategic plans, approving the Company's annual business plan and annual operating and capital budgets and for monitoring the Company's performance against strategic and annual plans as well as against annual and capital budgets.

Monitoring of Financial Performance and Other Financial Reporting Matters

11. The Board is responsible for enhancing congruence between stakeholder expectations, the Company's plans and management performance.
12. The Board is responsible for adopting processes for monitoring the Company's progress towards its strategic and operational goals, and to revise and alter its direction to management in light of changing circumstances affecting the Company.
13. The Board is responsible for approving the Company's audited financial statements, management's discussion and analysis accompanying such financial statements and the annual earnings press release.
14. The Board is responsible for reviewing the Company's unaudited interim period financial statements, management's discussion and analysis accompanying such financial statements and quarterly earnings press releases.
15. The Board is responsible for approving other applicable regulatory filings that require or are advisable for the Board to approve, and the Board may delegate responsibility for approving such filings. Such filings include, without limitation, management information circulars, annual information forms, offering documents and other applicable disclosure.
16. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Articles of the Company, including the payment of dividends, purchases and redemptions of securities, acquisitions and dispositions.

Risk Management

17. The Board is responsible for overseeing the identification of the principal risks of the Company's business, including cybersecurity risks, and the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Company and achieving a proper balance between the risks incurred and the potential return to the Company's shareholders.

Policies and Procedures

18. The Board is responsible for:
 - (a) approving and assessing compliance with all significant policies and procedures by which the Company is operated; and
 - (b) approving policies and procedures designed to ensure that the Company operates at all times within applicable laws and regulations, including, among others, a whistleblower policy.
19. The Board is responsible for supporting a corporate culture of integrity and responsible stewardship.
20. The Board shall enforce its policy respecting confidential treatment of the Company's proprietary information and the confidentiality of Board deliberations.

Communications and Reporting

21. The Board is responsible for:

- (a) overseeing the accurate reporting of the financial performance and condition of the Company to shareholders, other securityholders and regulators on a timely and regular basis;
- (b) encouraging effective and adequate communication with shareholders, other stakeholders and the public; and
- (c) ensuring the integrity and adequacy of internal controls and management information systems.

Certain Individual Responsibilities of Members of the Board

- 22. Each member of the Board is expected to attend all meetings of the Board, unless adequate notification of absence is provided.
- 23. Each member of the Board is expected to have reviewed all materials provided in connection with a meeting in advance of such meeting and to be prepared to discuss such materials at the meeting.

Review and Disclosure

The Board will review and reassess the adequacy of this mandate periodically and otherwise as it deems appropriate and amend it accordingly. The performance of the Board will be evaluated with reference to this mandate.

The Board will ensure that this mandate is disclosed on the Company's website and that this mandate or a summary of it which has been approved by the Governance, Compensation and Nominating Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.

APPENDIX B

AUDIT COMMITTEE CHARTER

Purpose

1. The Audit Committee (the “**Committee**”) is a standing committee appointed by the board of directors (the “**Board**”) of Q4 Inc. (the “**Company**”). The Committee is established to fulfill applicable public company obligations respecting audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting. This includes the responsibility to oversee, among other things as may be delegated by the Board from time to time:
 - (a) the integrity of the Company’s financial statements and financial reporting processes, including the audit process and the Company’s internal control over financial reporting, disclosure controls and procedures, and compliance with other related legal and regulatory requirements;
 - (b) the qualifications and independence of the Company’s external auditors;
 - (c) the work of the Company’s financial management, internal auditors and external auditors;
 - (d) enterprise risk management, privacy and data security, and to monitor such matters; and
 - (e) the auditing, accounting and financial reporting process generally.
2. In addition, the Committee will prepare, if required, an audit committee report for inclusion in the Company’s management information circular, in accordance with applicable rules and regulations.
3. The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members to: (a) plan or conduct audits; (b) determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles; or (c) conduct other types of auditing or accounting reviews or similar procedures or investigations. The members of the Committee are members of the Board. They are appointed to the Committee to provide broad oversight of the financial, risk and control-related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities.
4. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. Management is also responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls over financial reporting and disclosure controls and procedures. The external auditors are responsible for planning and carrying out audits of the Company’s annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with generally accepted accounting principles.

Procedures of the Committee

5. *Number of Members* — The members of the Committee will be appointed by the Board. The Committee will consist of not less than three Board members.
6. *Independence* — Except as otherwise permitted by applicable laws, including section 3.2 of National Instrument 52-110 — Audit Committees (“**NI 52-110**”), the Committee will consist at all times of directors who are “independent” within the meaning of NI 52-110. The Board will consider all relevant facts and circumstances in making a determination of independence for each director.
7. *Financial Literacy and Other Related Experience* — Each member of the Committee must be able to read and understand financial statements and must otherwise be “financially literate” within the meaning of applicable requirements or guidelines for audit committee service under securities laws, including

NI 52-110, or the rules of any applicable stock exchange. At least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background. Further, each member should have reasonably sufficient experience in such other economic, financial, investment or business matters as the Board may deem appropriate.

8. *Appointment and Replacement of Committee Members* — Any member of the Committee may be removed or replaced at any time by the Board and will automatically cease to be a member of the Committee upon ceasing to be a director. The Board will fill any vacancy if the membership of the Committee is less than three directors. Whenever there is a vacancy on the Committee, the remaining members may exercise all of the powers of the Committee as long as a quorum remains in office. Subject to the foregoing, the members of the Committee will be appointed by the Board annually and each member of the Committee will remain on the Committee until the next annual meeting of shareholders after his or her appointment or until his or her successor will be duly appointed and qualified.
9. *Committee Chair* — Unless a Committee Chair is designated by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee. The Committee Chair will be responsible for leadership of the Committee assignments and reporting to the Board. If the Committee Chair is not present at any meeting of the Committee, one of the other members of the Committee who is present will be chosen by the Committee to preside at the meeting. The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.
10. *Conflicts of Interest* — If a Committee member faces potential or actual conflict of interest relating to a matter before the Committee, other than matters relating to the compensation of directors, that member will be responsible for alerting the Committee Chair. If the Committee Chair faces a potential or actual conflict of interest, the Committee Chair will advise the Chair of the Board. If the Committee Chair, or the Chair of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict will disclose to the Committee the member's interest and will not participate in consideration of the matter and will not vote on the matter.
11. *Meetings* — The Committee will meet regularly and as often as it deems necessary to perform its duties and discharge its responsibilities described herein in a timely manner, but not less than four times a year and any time the Company proposes to issue a press release with its interim period or annual financial results or any other material financial information of the Company. The Committee Chair will approve the agenda for such meetings and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable. The Committee will maintain written minutes of its meetings, which will be filed with the meeting minutes of the Board.
12. *Separate Executive Meetings* — The Committee will meet periodically, but no less than quarterly, with the Chief Financial Officer, the head of the internal audit function and the external auditors in separate sessions to discuss any matters that the Committee or any of these groups believes should be discussed privately and such persons will have access to the Committee to bring forward matters requiring its attention. However, the Committee will also meet periodically without management present.
13. *Reliance* — Absent actual knowledge to the contrary (which will be promptly reported to the Board), each member of the Committee will be entitled to rely on: (a) the integrity of those persons or organizations within and outside the Company from which it receives information; (b) the accuracy of the financial and other information provided to the Committee by such persons or organizations; and (c) representations made by management and the external auditors as to any permissible non-audit services provided by the external auditors to the Company and its subsidiaries.
14. *Self-Evaluation* — The Committee will conduct a self-evaluation at least annually to determine whether it and its members are functioning effectively and report its conclusion to the Board.

Selection and Oversight of the External Auditors

15. The external auditors are ultimately accountable to the Committee and the Board as the representatives of the shareholders of the Company and will report directly to the Committee and the Committee will so instruct the external auditors. The Committee will evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Company to be proposed in the Company's management information circular for shareholder approval and will have authority to terminate the external auditors. If a change in external auditors is proposed, the Committee will review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.
16. The Committee will be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purposes of preparing or issuing an audit report or performing other audit, review or attest services of the Company, and each such registered public accounting firm must report directly to the Committee.
17. The Committee will approve policies and procedures for the pre-approval of services to be rendered by the external auditors, which policies and procedures will include reasonable detail with respect to the services covered. All permissible non-audit services to be provided to the Company or any of its affiliates by the external auditors or any of their affiliates that are not covered by pre-approval policies and procedures approved by the Committee will be subject to pre-approval by the Committee. The Committee will have the sole discretion regarding the prohibition of the external auditor providing certain non-audit services to the Company and its affiliates. The Committee will also review and approve disclosures with respect to permissible non-audit services.
18. The Committee will review the independence of the external auditors and will make recommendations to the Board on appropriate actions to be taken that the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee will:
 - (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Company and any of its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand and to the extent there are relationships, monitor and investigate them;
 - (c) ensure the rotation of the lead (and concurring) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by applicable law;
 - (d) consider whether there should be a regular rotation of the external audit firm itself; and
 - (e) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies.
19. The Committee will establish and monitor clear policies for the hiring by the Company of employees or former employees of the external auditors.
20. The Committee will require the external auditors to provide to the Committee, and the Committee will review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require. Such reports will include:
 - (a) a description of the external auditors' internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, or Canadian Public Accountability Board (CPAB) inspection, of the external auditors, or by any inquiry or investigation by

governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any such issues; and

- (b) a report describing: (i) the proposed audit scope, approach and independence of all critical accounting policies and practices to be used in the annual audit; (ii) all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and (iii) other material written communication between the external auditors and management, such as any management letter or schedule of unadjusted differences.

- 21. The Committee will (i) annually review the experience and qualifications of the independent audit team and review the performance of the independent auditors, including assessing their professional skepticism, effectiveness and quality of service, and (ii) every five years perform a comprehensive review of the performance of the independent auditors over multiple years to provide further insight on the audit firm, its independence and application of professional standards.

Appointment and Oversight of Internal Auditors

- 22. The appointment, terms of engagement, compensation, replacement or dismissal of the internal auditors will be subject to prior review and approval by the Committee. When the internal audit function is performed by employees of the Company, the Committee may delegate responsibility for approving the employment, term of employment, compensation and termination of employees engaged in such function (other than with respect to the head of the Company's internal audit function).
- 23. The Committee will obtain from the internal auditors, and will review, summaries of the significant reports to management prepared by the internal auditors, or the actual reports if requested by the Committee, and management's responses to such reports.
- 24. The Committee will, as it deems necessary or appropriate, communicate with the internal auditors with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal auditor brings to the attention of the Committee. The head of the internal audit function will have unrestricted access to the Committee.
- 25. The Committee will, annually or more frequently as it deems necessary or appropriate, evaluate the internal auditors, including their activities, organizational structure, independence, objectivity, qualifications and effectiveness.

Oversight and Monitoring of Audits

- 26. The Committee will review with the external auditors, the internal auditors and management the audit function generally, the objectives, staffing, locations, coordination (reduction of redundant efforts) and effective use of audit resources, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements of the Company and its subsidiaries, the overall audit plans, the responsibilities of management, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets and staffing of the audits.
- 27. The Committee will meet periodically with the internal auditors to discuss the progress of their activities, any significant findings stemming from internal audits, any changes required in the planned scope of their audit plan and any difficulties or disputes that arise with management in the course of their audits, including any restrictions on the scope of their work or access to required information, and the adequacy of management's responses in correcting audit-related deficiencies.
- 28. The Committee will review with management the results of internal and external audits.
- 29. The Committee will provide an open avenue of communication between the external auditors, the internal auditors, the Board and management and take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

Oversight and Review of Accounting Principles and Practices

30. The Committee will, as it deems necessary or appropriate, oversee, review and discuss with management, the external auditors and the internal auditors (together and separately as it deems necessary), among other items and matters:
- (a) the quality, appropriateness and acceptability of the Company's accounting principles, practices and policies used in its financial reporting, its consistency from period to period, changes in the Company's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new or unusual transactions or events;
 - (b) all significant financial reporting issues, estimations and judgments made in connection with the preparation of the financial statements, including the effects of alternative methods within generally accepted accounting principles on the financial statements and any "second opinions" sought by management from an independent auditor with respect to the accounting treatment of a particular item;
 - (c) any material change to the Company's auditing and accounting principles and practices as recommended by management, the external auditors or the internal auditors or which may result from proposed changes to applicable generally accepted accounting principles;
 - (d) the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented; and
 - (e) the effect of regulatory and accounting initiatives on the Company's financial statements and other financial disclosures.
31. The Committee will review and resolve disagreements between management and the external auditors regarding financial reporting or the application of any accounting principles or practices.

Oversight and Monitoring of Internal Controls Over Financial Reporting

32. The Committee will, as it deems necessary or appropriate, exercise oversight of, review and discuss with management, the external auditors and the internal auditors (together and separately, as it deems necessary):
- (a) the adequacy and effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures designed to ensure compliance with applicable laws and regulations;
 - (b) any significant deficiencies or material weaknesses in internal control over financial reporting or disclosure controls and procedures;
 - (c) the risk of management's ability to override the Company's internal controls;
 - (d) any fraud, of any amount or type, that involves management or other employees who have a significant role in the internal control over financial reporting;
 - (e) the adequacy of the Company's internal controls and any related significant findings and recommendations of the external auditor and internal auditors together with management's responses thereto; and
 - (f) management's compliance with the Company's processes, procedures and internal controls.
33. The Committee will establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Oversight and Monitoring of Financial Reporting and Disclosure

34. The Committee will:
- (a) review with the external auditors and management and recommend to the Board for approval the

audited financial statements and the notes and management's discussion and analysis accompanying such financial statements, the Company's annual report and any financial information of the Company contained in any prospectus, information circular or any other disclosure document or regulatory filing of the Company;

- (b) review with the external auditors and management each set of interim period financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements and any other disclosure documents or regulatory filings of the Company containing or accompanying financial information of the Company; and
- (c) review the disclosure regarding the Committee required to be included in any publicly filed or available document by applicable securities laws or regulations or stock exchange rules or requirements.

Such reviews will be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

- 35. Prior to their distribution or public disclosure, the Committee will discuss earnings press releases, as well as financial information and guidance, it being understood that such discussions may, in the discretion of the Committee, be done generally (e.g., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Company gives guidance.
- 36. The Committee will oversee compliance with the requirements of applicable securities laws or rules for disclosure of auditors' services, engagements and independence of external auditors and audit committee member qualifications and activities.
- 37. The Committee will receive and review the financial statements and other financial information of material subsidiaries of the Company and any auditor recommendations concerning such subsidiaries.
- 38. The Committee will meet with management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Oversight of Finance Matters

- 39. The Committee will:
 - (a) review periodically the capital structure of the Company, and, when necessary, recommend to the Board transactions or alterations to the Company's capital structure;
 - (b) review and make recommendations to the Board concerning the financial structure, condition and strategy of the Company and its subsidiaries, including with respect to annual budgets, long-term financial plans, corporate borrowings, investments, capital expenditures, long-term commitments and the issuance and/or repurchase of securities;
 - (c) review and discuss with management, and ultimately approve and oversee, as applicable, the Company's investment and asset allocation policies and guidelines, as well as the Company's compliance with any such investment and asset allocation policies and guidelines, including past and expected future performance, both in the context of financial returns (e.g., capital appreciation or preservation) and risk mitigation;
 - (d) periodically review matters pertaining to the Company's material policies and practices respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Company;
 - (e) periodically review the Company's major financial risk exposures (including foreign exchange and interest rate) and management's initiatives to control such exposures, including the use of financial derivatives and hedging activities;
 - (f) review and approve special transactions or expenditures as specifically delegated by the Board to a committee thereof or to one or more Company directors, officers or other employees;

- (g) review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), leases and other relationships of the Company with unconsolidated entities, other persons, or related parties (subject to section 47), that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves, or significant components of revenues or expenses;
- (h) review and discuss with management any equity investments, acquisitions and divestitures that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves, or significant components of revenues or expenses;
- (i) review and discuss policies, procedures and practices with respect to risk identification, assessment and management, including appropriate guidelines and policies to govern the process, as well as the Company's major enterprise risk exposures and the steps management has undertaken to control them;
- (j) review and discuss with management the Company's effective tax rate, adequacy of tax reserves, tax payments and reporting of any pending tax audits or assessments, and material tax policies and tax planning initiatives; and
- (k) review the Company's pension or similar retirement arrangements, management and obligations, as applicable.

Risk Oversight, Privacy and Cybersecurity

40. The Committee will annually (or as more frequently as the Committee deems necessary or appropriate):

- (a) review and discuss with management and as the Committee deems necessary or appropriate, the chairperson or other designated member of the Company's Risk Committee or such other similar committee, if any (including Board recommendations, as necessary), and monitor the adequacy and effectiveness of: (i) management's program, including policies and guidelines, to identify, assess, manage, and monitor major enterprise risks of the Company, including financial, operational, privacy, security, business continuity, legal and regulatory, and reputational risks, as well as those risks that would threaten the Company's business, current or potential future licenses, future performance, solvency or liquidity; (ii) management's risk management decisions, practices and activities; (iii) reports from management and others, including without limitation, internal audit and the Risk Committee, regarding compliance with item (i) above; and (iv) the adequacy and appropriateness of management's response to, including the implementation thereof, the matters and findings, if any, in the reports referenced in item (iii) above; and
- (b) review, discuss with management and assess (including Board recommendations, as necessary) the Company's privacy and cybersecurity risk exposures, including, but not limited to: (i) the potential impact of those exposures on the Company's business, operations and reputation; (ii) the steps management has taken to monitor and mitigate such exposures across all functions and Company connections with third parties and the Company's cybersecurity insurance coverage; (iii) the Company's information governance and cybersecurity policies and programs and management's efforts to build a culture of sensitivity to cybersecurity concerns; (iv) security breach incidence reports and incident response protocols, including crisis management and disaster recovery plans; (v) Company disclosures regarding cybersecurity risks, (vi) the Company's cybersecurity strategy, including the allocation of Company resources to management of cybersecurity risks; and (vii) major legislative and regulatory developments that could materially impact the Company's privacy and cybersecurity risk exposure; and
- (c) review and discuss with management (including Board recommendations, as necessary) the adequacy of the Company's insurance coverage.

Committee Reporting

41. If required by applicable laws or regulations or stock exchange requirements, the Committee will prepare, review and approve a report to shareholders and others (the “**Report**”). In the Report, the Committee will state, among other things, whether it has:
 - (a) reviewed and discussed the audited financial statements with management, the external auditors and the internal auditors;
 - (b) received from the external auditors all reports and disclosures required under legal, listing and regulatory requirements and this Charter and have discussed such reports with the external auditors, including reports with respect to the independence of the external auditors; and
 - (c) based on the reviews and discussions referred to in clauses (a) and (b) above, recommended to the Board that the audited financial statements be included in the Company’s annual report.
42. The Committee will otherwise report regularly to the Board regarding the execution of the Committee’s duties, responsibilities and activities, as well as any issues encountered and related recommendations and recommend to the Board that the audited financial statements be included in the Company’s applicable annual report.
43. The Committee will also report to the Board annually regarding the oversight and receipt of certifications from applicable management confirming compliance with certain applicable laws, regulations or rules and certain Company policies and practices, in each case as the Committee deems necessary or appropriate.

Additional Authority and Responsibilities

44. The Committee will have the authority to engage independent counsel and other advisers, hire and terminate special legal, accounting, financial or other consultants to advise the Committee at the Company’s expense, in each case, as it determines necessary or appropriate to carry out its duties and without consulting with, or obtaining prior approval from, any officer of the Company or the Board. The Committee may ask members of management, including, without limitation, the applicable member of management responsible for enterprise risk management, or others, including, without limitation, Company employees or the chairperson or any other designated member of any other committee, to attend meetings or provide information as necessary. The Committee will also have the authority to ask the Company’s independent auditors to attend meetings or provide information as necessary, and the Company’s independent auditors will have direct access to the Committee at their own initiative.
45. The Committee will provide for appropriate funding for payment: of (a) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (b) compensation to any advisers engaged or employed by the Committee under subsection 30 above; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
46. The Committee will review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and perform such other functions as assigned by law or the Company’s constating documents.
47. The Committee will review and approve in advance any proposed related-party transactions and required disclosures of such in accordance with applicable securities laws and regulations and consistent with any related-party transaction policy of the Company, to the extent such policy exists, and report to the Board on any approved transactions.
48. The Committee will discharge its responsibilities and will assess the information provided by the Company’s management and the external advisers, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided.

Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules.

49. The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

Review and Disclosure

The Committee will review and reassess the adequacy of this Charter periodically and otherwise as it deems appropriate and amend it accordingly. The performance of the Committee will be evaluated with reference to this Charter.

The Committee will ensure that this Charter is disclosed on the Company's website and that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.

CERTIFICATE OF THE COMPANY

Dated: October 7, 2021.

The second amended and restated prospectus (in the provinces and territories of Canada other than Québec) and this amended and restated prospectus (in the province of Québec), together with the documents and information incorporated by reference, will, as of the date of the supplemented prospectus providing the information permitted to be omitted from this second amended and restated prospectus or amended and restated prospectus, as the case may be, constitute, full, true and plain disclosure of all material facts relating to the securities offered by this second amended and restated prospectus or amended and restated prospectus, as the case may be, as required under the securities legislation of each of the provinces and territories of Canada.

(Signed) Darrell Heaps
Chief Executive Officer

(Signed) Ryan Levenberg
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Colleen Johnston
Director

(Signed) W. Neil Murdoch
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: October 7, 2021.

To the best of our knowledge, information and belief, this second amended and restated prospectus (in the provinces and territories of Canada other than Québec) and this amended and restated prospectus (in the province of Québec), together with the documents and information incorporated by reference, will, as of the date of the supplemented prospectus providing the information permitted to be omitted from this second amended and restated prospectus or amended and restated prospectus, as the case may be, constitute, full, true and plain disclosure of all material facts relating to the securities offered by this second amended and restated prospectus or amended and restated prospectus, as the case may be, as required under the securities legislation of each of the provinces and territories of Canada.

CIBC WORLD MARKETS INC.

NATIONAL BANK FINANCIAL INC.

CREDIT SUISSE SECURITIES
(CANADA), INC.

By: (Signed) Mistine Lauzon

By: (Signed) Petar Zelic

By: (Signed) Ron Lloyd

CANACCORD GENUITY
CORP.

RAYMOND JAMES LTD.

RBC DOMINION
SECURITIES INC.

STIFEL NICOLAUS
CANADA INC.

By: (Signed) Mike
Lauzon

By: (Signed) Sean C.
Martin

By: (Signed) Aly Gillani

By: (Signed) Matthew
Gaasenbeek

TD SECURITIES INC.

By: (Signed) Scott Penner

INFOR FINANCIAL INC.

By: (Signed) Greg Lewis

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