



NowVertical Group Closes Acquisition of CoreBI

NOW's acquisition expands its global reach with an established Latin American leader in the data science and business analytics market

TORONTO, Ontario, February 16, 2022 /CNW/ - NowVertical Group Inc. (TSXV: NOW) ("**NOW**" or the "**Company**"), a big data, Vertical Intelligence ("**VI**") software and services company, is pleased to announce that it has closed its previously announced acquisition of 100% of the issued and outstanding securities of CoreBI S.A. and CoreBI S.A.S. (together, "**CoreBI**"), an ISO 9000 certified data science and analytics firm that provides data engineering, big data, data governance, business intelligence and data science-based in Latin America (the "**Transaction**").

"Adding CoreBI and the experienced team in Latin America is another major milestone for NOW. We are excited by the opportunity to work with their people and clients in one of the fastest-growing big data and business analytics markets in the world," said Daren Trousdell, Chairman & CEO of NOW. "The CoreBI acquisition is a clear demonstration of our M&A strategy at work, providing the Company with clear synergies, including planned cross-customer selling, footprint expansion, the consolidation of growing recurring revenues and experienced staff".

Operating from two primary locations in Argentina (Buenos Aires & Cordoba) and also from Bogotá, Colombia, CoreBI was founded in 2006 by Leandro Srur and Mauricio Pinto. The company is focused on empowering bold decision-making for its customers through big data, data-driven consulting, business intelligence, advanced-analytical models, and data governance business insights. CoreBI currently services more than 20 marquee customers across the banking and finance, telecommunications, retail, energy, and pharmaceutical industries. With over 60 regional success stories, CoreBI works with some of the world's most recognizable global enterprises, including Metlife Worldwide, Disney, Nike, Visa, and Raízen Energia, providing consulting services and software solutions across the big data analytics value chain. CoreBI generated an audited net income of approximately US\$1.4 million, US\$7.1 million in revenue, and US\$1.8 million in EBITDA in 2021, representing notable increases over the estimated unaudited consolidated amounts stated in NOW's January 13, 2022 press release announcing the acquisition.

Expanding into LATAM with NOW Solutions

CoreBI and NOW's previously announced acquisition of Allegient Defense Inc., which is anticipated to close in the first half of 2022, will join NOW Solutions to expand both the group's industry and geographic footprints. Headed by Dave Whitmire, President of NOW Solutions, Dave is an experienced executive and US Special Operations veteran with 25+ years in the public



and private sectors. The solutions group offers customers an industry-specific, expert-led service and consulting team ideally positioned to provide organization-wide strategy and implementation guidance.

By offering transformational services across verticals, NOW Solutions provides the Company with significant advantages over traditional software providers and other consolidators by streamlining integrations and leveraging cross-platform selling opportunities and synergies. As a critical component of the Company's virtuous value business model, NOW Solutions accelerates software sales cycles and improves service margins by offering NOW's proprietary software across verticals to existing clients. To learn more about NOW Solutions, visit the Company's website at: <https://www.nowvertical.com/solutions>

Transaction Details

Pursuant to the terms of a share purchase agreement dated January 12, 2022, the Company acquired CoreBI for total aggregate consideration of up to US\$8.0 million, consisting of (i) a cash payment of US\$3.0 million on closing, (ii) a contingent cash payment of US\$1.75 million payable on the 12-month anniversary of closing provided certain corporate objectives are satisfied, and (iii) up to a maximum aggregate of US\$3.25 million in the form of an earn-out, payable to the vendors on the first, second, third and fourth year anniversaries of closing upon CoreBI achieving certain adjusted EBITDA targets.

About NowVertical Group Inc.

NOW is a big data, Vertical Intelligence ("VI") software and services company that is growing organically and through acquisition. NOW's VI solutions are organized by industry vertical and are built upon a foundational set of data technologies that fuse, secure, and mobilize data in a transformative and compliant way. The NOW product suite enables the creation of high-value VI solutions that are predictive in nature and drive automation specific to each high-value industry vertical. For more information about the Company, visit www.nowvertical.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Cautionary Note Regarding Non-IFRS Measures

This news release makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, 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 the Company's results of operations from management's perspective. The Company's definitions of non-IFRS measures used in this news release may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS financial measures including "Adjusted Revenues", "EBITDA" and "Adjusted EBITDA". These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and to eliminate items that have less bearing on our operating performance or operating conditions and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. Specifically, the Company believes that Adjusted EBITDA, when viewed with the Company's results under IFRS, provide useful information about the Company's business without regard to potential distortions. By eliminating differences in results of operations between periods caused by factors such as acquisition related adjustments, depreciation and amortization methods, impairment and other charges, the Company believes that Adjusted EBITDA can provide a useful basis for comparing the current performance of the underlying operations being evaluated. The Company believes that securities analysts, investors and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period and to prepare annual budgets and forecasts.