



NowVertical Group Reports First Quarter Financial Results

- Q1 2022 Adjusted Revenue was \$2.9 million¹, an increase of 260% over Q1 2021
- Q1 Pro Forma 2022 Adjusted Revenue was \$7.5 million¹, an increase of 838% over Q1 2021
- Current Pro Forma Trailing Twelve-month Adjusted Revenue was \$30.1 million¹, an increase of 871% over Q1 2021
- Q1 2022 Gross Profit was \$1.4 million, a nearly eight-fold increase over Q1 2021

TORONTO, Ontario – May 26, 2022/CNW/ - NowVertical Group Inc. (TSX-V: NOW) (“**NOW**” or the “**Company**”), a big data, analytics and vertical intelligence (“**VI**”) software and services company, today announces its financial results for the three months ended March 31, 2022.

“Our results demonstrate the tremendous opportunity in front of us as we continue to acquire and integrate new businesses into the NOW platform. Our business segments are performing well, with Now Origin increasing revenues by 227% as our Privacy Product and offerings gain traction in the marketplace. While our Q1 results only represent half a quarter of contributions from our team in Latin America and nothing from our exciting acquisition of Allegient, which closed in April, our Solutions group delivered a 24 times revenue increase over the same quarter last year.” said Daren Trousdell, CEO of NOW. *“With the first quarter behind us, we are laser-focused on driving to profitability. We remain on track to deliver our first profitable quarter during the second half of this year by driving efficiencies and creating the necessary foundation for sustainable organic growth and future accretive acquisitions. While our M&A pipeline has never been larger, we are committed to ensuring we grow responsibly for all of our stakeholders and will look at adding additional financing methods, including a new acquisition line, to protect our balance sheet and remain prudent stewards of our shareholders’ capital.”*

Selected Pro Forma and Financial Highlights

- **Revenue** – Revenue was \$2.6 million in Q1 2022, an increase of 714% from \$0.32 million in the prior year’s first quarter, while Adjusted Revenues were \$2.9 million in the first quarter compared to \$0.8 million in the first three months of 2021, primarily due to the acquisition of CoreBI.
- **Net Loss** – Net Loss was \$1.8 million in Q1 2022, or a net loss per fully diluted share of \$0.03 compared to a net loss per fully diluted share of \$0.10 for the first quarter of 2021.
- **Q1 Pro Forma 2022 Adjusted Revenue** – Q1 Pro Forma 2022 Adjusted Revenue was \$7.5 million, an increase of 838% over Q1 2021.
- **Current Pro Forma TTM Adjusted Revenue**¹ (which includes all acquisitions closed to date) – Current Pro Forma TTM Adjusted Revenues as at March 31, 2022, was \$30.1 million, an increase of 871% from \$3.1 million in the first quarter of 2021.
- **Adjusted EBITDA**¹ – Adjusted EBITDA was \$(0.96 million) for the three months ended March 31, 2022.
- **Cash and Cash Equivalents** – Cash and cash equivalents were \$4.4 million on March 31, 2022.

Investor Webinar

¹ See NON-IFRS MEASURES at the end of this news release



NOW invites shareholders, analysts, investors, media representatives, and other stakeholders to attend our upcoming webinar, where Daren Trousdell, Chief Executive Officer, will discuss Q1 2022 results, followed by a question-and-answer session. Registration details for the webinar, including the date and time, can be found immediately below:

Time: May 27, 2022, 9:30 AM EST

Register here: <https://bit.ly/NOW-Q1-Registration>

A recording of the webinar and supporting materials will be made available in the “Investors” section of the Company’s website at <https://ir.nowvertical.com/news-and-media>

Related Links:

<https://www.nowvertical.com>

Additional Information

The Company's unaudited first quarter 2022 condensed consolidated interim financial statements, notes to financial statements, and management's discussion and analysis for the three months ended March 31, 2022, are available on the Company's SEDAR profile at www.sedar.com. Unless otherwise indicated, all references to "\$" in this press release refer to US dollars, and all references to "CAD\$" in this press release refer to Canadian dollars.

An investor presentation, including supplemental financial information and reconciliations of certain non-IFRS measures, is available on NOW’s Investor Relations website at: <https://ir.nowvertical.com/events-and-presentations/presentations>

About NowVertical Group Inc.

NOW is a big data, analytics and 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.

For further information, please contact:

Daren Trousdell, Chief Executive Officer

e: daren@nowvertical.com

t: (212) 302-0868

or

Glen Nelson, Investor Relations

e: glen@nowvertical.com



t: (403) 763-9797

NON-IFRS MEASURES

The non-IFRS financial measures referred to in this news release are defined below. The management discussion and analysis for the quarter ended March 31, 2022 (the “**Q1 2022 MD&A**”), available at www.nowvertical.com and on the Company’s SEDAR profile, also contains supporting calculations for Adjusted Revenue, EBITDA, Adjusted EBITDA and Pro Forma TTM Adjusted Revenue.

“**Adjusted Revenue**” adjusts revenue to eliminate the effects of acquisition accounting on the Company’s revenues.

“**EBITDA**” represents net income (loss) before depreciation and amortization expenses, net interest costs, and provision for income taxes.

“**Adjusted EBITDA**” adjusts EBITDA for revenue adjustments in “Adjusted Revenue” and items such as acquisition accounting adjustments, transaction expenses related to acquisitions, transactional gains or losses on assets, asset impairment charges, non-recurring expense items, non-cash stock compensation costs, and the full-year impact of cost synergies related to the reduction of employees in relation to acquisitions.

“**Pro Forma TTM Adjusted Revenue**” represents the trailing twelve months of Adjusted Revenue of all acquisitions completed as of the end of the respective period presented.

“**Current Pro Forma TTM Adjusted Revenue**” adjusts Pro Forma TTM Adjusted Revenue to include the Pro Forma TTM Adjusted Revenue of all acquisitions completed through the date of the Q1 2022MD&A. The prior year's comparable amount reflects acquisitions completed through the date of the prior period’s MD&A.

“**Q1 Pro Forma 2022 Adjusted Revenue**” adjusts Adjusted Revenue to include the Adjusted Revenue of all acquisitions completed through the date of the Q1 2022 MD&A. The prior year's comparable amount reflects acquisitions completed through the date of the prior period’s MD&A.

Forward-Looking Statements

This news release may contain forward-looking statements (within the meaning of applicable securities laws) which reflect the Company's current expectations regarding future events. Forward-looking statements are identified by words such as "believe", "anticipate", "project", "expect", "intend", "plan", "will", "may", "estimate" and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections and include, without limitation, statements regarding the future success of the Company's business.

The forward-looking statements in this news release are based on certain assumptions. The forward-looking statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Several factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of



this news release and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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 Revenue", "Q1 Pro Forma 2022 Adjusted Revenue", "EBITDA", "Adjusted EBITDA", "Pro Forma TTM Adjusted Revenue", and "Current Pro Forma TTM Adjusted Revenue". 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. 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.