

NowVertical Group Reports Fourth Quarter and Full Year 2021 Results and Other Recent Developments

- Q4 2021 Adjusted Revenues was \$1.5 million¹, an increase of 312% over Q4 2020
- 2021 Pro Forma TTM Adjusted Revenues was \$7.0 million¹, an increase of 126% over 2020
- Current Pro Forma 2021 Adjusted Revenues was \$30.5 million¹ as at April 6, 2022, an increase of nearly ten times since May 24, 2021 (release date)

TORONTO, April 07, 2022 -- 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 and twelve months ended December 31, 2021.

“Our results demonstrate the powerful opportunity in the continuing execution of our strategy. We are acquiring great companies and successfully integrating them with our existing business to leverage the power of our NOW software stack with industry experts to expand and showcase the power of VI. We have significantly grown our distribution channels and global footprint to deliver exceptional solutions to our customers. Our growth to date has been phenomenal, and we have done it while focusing on making accretive acquisitions in a competitive market,” said Daren Trousdell, CEO of NOW.

Selected 2021 Pro Forma and Financial Highlights

- **Revenue** – Revenue was \$3.2M in 2021, an increase of 1988% from \$0.15M in the prior year.
- **Net Loss** – Net Loss was \$13.9M in 2021, which is primarily due to a large portion of non-recurring administrative expenses, listing expenses and noncash items in its first year of operating as a public company.
- **Pro Forma TTM Adjusted Revenues¹** – Pro Forma TTM Adjusted Revenues was \$7.0M in 2021, an increase of 126% from \$3.1M in the prior year.
- **Current Pro Forma 2021 Adjusted Revenues¹** – Current Pro Forma 2021 Adjusted Revenues was \$30.5M as at April 6, 2022, an increase of 883% from \$3.1M as at May 24, 2021.
- **Adjusted EBITDA¹** – Adjusted EBITDA was (\$2.3M) for the twelve months ended December 31, 2021, as compared to \$0.31M in the prior year.
- **Cash and Cash Equivalents** – Cash and cash equivalents were \$9.1M on December 31, 2021.

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

	Year ended December 31, 2021	September 22, 2020 to December 31, 2020
Revenue	\$ 3,221,015	\$ 154,268
Cost of revenue	\$ 947,361	\$ 17,778
Administrative expenses	\$ 14,818,052	\$ 2,057,809
Listing expense	\$ 1,011,110	-
Interest expense	\$ 347,744	\$ 56,929
Income tax provision	\$ (42,863)	\$ 949
Net loss	\$ (13,860,389)	\$ (1,979,197)
EBITDA ¹	\$ (13,173,841)	\$ (1,899,432)
Adjusted Revenues ¹	\$ 4,067,036	\$ 365,227
Adjusted EBITDA ¹	\$ (2,281,179)	\$ 313,028
Pro Forma TTM Adjusted Revenues ¹ (millions)	\$ 7.0	\$ 3.1
Net loss per-share (basic and diluted)	\$ (0.35)	\$ (0.13)
Total assets	\$ 21,080,714	\$ 5,330,059
Total long-term liabilities	\$ 3,585,524	\$ 2,114,909
	As at April 7, 2022	As at May 24, 2021
Current Pro Forma 2021 Adjusted Revenues ¹ (millions)	\$ 30.5	\$ 3.1

Q4 2021 Operational Highlights

October 1, 2021 – NOW enhanced its privacy software business with the acquisition of substantially all the assets and the

assumption of certain liabilities of DocAuthority Ltd. ("**DocAuthority**"), an Israeli-based data governance SaaS company, for cash consideration of \$503,185 and the issuance of 40,000 subordinate voting shares priced at US\$1.00 per share.

November 1, 2021 – NOW expanded its data analytics software business with the acquisition of all the issued and outstanding securities of Affinio Inc. ("**Affinio**"), a Canadian-based audience insights and privacy-safe customer analytics platform company, in exchange for up-front cash consideration of \$3.0 million, the issuance of 1,300,000 subordinate voting shares priced at US\$1.00 per share, and deferred cash consideration of \$3.0 million (due \$1.5 million on July 2, 2022, and \$1.5 million on March 1, 2023).

December 15, 2021 – NOW completed an overnight marketed public offering of 10,894,756 units of the Company for C\$0.95 per unit for gross proceeds of C\$10,350,018. Each unit consisted of one subordinate voting share and one-half of one subordinate voting share purchase warrant. Each warrant is exercisable for one subordinate voting share for C\$1.25 per Warrant Share for 24 months following the closing of the offering.

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Subsequent Events:

February 16, 2022 – NOW enhanced its contracts services business and obtained a footprint in Latin America with the acquisition all of the issued and outstanding securities of CoreBI S.A., a data analytics services company in Argentina, and CoreBI SAS, a data analytics services company in Colombia, for up-front cash consideration of \$3.0 million, a deferred cash payment of \$1.75 million payable 12 months from closing, subject to meeting certain corporate objectives, and up to \$3.25 million in future consideration (payable in cash or stock or both cash and stock, at the option of the Company) based on financial performance.

March 25, 2022 – NOW expanded its data compliance software business with the acquisition of all issued and outstanding securities of Exonar Ltd., a UK-based software solution firm for up-front cash consideration of \$150,000 and deferred consideration of \$500,000 payable in stock 12 months from closing.

April 6, 2022 – NOW grew its contracts services business and expanded its government vertical with the acquisition of 100% of the issued and outstanding securities of Allegient Defense, Inc. ("**Allegient**"), a U.S.-based government contracts services company for total consideration of \$10.4 million. Concurrent with the acquisition of Allegient, NOW secured a \$5,800,000 credit facility with US-based MVB Bank, comprised of a \$3,800,000 term loan and a \$2,000,000 revolving line of credit.

Additional Information

The Company's audited consolidated financial statements, notes to financial statements, and management's discussion and analysis for the year ended December 31, 2021 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.

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NON-IFRS MEASURES

The non-IFRS financial measures referred to in this news release are defined below. The management discussion and analysis for the year ended December 31, 2021 (the "**2021 MD&A**"), available at nowvertical.com and SEDAR, also contains supporting calculations for Adjusted Revenues, EBITDA, Adjusted EBITDA and Pro Forma TTM Adjusted Revenues.

“Adjusted Revenues” 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 Revenues” 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 Revenues” represents the trailing twelve months of Adjusted Revenues of all acquisitions completed as of the end of the respective period presented.

“Current Pro Forma 2021 Adjusted Revenues” adjusts Pro Forma TTM Adjusted Revenues to include the Pro Forma TTM Adjusted Revenues of all acquisitions completed through the date of the Company’s MD&A. The prior year 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 Revenues”, “EBITDA”, “Adjusted EBITDA”, “Pro Forma TTM Adjusted Revenues”, and “Current Pro Forma 2021 Adjusted Revenues”. 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.