



NowVertical Group Reports Record Third Quarter 2022 Financial Results and Announces Appointment of Alim Virani as CFO

- **Adjusted Revenue** was \$8.5 million¹ in Q3 2022 and \$19.2 million¹ in the first nine months of 2022, an increase of 789% over Q3 2021 and 648% over the nine months ended September 30, 2021
- **Pro Forma TTM Adjusted Revenue** was \$32.7 million¹, an increase of nearly ten times over Q3 2021

TORONTO, Ontario – November 16, 2022 /Globe Newswire/ - NowVertical Group Inc. (TSX-V: NOW) (“**NOW**” or the “**Company**”), the vertical intelligence (“**VI**”) software and solutions company, today announces its financial results for the three and nine months ended September 30, 2022. All figures are in U.S. dollars unless otherwise stated.

Selected Pro Forma and Financial Highlights

- **Pro Forma TTM Adjusted Revenue¹** – Pro Forma TTM Adjusted Revenue, which includes all acquisitions closed at September 30, 2022, was \$32.7M, a nearly ten-fold increase over Q3 2021.
- **Adjusted Revenue¹** – Adjusted Revenue was \$8.5M in Q3 2022 and \$19.2M YTD 2022, an increase of nearly nine times from \$1.0 million in Q3 2021 and an increase of more than seven times from \$2.6M in the nine months ended September 30, 2021.
- **Revenue** – Revenue was \$8.4M in Q3 2022 and \$18.6M YTD 2022, an increase of 775% from \$1.0 million in Q3 2021 and an increase of 795% from \$2.1M in the nine months ended September 30, 2021.
- **Adjusted EBITDA¹** – Adjusted EBITDA was (\$0.3M) in Q3 2022 and (\$1.2M) YTD 2022, an increase of \$0.6M from (\$0.9) million in Q3 2021 and a decrease of \$0.6M from (\$0.6M) in the nine months ended September 30, 2021.
- **Net Loss** – Net Loss was \$2.9M in Q3 2022 and \$6.0M YTD 2022, an increase of \$1.5 M from Q3 2021 and a decrease of \$3.4M from the nine months ended September 30, 2021.
- **Cash and Cash Equivalents** – Cash and cash equivalents were \$2.8M as of September 30, 2022.

“Today, we are again pleased to announce another record quarter of growth in our business. In the third quarter, we increased Adjusted Revenue by nearly ten times year over year and moved significantly closer to our goal of delivering positive Adjusted EBITDA,” said Daren Trousdell, Chairman and CEO of NOW. “The fourth quarter promises to add even more opportunity as our M&A program continues to identify new and exciting companies that complement our current offerings across both our Technology and Solutions segments, which have combined to add \$3.6M in Adjusted EBITDA so far in 2022.”

Q3 2022 and Subsequent Business Highlights

¹See NON-IFRS MEASURES at the end of release



- NOW achieved an above-average SaaS industry retention rate and added numerous new clients to its customer roster. The renewals span several large multinational brands and agencies, including Starz, Universal Music (UK), Fleishman Hillard True Global Intelligence, Leo Burnett, Digitas, and Formerly Known As (FKA).
- NOW's Government Solutions team was awarded a seven-figure direct award in support of the U.S. Department of Energy's (DOE) technology transfer activities and was recognized by the U.S. Department of Labor with a 2022 HIRE Vets Gold Medallion Award.
- NOW completed a regional expansion into Mexico with the signing of a contract with a large-scale retail and manufacturing provider and Aeroméxico, as well as adding new LATAM customer contracts across the financial services, retail, pharmaceuticals, and healthcare verticals, including HSBC Argentina, Banco Popular, CCU, BigBox and OSDE.
- Subsequent to Q3, NOW completed a marketed public offering of 4,569 senior unsecured convertible debenture units of the Company (the "Debenture Units") and its concurrent private placement of 500 Debenture Units at a price of \$1,000 per Debenture Unit for total gross proceeds of C\$5,069,000.
- NOW was recognized by the 2022 AI TechAwards by AI DevWorld for Best in Big Data AI, celebrating technical innovation and adoption in the AI, Machine Learning & Data Science industry and by the global developer community.
- NOW completed an update to its NOW Privacy offering, extending functionality to enhance data search capabilities, out-of-the-box data connections and overall ease of use.
- NOW announced the creation of a new partnership with Talkwalker Inc. through its NOW Affinio business unit, which provides automated audience insights for marketers, and launched a new shopper insights product in conjunction with Ibotta, Inc. to leverage turnkey shopping analytics to understand motivations, unravel trends, and decode elements of shopper behavior in seconds.

NOW Appoints Alim Virani to CFO

The Company is also pleased to announce the appointment of Alim Virani as Chief Financial Officer of NOW. Mr. Virani previously served as Senior VP of Financial Operations, responsible for scaling NOW's finance function, including financial and operational reporting, middle-office operations, and business integrations, since joining NOW in September 2022. Mr. Virani is a Toronto-based CPA who began his career in PwC's assurance practice and previously spent seven years with a Canadian publicly-traded software consolidator, where he held successively senior financial positions before joining NOW. He will replace Teri Anderson on November 17, 2022, who is stepping down after joining the Company in November 2021.

"I am excited and honored to build on my role with NOW as Chief Financial Officer," said Alim Virani. "The team has built a strong portfolio in one of the fastest-growing sectors in software and technology. I look forward to working with Daren, the executive team, and the talented finance team as we build on our momentum and continue to deliver value across the portfolio for shareholders."



“We are extremely pleased to announce the appointment of Alim to a critical role within the NOW organization. Since joining NOW, he has repeatedly demonstrated his deep industry expertise and perspective to the management team,” said Daren Trousdell, Chairman and CEO of NOW. “On behalf of myself and the Board, I would also like to thank Teri for her invaluable contributions to NOW as we transitioned into our next phase of organic and acquisition-based growth. We wish her the best in her future endeavors.”

Investor Webinar

NOW invites shareholders, analysts, investors, media representatives, and other stakeholders to attend our upcoming webinar. Daren Trousdell, Chief Executive Officer, will discuss Q3 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: November 17, 2022, 09:30 AM EST

Register here: <https://bit.ly/NOW-Q3-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 condensed consolidated interim financial statements, notes to financial statements, and management’s discussion and analysis for the three and nine months ended September 30, 2022 are available on the Company’s SEDAR profile at www.sedar.com.

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 the VI software and solutions company 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 three and nine months ended September 30, 2022 (the “**Q3 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.

“**Q3 2022 Proforma Adjusted Revenue**” adjusts revenue to eliminate the effects of acquisition accounting on the Company’s revenues and includes revenues from all acquisitions completed as at the MD&A issuance date.

“**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.

“**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 Q3 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", "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 operational 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.