



NowVertical Group Reports Strong First Quarter 2023, Financial Results Ahead of Revenue Expectations, Positive Adjusted EBITDA and Leadership Transition

- Q1 2023 Adjusted Revenue was \$13.7 million¹, an increase of 359% over Q1 2022
- Q1 2023 Adjusted EBITDA was \$0.23 million¹, an increase of 195% over Q1 2022
- Q1 2023 Gross Profit was \$6.2 million, a nearly an increase of 330% over Q1 2022

TORONTO, Ontario – May 30, 2023/Globe Newswire/ - NowVertical Group Inc. (TSX-V: NOW) (OTCQB: NOWVF) (“**NOW**” or the “**Company**” the vertical intelligence (VI) software and solutions company, today announces its financial results for the three months ended March 31, 2023.

“Our financial performance in the first quarter is the reflection of the hard work our whole team has put into acquiring, integrating, operating, and formalizing a consolidated go-to-market strategy with our business units,” said Sasha Grujicic, President and incoming CEO of NOW. “We aim to further establish ourselves as a global leader in the data, analytics and AI space and will continue to be disciplined in how we lead our customers through this exciting time.”

Selected Pro Forma and Financial Highlights:

- **Revenue** – Revenue was \$13.6 million in Q1 2023, an increase of 425% from \$2.6 million in the prior year’s first quarter, while Adjusted Revenues were \$13.7 million in the first quarter compared to \$2.9 million in the first three months of 2022, primarily due acquisitions completed in 2022, 2023.
- **Adjusted EBITDA**¹ – Adjusted EBITDA was \$0.23 million for the three months ended March 31, 2023, compared to \$(0.2) million in the prior year’s quarter.
- **Cost Reductions** – During the first quarter of 2023, NOW implemented cost-saving initiatives that resulted in savings of \$0.15 million in the first quarter or \$0.58 million annually.
- **Net Loss** – Net Loss was \$1.4 million in Q1 2023, or a net loss per fully diluted share of \$0.02, compared to a net loss per basic and diluted share of \$0.03 for the three months ended March 31, 2023.
- **Cash and Investments** – Cash and Investments were \$5.6 million on March 31, 2023.

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

(000)s		Three months Ended					
		March 31, 2023		December 31, 2022		Change	
Reported:							
Revenue	\$	13.622	\$ 8.392	62%	\$ 13.622	\$ 2.594	425%
Adjusted Revenue	\$	13.688	\$ 8.575	60%	\$ 13.688	\$ 2.983	359%
Adjusted EBITDA	\$	0.234	\$ (0.021)	1,214%	\$ 0.234	\$ (0.247)	195%

Q1 2023 and Subsequent Business Highlights:

- January 12, 2023, NOW announced a new credit agreement with The Toronto-Dominion Bank (“**TD Bank**”) for CAD\$7 million and completed the acquisitions of 100% of the issued and outstanding securities of two U.K.-based data analytics solution providers, Acrotrend Solutions and Smartlytics Consultancy.
- 2023 on February 2, 2023, NOW completed the acquisition of 100% of the issued and outstanding securities of Group Analytics 10 and Inteligencia de Negocios and its affiliate entities (collectively, the “**A10 Group**”).
- On February 21, 2023, Acrotrend, one of the newest additions to NOW’s Vertical Intelligence offering, was awarded a gold rating in the sixth annual listing of UK management firms most recommended by their clients.
- On February 28, 2023, NOW completed a marketed public offering of 9,631,500 units for aggregate gross proceeds of C\$5.0 million.
- On March 6, 2023, NOW announced its System Organization Control Type II (“**SOC 2**”) certification.
- On May 11, 2023, NOW completed a partnership and sale of its Affinio Social Product to Audiense Ltd., a private U.K.-based audience intelligence platform provider, while retaining its core IP and software to operate NOW’s Snowflake product. The transaction will generate approximately \$3 million of free cash flow over a 24-month period and creates a 2-way reseller relationship with Audiense.

Leadership Transition:

NOW is also announcing today that as a part of a planned leadership transition, Mr. Daren Trousdell, the Chief Executive Officer, is stepping back from his role at the Company. The Company has appointed Mr. Sasha Grujicic, NOW’s President, who initially served as Chief Operating Officer, as its new Chief Executive Officer.

“I always knew that there would be a point in our development that a strategic leadership transition would take place.” Mr. Trousdell said. “We’ve spent the better part of 18 months working on a succession, and I’m happy to hand the company over to Sasha Grujicic.”

Mr. Daren Trousdell will remain with the Company as a special advisor to the board of directors.

“I would like to thank Daren as founder, CEO, and director for his dedicated and unwavering service and substantial contributions to the Company. He has been instrumental in building up the Company and its team and positioning us to enter the next stage of our growth story,” said Scott Nirenberski on behalf of



the board of directors. “The team Daren has put in place is exceptional, and we believe this transition will provide the opportunity for continued success and further growth”.

Board of Directors Update:

In addition to the Leadership transition, Ms. Elaine Kunda has been appointed as the Chairperson of the Board, taking over from Mr. Daren Trousdell. Mr. Sasha Grujicic, the Company’s CEO, and Mr. Andre Garber, the Company’s EVP of Corporate Development and Legal Affairs, will also be appointed to the board. Mr. John Adamovich will be stepping down from his position on the board. The board remains majority independent.

Corporate Update:

The Company also announced that it has renegotiated the timing of the \$1.75 million deferred payment owed to the CoreBI vendors, of which \$250,000 was paid on March 14, 2023, and the remainder will be paid over five installments during FY 2023 and 2024.

Investor Webinar:

NOW invites shareholders, analysts, investors, media representatives, and other stakeholders to attend our upcoming webinar, where management will discuss Q1 2023 results, followed by a question-and-answer session.

Investor Webinar Registration:

Time: May 31, 2023, 09:30 AM in Eastern Time (US and Canada)

Register here: <https://bit.ly/NOW-Q1-2023-Registration>

A recording of the webinar and supporting materials will be made available in the investor’s 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 2023 condensed consolidated interim financial statements, notes to financial statements, and management's discussion and analysis for the three months ended March 31, 2023, 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/news-and-media/>

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:

Glen Nelson, Investor Relations

e: glen.nelson@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, 2023 (the "**Q1 2023 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 Revenue" adjusts revenue to eliminate the effects of acquisition accounting on the Company's revenues.

"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" 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'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 refers 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 to facilitate operating performance comparisons from period to period and prepare annual budgets and forecasts.