

NowVertical Group Significantly Expands LATAM Operations With Definitive Agreement To Acquire A10 Group And Secures Non-Dilutive Credit Facility With Export Development Canada

TORONTO, Dec. 22, 2022 -- NowVertical Group Inc. (TSXV: NOW) ("**NOW**" or the "**Company**"), the VI software and solutions company, is pleased to announce that it has entered into a definitive agreement with Group Analytics 10 and Inteligencia de Negocios and its affiliate entities (collectively, "**A10 Group**") to acquire 100% of the issued and outstanding securities of A10 Group (the "**Acquisition**"), for total upfront gross consideration of US\$5.5 million, subject to customary post-closing adjustments. The Acquisition is expected to increase NOW's annual revenues by approximately US\$23.5 million and Adjusted EBITDA by approximately US\$2.5 million (unaudited), pre-synergies.

"The acquisition announced today represents a significant expansion into the LATAM market with new operations in Brazil, Chile and Mexico," said Daren Trousdell, Chairman & CEO of NOW. "We had already established a significant presence in the region with our CoreBI acquisition earlier this year. Today, with our 12th acquisition, we are adding one of the region's premier big data solution providers with a highly seasoned team of more than 175 individuals. We see an exceptional future and accelerated growth ahead for NOW in one of the world's most exciting big data and analytics markets."

About A10 Group:

Founded in 2004, A10 Group is one of Latin America's most experienced big data, business intelligence, and advanced analytics partners. It helps organizations make intelligent, data-backed decisions by translating data into understandable information that accelerates concrete actions. A10 Group has helped serve more than 700 clients, including some of LATAM's most prominent governmental and commercial organizations. A10 Group provides exceptional client support through a team of approximately 175 collaborators. With state-of-the-art technologies and solid processes, it can respond to specific needs and requirements to solve complex problems, simplify implementation, and ensure effective results. With operations in Brazil, Chile, and Mexico, A10 Group works with globally renowned brands across multiple verticals, including Nestle, Court of Federal Districts (Brazil), Biogen, AutoZone, Thompson Reuters, Bayer and Walmart.

A10 Group also develops and implements visual analytics, business intelligence, data discovery tools and projects. The Group is an award-winning leader in the big data and analytics market known for providing value-added solutions to governmental and commercial clients across their entire data estates.

"We're excited to join forces with NOW to accelerate our growth across the LATAM Big Data and Analytics market," said Cristóbal Urenda, Co-Founder and Board Member of A10 Group. "By joining forces with NOW, we'll be able to deliver that same experience on an increased scale with access to new regions and clients. With their world-class capabilities, established LATAM footprint and talent, and complementary client roster, NOW is our ideal partner."

Transaction Details:

Under the terms of the definitive purchase agreement dated December 21, 2022, the Company has agreed to complete the Acquisition for consideration payable as follows: (i) a closing cash payment of US\$4.95 million, subject to holdbacks, (ii) \$550,000 settled by way of an issuance of subordinate voting shares in the capital of NOW ("**NOW Shares**" each a "**NOW Share**") at a deemed price equal to the greater of NOW's 20-day VWAP on closing and US\$1.00 per NOW Share, subject to customary lock-ups, and (iii) earn-out consideration paid over four fiscal years based on certain Adjusted EBITDA targets.

Closing of the Acquisition is subject to customary closing conditions, including the receipt of necessary third-party consents, regulatory approvals, and approval of the TSX Venture Exchange. NOW anticipates the completion of the Acquisition to occur during the first quarter of 2023. The Acquisition is an arm's length transaction and no finder's fee is expected to be paid by NOW in connection with the Acquisition.

New Credit Facility with Export Development Canada

NOW is also pleased to announce it has launched a partnership with Export Development Canada ("**EDC**") to support NOW's international growth and expansion efforts. As part of this partnership, NOW and EDC have entered into a non-dilutive secured USD\$7 million credit facility agreement effective December 21, 2022 (the "**EDC Facility**").

The EDC Facility enables requests by the Company for periodic advances to be made for a period of six (6) months, subject to the satisfaction of certain customary conditions, and the EDC Facility matures on the date that is 72 months following the date of the first advance (the "Maturity Date"). The EDC Facility bears interest at a variable rate of US prime plus 3% on drawn amounts and has no prepayment penalty or standby charge.

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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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, statements relating to NOW's business plans and outlook, TSX Venture Exchange approval of the Acquisition, the completion of the EDC Facility and the use of proceeds from the EDC Facility.

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. A number of 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. Instead, 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.