

NowVertical's LATAM Leadership Invests in Future Growth Through Debt-to-Equity Conversion

- NowVertical to realize cash savings of US\$770K in 2025
- NowVertical's LATAM leadership aligned with shareholder value through debt settlement agreement

TORONTO, December 23, 2024 -- NowVertical Group Inc. (TSX-V: NOW) ("**NowVertical**" or the "**Company**"), a leading data analytics and AI solutions company, announces that it has entered into a debt settlement agreement (the "**Agreement**") with the former owners of [CoreBI S.A. and CoreBI S.A.S.](#) (the "**Vendors**") whereby the Vendors agreed to defer certain payments due in 2025 and settle an aggregate entitlement of US\$1,250,000 through the issuance of shares of NowVertical. The Vendors now form CoreBI's core leadership and are responsible for NowVertical's LATAM market operations. [Since acquisition in 2022](#), CoreBI has developed into a major component of NowVertical's LATAM market operations and a delivery powerhouse for NowVertical's global clientele.

Subject to receipt of TSX Venture Exchange approval, the Company will issue an aggregate of 5,432,954 Class A subordinate voting shares in the capital of the Company at a price of C\$0.33 per share (collectively, the "**Settlement Shares**"). 2,825,136 Settlement Shares will be issued to the Vendors in satisfaction of US\$650,000 of owed earn-out liabilities and 2,607,818 Settlement Shares will be issued to the Vendors in satisfaction of US\$600,000 of deferred payment liabilities.

As a result of the Agreement, the deferred liabilities due through 2025 have also been reduced from US\$1,135,000 to US\$535,000 (US\$40,000 remaining in 2024, US\$330,000 due through 2025 and US\$165,000 due in Q1 2026).

"This strategic investment by the LATAM leadership team delivers a US\$770,000 reduction in 2025 cash outflows, bringing deferred liabilities down from US\$1.1M to US\$330,000," said Sandeep Mendiratta, CEO of NowVertical. "At the start of 2024, we introduced our operator-first leadership model, prioritizing expertise from our acquired companies in key roles to drive performance. This Agreement not only underscores our LATAM leadership's confidence in our integration strategy but also highlights their commitment to the Company's long-term success. By converting debt to equity, our LATAM leadership has further aligned their interests with those of our shareholders. This alignment strengthens our focus on accelerating growth through our pipeline of organic opportunities as we progress toward achieving our US\$50 million revenue run rate and 20% best-in-class EBITDA margin financial goals."

Upon issuance, the Settlement Shares will be subject to:

1. A statutory hold period of four months plus a day from the issuance date, as per applicable securities regulations.
2. A contractual lock-up for thirty-six (36) months from the issuance date, with 20% of the Settlement Shares being released after twelve (12) months, and 20% released every six (6) months thereafter.
3. If a Vendor is terminated by the Company during the lock-up period while the deferred liabilities remain outstanding, the lock-up will expire six (6) months from the termination date for any remaining shares.

In addition, the Vendors have agreed to vote in favour of board recommendations for director elections until January 1, 2027 but retain the right to abstain from voting during this period.

About NowVertical Group Inc.

The Company is a global data and analytics company which helps clients transform data into tangible business value with AI, fast. Offering a comprehensive suite of solutions and services the Company enables clients to quickly harness the full potential of their data, driving measurable outcomes and accelerating potential return on investment. Enterprises optimize decision-making, improve operational efficiency, and unlock long-term value from their data using the Company's AI-Infused first party and third-party technologies. NowVertical is growing organically and through strategic acquisitions. For further details about NowVertical, please 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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Cautionary note regarding Forward-Looking Statements

This news release contains forward-looking information and forward-looking information within the meaning of applicable Canadian securities laws (together "**forward-looking statements**"), including, without limitation: statements pertaining to the approval of the TSX Venture Exchange and the issuance of the Settlement Shares and the associated results on NowVertical's business, finances and operations. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties, and contingencies. Forward-looking statements generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause future results, performance, or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by the forward-looking statements and the forward-looking statements are not guarantees of future performance. Forward-looking statements are qualified in their entirety by inherent risks and uncertainties, including: adverse market conditions; risks inherent in the data analytics and artificial intelligence sectors in general; regulatory and legislative changes; that future results may vary from historical results; inability to obtain any requisite future financing on suitable terms; any inability to realize the expected benefits and synergies of acquisitions or dispositions; that market competition may affect the business, results and financial condition of the Company and other risk factors identified in documents filed by the Company under its profile at www.sedarplus.com, including the Company's management's discussion and analysis for the year ended December 31, 2023. 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.