



VERTICALS

i3 Verticals Reports Three Acquisitions and Inducement Equity Grants

October 5, 2020

Acquires Proprietary Software in Healthcare Vertical

NASHVILLE, Tenn.--(BUSINESS WIRE)--Oct. 5, 2020-- i3 Verticals, Inc. (Nasdaq: IIV) (the "Company"), today announced the acquisition of three companies that strengthen its vertical focus.

The first acquisition is within the Company's fast-growing Public Sector vertical. This business is based in the southeast and provides software and services for public safety and law enforcement customers. The second acquisition is within the Company's Healthcare vertical and offers medical billing and other software. This business is also headquartered in the southeast but serves customers across the country. The final acquisition offers proprietary technology that will augment the Company's existing platform across several verticals. It is also based in the southeast and serves customers on a nationwide basis.

Chairman and CEO Greg Daily commented, "We are pleased about the growth of our Company and the continued success of our acquisition strategy. These three acquisitions enable us to offer new software to existing clients and to penetrate new geographies and markets. We are particularly excited about the ability to sell a proprietary software suite into the Healthcare vertical, which should accelerate our growth in that important vertical. Finally, our culture is critical to our success and we could not be more enthusiastic about the talent and the fit that each of these teams offer, and we look forward to working closely together with them."

The aggregate cash consideration paid at closing for the three deals was \$19,600,000.

In accordance with Nasdaq Listing Rule 5635(c)(4), the Company has granted equity awards under its 2020 Acquisition Equity Incentive Plan to the new employees who joined the Company in connection with these acquisitions. The Company granted options to purchase a total of 265,000 shares of the Company's Class A common stock to 45 employees as a material inducement to enter into employment with the Company. These stock options will vest ratably over three years, subject to the employees' continued service to the Company through each applicable vesting date. The stock options have an exercise price equal to \$25.76, the closing price per share of the Company's Class A common stock as reported by Nasdaq on October 1, 2020, the date of grant.

About i3 Verticals

Helping drive the convergence of software and payments, i3 Verticals delivers seamlessly integrated payment and software solutions to small and medium-sized businesses and other organizations in strategic vertical markets, such as education, non-profit, public sector, property management, healthcare and to the business-to-business payments market. With a broad suite of payment and software solutions that address the specific needs of its clients in each strategic vertical market, i3 Verticals processed approximately \$14.2 billion in total payment volume for the 12 months ended June 30, 2020.

Forward-Looking Statements

This release contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this release are forward-looking statements, including any statements regarding guidance and statements of a general economic or industry specific nature. Forward-looking statements give the Company's current expectations and projections relating to its financial condition, results of operations, guidance, plans, objectives, future performance and business. You generally can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "could have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. Forward-looking statements are not guarantees of future performance, and the Company's actual results could differ materially from the expectations expressed or implied in any forward-looking statements. You should not put undue reliance on them. Examples of forward-looking statements contained in this release include statements about the Company's use of proceeds from the offering. Actual results may differ from those contained in any forward-looking statements made in this release for a variety of reasons, including those described in "Risk Factors" and "Note Regarding Forward-looking Statements" in the Company's Annual Report on Form 10-K for the year ended September 30, 2019, in its subsequent periodic reports, and in "Risk Factors" and "Note Regarding Forward-looking Statements" in the Registration Statement filed with the Securities and Exchange Commission, as supplement by a prospectus supplement.

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