

Martello Announces Closing of First Tranche of Private Placement Totalling CAD\$0.6M

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OTTAWA, ON, May 24, 2023 /CNW/ - [Martello Technologies Group Inc.](#), ("Martello" or the "Company") (TSXV:MTLO), a provider of software that optimizes the Microsoft Modern Workplace, announced today the closing of the first tranche totalling CAD\$600,000 (the "First Tranche") of a non-brokered private placement of common shares in the capital of the Company ("Common Shares") for aggregate gross proceeds of approximately CAD\$1,200,000 (the "Private Placement").

Pursuant to the Private Placement, Martello will issue 24,000,000 Common Shares at a price of CAD\$0.05 per Common Share, in two tranches for aggregate gross proceeds of CAD\$1,200,000, subject to approval of the TSX Venture Exchange (the "TSXV").

The sole subscriber in the Private Placement is Wesley Clover International Corporation ("Wesley Clover"), a corporation controlled by Terence Matthews, Chairman of Martello, and a Control Person of the Company (as such term is defined in the policies of the TSXV). The Company intends to use the proceeds of the Private Placement for general corporate and operational purposes. The Common Shares issued in the First Tranche are subject to a four-month hold, which expires on September 24, 2023.

Martello first announced the Private Placement on February 14, 2023 as part of a larger non-brokered private placement of Common Shares for aggregate gross proceeds of CAD\$2,400,000, which is expected to be completed on or before June of 2023.

The Private Placement constitutes a "related party transaction" within the meaning of TSXV Policy 4.1 and Section 5.9 and Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101") because an Insider (and associated entity of an Insider) of the Company, being Wesley Clover, has participated in the Private Placement and has acquired the number of Common Shares as is equal to CAD\$1,200,000 in connection with the Private Placement. The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the Private Placement as the fair market value (as determined under MI 61-101) of the Insider participation in the Private Placement is below 25% of the Company's market capitalization (as determined in accordance with MI 61-101).

About Martello Technologies Group

Martello (TSXV: MTLO) is a technology company that provides monitoring solutions to optimize the Microsoft Modern Workplace. The Company's products provide actionable insight on the performance and user experience of cloud business applications, while giving IT teams and service providers control and visibility of their entire IT infrastructure. Martello's software products include Vantage DX, which provides Microsoft 365 and Microsoft Teams end user experience monitoring and optimization. Martello is a public company headquartered in Ottawa, Canada with employees in Europe, North America and the Asia Pacific region. Learn more at <http://www.martellotech.com>

This press release does not constitute an offer of the securities of the Company for sale in the United States. The securities of the Company have not been registered under the United States

Securities Act of 1933, (the "1933 Act") as amended, and may not be offered or sold within the United States absent registration or an exemption from registration under the 1933 Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods and includes, but is not limited to, information, statements and expectations regarding: the anticipated closing dates for each tranche of the Private Placement; the expected use of proceeds of the Private Placement; and other activities, events or developments that the Company expects or anticipates will or may occur in the future.

Forward-looking information is neither a statement of historical fact nor assurance of future performance. Instead, forward-looking information is based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking information relates to the future, such statements are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking information. Therefore, you should not rely on any of the forward-looking information. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking information include, among others, the following:

- Continued volatility in the capital or credit markets and the uncertainty of additional financing.
- Our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so.
- Changes in customer demand.
- Disruptions to our technology network including computer systems and software, as well as natural events such as severe weather, fires, floods and earthquakes or man-made or other disruptions of our operating systems, structures or equipment.
- Delayed purchase timelines and disruptions to customer budgets, as well as Martello's ability to maintain business continuity as a result of COVID-19.
- and other risks disclosed in the Company's filings with Canadian Securities Regulators, including the Company's annual information form for the year ended March 31, 2021 dated January 7, 2022, which is available on the Company's profile on SEDAR at www.sedar.com.

Any forward-looking information provided by the Company in this news release is based only on information currently available and speaks only as of the date on which it is made. Except as required by applicable securities laws, the Company undertakes no obligation to publicly update any forward-looking information, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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