NextPoint Financial Announces Transaction to Reduce Debt and Strengthen Capital Structure

Initiates CCAA Proceedings in Canada to Implement Sale to Senior Lender While Operating as Usual

Liberty Tax and Community Tax Serving Customers with Same Trusted Tax Advice and Service

US$25 Million Financing Commitment to Support Ongoing Day-to-Day Operations

Scott Terrell Named Chief Executive Officer to Lead Enterprise into the Future

HURST, Texas, July 25, 2023 – NextPoint Financial Inc. ("NextPoint" or the "Company") (TSX: NPF.U) (TSX: NPF.WT.U) (OTC PINK: NACQF) today announced that it has entered into a restructuring support agreement ("RSA") with lenders BP Commercial Funding Trust, Series SPL-X and BP Commercial Funding Trust II, Series SPL-I (collectively, the "Senior Lender") and Drake Enterprises LTD (together with the Senior Lender, the "Lender Group") to substantially reduce the Company's consolidated debt and best position its leading brands, Liberty Tax and Community Tax, for long-term success. Under the RSA, the Senior Lender has committed to purchase substantially all of NextPoint's assets for up to US$281 million, primarily consisting of a credit bid of at least US$100 million of secured debt, cash to be paid at close, and obligations to be assumed ("Transaction").

Concurrent with today's announcement, NextPoint's board of directors named Scott Terrell as Chief Executive Officer, effective immediately. Mr. Terrell previously served as Liberty Tax's Chief Information Officer from 2019 to 2022 and as Chief Operating Officer of NextPoint until his appointment as interim CEO in May 2023.

To implement the Transaction most efficiently, NextPoint and its subsidiaries sought and obtained an initial order from the Supreme Court of British Columbia pursuant to the *Companies' Creditors Arrangement Act* ("CCAA"). The Company is seeking recognition of the CCAA proceedings in the U.S. Bankruptcy Court for the District of Delaware under Chapter 15 of the U.S. Bankruptcy Code. The Company's approximately 2,200 Liberty Tax franchised locations are not included in the proceedings.

NextPoint will continue its day-to-day operations as usual, including serving customers of its Liberty Tax and Community Tax businesses with the same trusted tax advice and service. The Company has secured a commitment for US$25 million in debtor-in-possession financing from the Lender Group which will provide sufficient liquidity to fulfill ongoing obligations to franchisees and customers, and pay employees and vendors in the ordinary course.

"We are pleased to have achieved a comprehensive solution that will reduce our debt burden and put our enterprise on stronger financial footing for the future. With an improved capital structure, we will be better positioned to build on the proud legacies of our Liberty Tax and Community Tax brands," said Mr. Terrell, NextPoint's CEO. "I am grateful to our teams who have remained focused on growing our businesses by doubling down on our core strengths in tax preparation and resolution services, and we are making good progress. Today's action will further accelerate these efforts and enhance our ability to empower underserved consumers and small businesses who rely on our tax tools and guidance."

Mr. Terrell concluded, "Our organization and our brands have incredible resilience and a very bright future. We value our loyal customers, dedicated franchise partners, and hardworking team members and look forward to emerging from this process as a financially stronger company."

Under the terms of the RSA, the Transaction will be implemented through a court-approved sale and investment solicitation process in which the Senior Lender's "stalking horse" bid will be subject to higher or otherwise better offers from interested third parties.

Additional Information

The Canadian court has appointed FTI Consulting Canada Inc. to serve as the Monitor in the CCAA proceedings. Court documents and other information will be available on the Monitor's website: http://cfcanada.fticonsulting.com/nextpoint. Court documents in the U.S. Chapter 15 proceedings will be available at https://cases.stretto.com/nextpoint.

DLA Piper (Canada) LLP and DLA Piper LLP (US) are serving as legal counsel to the Company in Canada and the U.S., respectively, and Province is serving as its financial restructuring advisor. As previously announced, Peter Kravitz of Province is serving as NextPoint's Chief Restructuring Officer.

About NextPoint Financial Inc.

NextPoint is an all-inclusive marketplace for financial services empowering hardworking and underserved consumers and small businesses. NextPoint's primary business units are Liberty Tax, a leading provider of tax preparation services, and Community Tax, an effective advocate for tax debt resolution on behalf of customers.

Forward-Looking Statements

This news release contains statements that include "forward-looking information" (as defined under applicable securities laws) ("forward-looking statements"). These forward-looking statements relate to future events or future performance including with respect to the ability to successfully consummate the transaction and timing thereof, the Company's ability to continue operations in the ordinary course, the Company's ability to pursue alternatives and emerge from the CCAA proceedings in a strong financial position, the debtor-in-possession financing providing sufficient liquidity for the Company and the Company's ability to service to its customers. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", "could" or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and many factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating forward-looking statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, the outcome of the CCAA proceedings, and the risks and uncertainties discussed in the section entitled "Risk Factors" in the Company's annual information form dated January 15, 2023. Forward-looking statements contained in this news release are not guarantees of future performance and, while forward-looking statements are based on certain assumptions that the Company considers reasonable, actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company. Except as may be expressly required by applicable law, the Company does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

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