



red violet Raises \$7.5 Million to Meet Demand and Accelerate Growth

August 29, 2019

Funding to fuel sales, product development, and marketing as additional capital unleashes growth opportunities

BOCA RATON, Fla.--(BUSINESS WIRE)--Aug. 29, 2019-- Red Violet, Inc. (NASDAQ: RDVT), a leading analytics and information solutions provider, today announced the closing of \$7.5 million in growth financing from existing and new investors through the sale of 681,000 shares of common stock in a registered direct offering. The funding underscores the faith in red violet, its team and its current strong growth trajectory. The Company intends to use the proceeds to accelerate market expansion through new investment in sales, product development and marketing, as well as for working capital and other general corporate purposes. The Company has no intention of accessing any additional funds under the Company's registration statement.

"While we had sufficient capital on our balance sheet to achieve positive free cash flow, we are pleased to announce that we have raised the requisite growth capital to accelerate our business. As evidenced in our recent quarterly results, we have tremendous demand for our products and are constrained in resources to not only meet demand but to avail ourselves of the various other strategic opportunities before us," commented Derek Dubner, red violet's CEO. "Investment in specific areas of the Company will accommodate increasing demand in the near term and will lay the foundation for the acceleration of our business, including investment in sales, our technology team, and marketing personnel. While we have grown revenues approximately 80% in the first half of 2019 and expect that growth to continue throughout the remainder of the year, we believe that deploying this capital will position us to accelerate our growth rate in 2020 to greater than 100%. Notwithstanding the deployment of this growth capital, we expect to achieve positive free cash flow in the first quarter of 2020."

The Company also announced its intention to institute regular quarterly conference calls commencing third quarter of 2019.

About red violet®

At red violet, we believe that time is your most valuable asset. Through powerful analytics, we transform data into intelligence, in a fast and efficient manner, so that our clients can spend their time on what matters most - running their organizations with confidence. Through leading-edge, proprietary technology and a massive data repository, our analytics and information solutions harness the power of data fusion, uncovering the relevance of disparate data points and converting them into comprehensive and insightful views of people, businesses, assets and their interrelationships. We empower clients across markets and industries to better execute all aspects of their business, from managing risk, recovering debt, identifying fraud and abuse, and ensuring legislative compliance, to identifying and acquiring customers. At red violet, we are dedicated to making the world a safer place and reducing the cost of doing business. For more information, please visit www.redviolet.com.

FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995 (PSLRA), which statements may be identified by words such as "expects," "plans," "projects," "will," "may," "anticipate," "believes," "should," "intends," "estimates," and other words of similar meaning. Such forward looking statements are subject to risks and uncertainties that are often difficult to predict, are beyond our control and which may cause results to differ materially from expectations, including whether we will use the net proceeds from the sale of the shares to accelerate market expansion through new investment in sales, product development, and marketing, as well as working capital and other general corporate purposes, whether investment in specific areas of the Company will accommodate increasing demand in the near term and lay the foundation for the acceleration of the Company's business, whether the revenue growth rate will continue in similar amounts for the remainder of 2019 and whether deploying this capital will position the Company to accelerate its growth rate in 2020 to greater than 100%. Readers are cautioned not to place undue reliance on these forward-looking statements, which are based on our expectations as of the date of this press release and speak only as of the date of this press release and are advised to consider the factors listed above together with the additional factors under the heading "Forward-Looking Statements" and "Risk Factors" in red violet's Form 10-K for the year ended December 31, 2018 filed on March 7, 2019, as may be supplemented or amended by the Company's other SEC filings. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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