



Vertical Computer Systems, Inc.

Global Web Services Provider

December 15, 2020

To Our Valued Shareholders,

We wanted to provide an update for our shareholders regarding the recent activity and actions taken by the new Board of Directors and Management Team of Vertical (VCSY).

First, as a result of an extraordinary shareholder action, the previous Board members were removed and replaced with new Directors. We also expanded the Board of Directors from 2 to 5 members including: Mike Short (Chairman), Len Chermack (CEO, VCSY), John Adler (Chairman, NOW Solutions), Scott Winning (Director) and Jim Salz (Director). The previous directors, Richard Wade and William Mills were removed from all director and officer positions at Vertical and its subsidiaries.

In our first 6 weeks as a new Board, we have been performing our due diligence on all aspects of Vertical with a primary focus on NOW and the Ploinks-based technology.

While our work is not complete, we have already started addressing the SEC's administrative action, all legal and financial obligations, as well as putting together plans for the future of the company.

We are working with the dedicated team at NOW Solutions on a plan to put it on a path toward success. We are evaluating the Ploinks-based technology with Luiz Valdetaro to prepare a strategy to maximize its value going forward.

We believe the way forward begins with addressing the significant near-term issues, assessing the current and future market opportunities, and building a team to rebuild the business.

Our goal is to complete all necessary steps in order to hold an annual shareholder meeting. This will require updated financial reporting, a complete, satisfactory audit and other actions as required, including meeting Vertical's reporting obligations under SEC regulations to become current in its filings of periodic reports and OTC listing requirements.

We appreciate your support and patience as we move forward with the work ahead. We will continue to provide updates as we make progress towards our immediate objectives.

Sincerely,

Mike Short
Len Chermack
John Adler
Scott Winning
Jim Salz