

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-38834

**Verb Technology Company, Inc.**

(Exact name of registrant as specified in its charter)

<b>Nevada</b> State or other jurisdiction of incorporation or organization	<b>90-1118043</b> (I.R.S. Employer Identification No.)
<b>3024 Sierra Juniper Court Las Vegas, Nevada</b> (Address of principal executive offices)	<b>89138</b> (Zip Code)

Registrant's telephone number, including area code: (855) 250-2300

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	VERB	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  Yes  No

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates based on the closing price of the registrant's common stock as quoted on The Nasdaq Capital Market as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$15,357,000.

As of March 19, 2025, there were 1,113,143 shares of common stock, \$0.0001 par value per share, outstanding.



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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (this “Annual Report”) includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which statements are subject to considerable risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not statements of historical facts and can be identified by words such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “will,” “would” or similar expressions and the negatives of those expressions. Forward-looking statements also include the assumptions underlying or relating to such statements.

Our forward-looking statements are based on our management’s current beliefs, assumptions and expectations about future events and trends, which affect or may affect our business, strategy, operations, financial performance or liquidity. Although we believe these forward-looking statements are based upon reasonable assumptions, they are subject to numerous known and unknown risks and uncertainties and are made in light of information currently available to us. Some of the risks and uncertainties that may impact our forward-looking statements include, but are not limited to, the following factors:

- our incursion of significant net losses and uncertainty whether we will achieve or maintain profitable operations;
- our ability to grow and compete in the future, and to execute our business strategy;
- our ability to maintain and expand our customer base and to convince our customers to increase the use of our services and/or platform;
- the competitive market in which we operate;
- our ability to increase the number of our strategic relationships and grow the revenues from our current strategic relationships;
- our ability to develop enhancements and new features to our existing service or acceptable new services that keep pace with technological developments;
- our ability to successfully launch new product platforms, including MARKET.live, the rate of adoption of these platforms and the revenue generated from these platforms;
- our ability to deliver our services, in light of our dependency on third party Internet providers;
- our ability to attract and retain qualified management personnel;
- our susceptibility to security breaches and other disruptions;
- our ability to maintain compliance with the listing requirements of the Nasdaq Capital Market; and
- the impact of, and our ability to operate our business and effectively manage our growth under evolving and uncertain global economic, political, and social trends, including inflation, rising interest rates, and recessionary concerns.

The forward-looking statements contained in this Annual Report are based on management’s current plans, estimates and expectations in light of information currently available to us, and they are subject to uncertainty and changes in circumstances. There can be no assurance that future developments affecting us will be those we have anticipated. Actual results may differ materially from these expectations due to changes in global, regional or local political, economic, business, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors described in the section entitled “*Risk Factors*” within this Annual Report and in the other reports we file with the Securities and Exchange Commission (“SEC”). These risks and uncertainties include those described in the section entitled “*Risk Factors*.”

You should not place undue reliance on these forward-looking statements. Our forward-looking statements are based on the information currently available to us and speak only as of the date on which they were made. Additional factors or events that could cause our actual results to differ may also emerge from time to time, and it is not possible for us to predict all of them. Over time, our actual results, performance, or achievements may differ from those expressed or implied by our forward-looking statements, and such difference might be significant and materially adverse to our security holders. Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data. Except as required by law, we undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. We have identified some of the important factors that could cause future events to differ from our current expectations and they are described in this Annual Report under the captions “*Risk Factors*,” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” as well as in other documents that we may file with the SEC, all of which you should review carefully. We qualify all of our forward-looking statements by these disclaimers.

## PART I

### ITEM 1. BUSINESS

#### *Our Business*

References in this document to the “Company,” “Verb,” “we,” “us,” or “our” are intended to mean Verb Technology Company, Inc., individually, or as the context requires, collectively with its subsidiaries on a consolidated basis.

Our business is currently comprised of three distinct, yet complimentary business units, all three of which are currently operating and generating revenue. The first business unit is MARKET.live focused on interactive video-based social commerce. Our MARKET.live platform is a multi-vendor, livestream social shopping destination leveraging the convergence of e-commerce and entertainment. Brands, retailers and creators that join MARKET.live have the ability to broadcast livestream shopping events simultaneously on numerous social media channels, including TikTok, YouTube, LinkedIn, Facebook, Instagram, Twitch, as well as on MARKET.live, reaching exponentially larger audiences.

The Company has developed and deployed technology integrations with META, TikTok, and Pinterest, among many others. For example, the Meta integration created a seamless, native, friction-free checkout process for Facebook and Instagram users to purchase MARKET.live vendors’ products within each of those popular apps. This integration allows Facebook and Instagram users to browse products featured in MARKET.live shoppable videos, place products in a native shopping cart and checkout – all without leaving Facebook or Instagram. Our TikTok technology integration allows shoppers watching a MARKET.live stream on TikTok to stay on TikTok and check out through TikTok, eliminating the friction or reluctance of TikTok users to leave their TikTok feed in order to complete their purchase. Our technology integration allows the purchase data to flow back through MARKET.live and to the individual vendors and stores on MARKET.live seamlessly for fulfillment of the orders.

Last year we announced an expanded strategic relationship with TikTok evidenced by a formal partnership with TikTok Shop pursuant to which MARKET.live became a service provider for TikTok Shop and officially designated as a TikTok Shop Partner (TSP). Under the terms of the partnership, TikTok Shop refers consumer brands, retailers, influencers and affiliates leads to MARKET.live for a menu of MARKET.live contract-based recurring fee revenue services that include, among other things, assistance in onboarding to TikTok Shop and establishing a TikTok store, hosting training sessions and webinars for prospective TikTok Shop sellers, full creative services including content creation and full remote and in-studio production services, host/influencer casting and management, TikTok Shop maintenance and enhancements for existing TikTok clients’ stores. The same services are currently provided to consumer brands that contact us directly or through several brand agencies with which we maintain affiliate relationships.

On March 4, 2025, we announced the execution of a binding term sheet to acquire LyveCom, an artificial intelligence (“AI”) driven video commerce platform. The transaction is subject to certain terms and conditions, including completion of an audit of Lyvecom’s financial statements, which terms and conditions are set forth in detail in the Form 8-K filed on March 4, 2025, and set forth in the *Recent Developments* section in this Form 10-K.

While the transaction is expected to close early this summer, if not sooner, Phase 1 of the integration of LyveCom’s technology is complete and the new, updated version of the MARKET.live was officially launched on March 4, 2025. This technology integration now allows our brand and merchant customers and clients to deliver an omnichannel livestream shopping experience to their own customers. Brands and merchants will not only engage their clients and customers on the newly updated and refreshed MARKET.live site, but also seamlessly across their own websites, mobile apps, and social platforms, all while leveraging MARKET.live’s new AI-powered video content automation and personalized shopping experiences.

This proprietary technology embeds livestreams and shoppable videos directly onto merchant websites without impact on site speed, while simultaneously aggregating and repurposing content from TikTok, Instagram, and YouTube into interactive shopping experiences, allowing brands to engage customers without constant content production. Other new features and functionality now available through MARKET.live include:

- **One-Click Simulcasting:** Instantly scale the broadcast of live shopping events across MARKET.live, TikTok Shop, Shopify’s Shop App, and other social sites, including the brand or merchant’s own e-commerce sites, maximizing audience reach and engagement, while maintaining checkout and unified inventory management and control across all of the brand’s or merchant’s social sites and platforms.
- **AI-Driven Video Commerce:** Advanced AI capabilities will power real-time user-generated-content creation, automated video content repurposing, and AI-powered virtual live shopping hosts.

- **Frictionless Merchant Integration:** Frictionless, self-serve onboarding for merchants, enabling millions of Shopify merchants to adopt live and shoppable video with a simple 3-click integration, making livestream shopping capabilities more accessible and useable than ever.
- **New Strategic Partnerships:** New and expanded strategic partnerships with Tapcart, Shopify Shop App, Klaviyo, Recharge, and agency networks will expand MARKET.live’s footprint into mobile commerce and high-growth DTC brands.
- **Real-Time Data & Analytics:** An intelligent analytics hub will provide in-depth insights into shopper behavior, enabling merchants to refine strategies and boost conversions.

The second business unit is GO FUND YOURSELF!, an interactive social crowd funding platform for public and private companies seeking broad-based exposure across numerous social media channels for their crowd-funded Regulation CF and Regulation A offerings. The platform combines an interactive reality TV show that has been described as a combination of Shark Tank and Kickstarter with MARKET.live’s back-end capabilities allowing viewers to tap or scan onscreen icons and QR codes to facilitate an investment, in near real time, as they watch companies presenting before the Show’s panel of “Titans”. Presenting companies that sell consumer products are able to offer their products directly to viewers during the show in near real time through the same onscreen technology.

The Show airs weekly on CheddarTV, available on most cable operators, prime time at 7pm EST. The Go Fund Yourself business unit generates revenue from cash fees we charge to issuers to appear on the show and for marketing, ad, and content creation and distribution services. For those issuers that sell products during each airing of the show through our platform, we charge a fee up to 25% of the gross sales revenue for all products sold. The Show’s expert panel of “Titans” include rotating celebrity guest Titans from the worlds of business, sports, and entertainment, such as NFL Hall of Fame running back Marshall Faulk, among many others, as well as the recurring panel of Titans that include David Meltzer – Chairman of the Napoleon Hill Institute and Former CEO of the Leigh Steinberg Sports & Entertainment agency; Jayson Waller – thought leader, CEO of multiple multi-million-dollar companies, and host of the popular ‘Jayson Waller Unleashed’ Podcast; and Rory J. Cutaia – the Show’s creator and the Founder, Chairman and CEO of Verb, each of whom are executive producers and minority owners of the Show

The third business unit is Vanity Prescribed, a new telehealth initiative not unlike such companies as “HIMS” and “HERS” that are currently exploiting the rapid growth associated with the resale of the new weight-loss drugs. Vanity Prescribed leverages MARKET.live’s social commerce technology which the Company intends to employ to disrupt the traditional healthcare model by utilizing social commerce capabilities to provide tailored healthcare solutions at affordable, fixed prices, without hidden fees, membership costs, or inflated pharmaceutical markups.

On March 11, 2025, the Company announced the launch of GoodGirlRx.com, a partnership under Vanity Prescribed with Savannah Chrisley, a well-known lifestyle personality with millions of social media followers and an advocate for health and wellness. Through GoodGirlRx.com, customers will have access to convenient, no-hassle telehealth services and pharmaceuticals, including the new weight-loss drugs, that offer fixed pricing regardless of dosage, breaking away from the industry’s traditional model of excessive pricing and pharmaceutical gatekeeping. Through GoodGirlRx.com customers will be able to obtain virtual doctor visits with licensed physicians who can prescribe the weight loss drugs and other pharmaceuticals available to purchase on the site for those that qualify. Subscription pricing is also available through the site.

As of December 31, 2024, the Company had cash and restricted cash of \$8,495 and highly liquid investments of \$4,913.

### **Revenue Generation**

A description of our principal revenue generating activities is as follows:

MARKET.live revenue is derived from contract-based recurring fee revenue services that include, among other things, a full suite of social commerce services for consumer brands and merchants seeking to adopt or expand online commerce and social selling capabilities, including end-to-end creative services such as content creation and full remote and in-studio production services, host/influencer/affiliate casting and management, TikTok Shop and other social media platform online store creation, set-up and establishment, maintenance and enhancements. Clients are referred to us through our existing partnership with TikTok Shop and other social media channels, as well as from several brand agencies with whom we maintain affiliate relationships.

GO FUND YOURSELF Show derives revenue from fees we charge to issuers to appear on the show and for marketing, ad, and content creation and distribution services. Appearance fees are based on service packages that range from \$15,000 to \$60,000 per issuer. For those issuers that sell products during each airing of the show through our platform, we charge a fee of up to 25% of the gross sales revenue for all products sold.

Vanity Prescribed/GoodGirlRx.com derives revenue from the sale of prescription and non-prescription pharmaceutical and health-care products, both through long-term subscriptions and non-prescription programs.

### ***Intellectual Property***

Our policy is to protect our technology through, among other things, a combination of patents, trade secrets and copyrights. We primarily rely upon trade secrets and copyrighted proprietary software, code, and know-how to protect our interactive video technology platform and associated applications. We have taken security measures to protect our trade secrets and proprietary know-how, to the extent possible. Our means of protecting our proprietary rights may not prove to be adequate and our competitors may independently develop technology or products that are similar to ours or that compete with ours. Trade secret and copyright laws afford only limited protection for our technology and products. The laws of many countries do not protect our proprietary rights to as great an extent as do the laws of the United States. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to obtain and use information that we regard as proprietary. Third parties may also design around our proprietary rights, which may render our protected technology and products less valuable, if the design around is favorably received in the marketplace.

We control access to our proprietary technology by entering into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with third parties. Despite our precautions, we cannot assure you that our technology platform and products do not infringe patents held by others or that they will not in the future. Litigation may be necessary to enforce our intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement, invalidity, misappropriation, or other claims.

### ***Dependence on Key Customers***

Based on our current business and anticipated future activities as described in this Annual Report, we have one customer that represents 26% of our 2024 revenue.

### ***Government Regulation***

Our software and services are subject to certain legal, regulatory and other requirements. These laws are complex and evolving. Various U.S. federal and state laws govern many of our business activities, including, without limitation, the processing of payments and handling of consumer information. Despite our significant efforts to comply with all applicable requirements, there can be no guarantee that our efforts will be sufficient or that existing laws, rules or other requirements will not be interpreted, revised, augmented or rewritten in a way that adversely affects our regulated business activities, which comprise a significant majority of our overall business. For additional information related to these risk-related issues, refer to the section entitled “*Risk Factors*” within this Annual Report.

### ***Human Capital Management***

As of March 19, 2025, we had 18 full-time statutory employees, one part-time employee, and five independent contractors. We engage independent contractors on an as-needed basis to provide specific expertise in areas of software design, development and coding, content creation, audio and video editing, video production services, and other business functions, including marketing and accounting. None of our employees are covered by a collective bargaining agreement. We have had no labor-related work stoppages and believe our relationship with our employees, both full-time and part-time, consultants, and independent contractors, is satisfactory.

We believe our people are at the heart of our success and our customers’ success. We endeavor to not only attract and retain talented employees, but also to provide a challenging and rewarding environment to motivate and develop our valuable human capital. We look to our talented employees to lead and foster various initiatives that support our company culture including those related to diversity, equity and inclusion. In addition, we rely heavily on our talented team to execute our growth plans and achieve our long-term strategic objectives.

We provide competitive compensation and benefits for our employees. Our compensation packages may include base salary, commission or annual performance-based bonuses, and share-based compensation. We also offer general employee medical, dental, and vision insurance, health savings and flexible spending accounts, mental health resources, paid time off, paid family leave, life and disability insurance, and a 401(k) plan. These programs and our overall compensation packages seek to attract and retain talented employees.

### ***Our Historical Background***

Verb Technology Company, Inc. was incorporated in 2012 in the state of Nevada.

On April 12, 2019, we acquired Sound Concepts Inc. pursuant to an agreement and plan of merger. As a result of the merger, Sound Concepts merged with and into our wholly owned subsidiary, NF Acquisition Company, LLC. Upon completion of the merger, NF Acquisition Company, LLC changed its name to Verb Direct, LLC (“Verb Direct”).

On September 4, 2020, Verb Acquisition Co., LLC (“Verb Acquisition”), a subsidiary of Verb Technology, entered into a membership interest purchase agreement with Ascend Certification, LLC, dba SoloFire.

On October 18, 2021, we established verbMarketplace, LLC (“Market LLC”), a Nevada limited liability company. Market LLC is a wholly owned subsidiary established for our MARKET.live platform.

On June 13, 2023, the Company disposed of all of its operating SaaS assets of Verb Direct and Verb Acquisition, (referred to collectively as the “SaaS Assets”) pursuant to an asset purchase agreement in consideration of the sum of \$6.5 million, \$4.75 million of which was paid in cash by the buyer at the closing of the transaction. An additional payment in the aggregate of \$0.75 million will be paid by the buyer if certain profitability and revenue targets are met during the second year following the closing date as set forth more particularly in the asset purchase agreement. A similar payment would have been due and payable to the Company after the first year following the closing if the buyer had met certain profitability and revenue targets specified in the asset purchase agreement, which it failed to meet. The sale of the SaaS Assets was undertaken to allow the Company to focus its resources on its burgeoning MARKET.live business unit which it expects over time will create greater shareholder value.

On November 15, 2024, the Company formed Go Fund Yourself Show LLC (“Go Fund Yourself”), a Nevada limited liability company. Go Fund Yourself is a subsidiary of the Company established for the Go Fund Yourself show.

Our common stock trades on The Nasdaq Capital Market under the symbol “VERB”. Our Internet website address is <https://www.verb.tech>.

## **ITEM 1A. RISK FACTORS**

*Our short and long-term success is subject to numerous risks and uncertainties, many of which involve factors that are difficult to predict or beyond our control. As a result, investing in the Company’s common stock involves substantial risk. The Company’s stockholders should carefully consider the risks and uncertainties described below, in addition to the other information contained in or incorporated by reference into this Annual Report, as well as the other information we file with the SEC from time to time. The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently believe are immaterial may also impair our business operations and financial results. If any of the following risks actually occurs, our business, financial condition or results of operations could be adversely affected. In such case, the trading price of our common stock could decline and you could lose all or part of your investment. Our filings with the SEC also contain forward-looking statements that involve risks or uncertainties. Our actual results could differ materially from those anticipated or contemplated by these forward-looking statements as a result of a number of factors, including the risks we face described below, as well as other variables that could affect our operating results. Past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods.*

### **Risks Related to Our Business**

***We have incurred significant net losses and cannot assure you that we will achieve or maintain profitable operations.***

We have incurred recurring losses since our inception in 2012. Our net loss was \$10.3 million for the year ended December 31, 2024, and \$22.0 million for the year ended December 31, 2023. To date, we have funded our operations through cash collected from sales of our products and services, offerings of our equity securities, and debt financing. We have devoted substantially all of our resources to the design, development and commercialization of our products, the scaling of our technology and infrastructure, and our marketing and sales efforts. We may continue to incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications, delays, and other unknown events.

To implement our business strategy and achieve consistent profitability, we need to, among other things, continue to reduce operating expenses, increase sales of our products and the gross profit associated with those sales, continue to reduce research and development expenses, and increase our marketing and sales efforts to drive an increase in the number of customers and clients utilizing our services. These expenditures may make it more difficult to achieve and maintain profitability. In addition, our efforts to grow our business may be more expensive than we expect, and we may not be able to generate sufficient revenue to offset operating expenses. If we are forced to reduce our expenses beyond our planned cost reduction initiatives, our growth strategy could be compromised. To offset our anticipated operating expenses, we will need to generate and sustain significant revenue levels in future periods in order to become profitable, and even if we do, we may not be able to maintain or increase our level of profitability.

Accordingly, we cannot assure you that we will achieve sustainable operating profits as we continue to reduce operating expenses, further develop our marketing efforts, and otherwise implement our growth initiatives. Any failure to achieve and maintain profitability would have a materially adverse effect on our ability to implement our business plan, our results and operations, and our financial condition, and could cause the value of our common stock, to decline, resulting in a significant or complete loss of your investment.

***Public health threats, natural disasters and other events beyond our control, have had and may continue to have a significant negative impact on our business, sales, results of operations and financial condition.***

Public health threats and other highly communicable diseases and outbreaks could adversely impact our operations, the operations of our customers, suppliers, distributors and other business partners, as well as the healthcare system in general. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers and could decrease demand for our services.

Additionally, our liquidity could be negatively impacted if these conditions continue for a significant period of time and we may be required to pursue additional sources of financing to obtain working capital, maintain appropriate inventory levels, and meet our financial obligations. Capital and credit markets have been disrupted by the crisis and our ability to obtain any required financing is not guaranteed and largely dependent upon evolving market conditions and other factors. Depending on the continued impact of the crisis, further actions may be required to improve our cash position and capital structure.

The extent to which public health threats, natural disasters or catastrophic events, ultimately impacts our business, sales, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume.

***Our ability to grow and compete in the future will be adversely affected if adequate capital is not available to us or not available on terms favorable to us.***

We have limited capital resources. We have financed our operations entirely through equity investments by founders and other investors and the incurrence of debt, and we expect to continue to finance our operations in the same manner in the foreseeable future. Our ability to continue our normal and planned operations, to grow our business, and to compete in our industry will depend on the availability of adequate capital. We cannot assure you that we will be able to obtain additional funding from those or other sources when or in the amounts needed, on acceptable terms, or at all. If we raise capital through the sale of equity, or securities convertible into equity, it would result in dilution to our then-existing stockholders, which could be significant depending on the price at which we may be able to sell our securities. If we raise additional capital through the incurrence of indebtedness, we would likely become subject to further covenants restricting our business activities, and holders of debt instruments may have rights and privileges senior to those of our then-existing stockholders. In addition, servicing the interest and principal repayment obligations under debt facilities could divert funds that would otherwise be available to support development of new programs and marketing to current and potential new clients. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce, or eliminate development of new programs or future marketing efforts, or reduce or discontinue our operations. Any of these events could significantly harm our business, financial condition, and prospects.

***Our indebtedness, and the agreements governing such indebtedness, subject us to required debt service payments, as well as financial restrictions and operating covenants, any of which may reduce our financial flexibility and affect our ability to operate our business.***

From time to time, we have financed our liquidity needs in part from borrowings made under various credit agreements. As of December 31, 2024, the aggregate outstanding balance of our note payable was \$0.1 million. The note payable balance, including accrued interest, was fully repaid on March 7, 2025.

The agreements underlying these transactions contain certain debt service requirements. Our failure to comply with obligations under these agreements, or inability to make required debt service payments, could result in an event of default under the agreements. A default, if not cured or waived, could permit a lender to accelerate payment of the loan, which could have a material adverse effect on our business, operations, financial condition, and liquidity. Further, if our debt is accelerated, we cannot be certain that funds will be available to pay the debt or that we will have the ability to refinance the debt on terms satisfactory to us or at all. If we are unable to repay or refinance the accelerated debt, we could become insolvent and seek to file for bankruptcy protection, which would have a material adverse impact on our financial condition.

Our future level of indebtedness could affect our operations in several ways, including the following:

- the covenants contained in future agreements governing outstanding indebtedness may limit our ability to borrow additional funds, refinance debt, dispose of assets, and make certain investments;
- future debt covenants may also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry;
- a future high level of debt would increase our vulnerability to general adverse economic and industry conditions;
- a significant future level of debt may place us at a competitive disadvantage compared to our competitors that are less leveraged and, therefore, may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing; and
- a future high level of debt may impair our ability to obtain additional financing in the future for working capital, debt service requirements, acquisitions, or other purposes.

For additional information refer to the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*”.

***The success of our business is dependent upon our ability to maintain and expand our customer base and our ability to convince our customers to increase the use of our services and/or platform. If we are unable to expand our customer base and/or the use of our services and/or platform by our customers declines, our business will be harmed.***

Our ability to expand and generate revenue depends, in part, on our ability to maintain and expand our relationships with existing customers and convince them to increase their use of our platform. If our customers do not increase their use of our platform, then our revenue may not grow and our results of operations may be harmed. It is difficult to predict customers’ usage levels accurately and the loss of customers or reductions in their usage levels may have a negative impact on our business, results of operations, and financial condition. If a significant number of customers cease using, or reduce their usage of, our platform, then we may be required to spend significantly more on sales and marketing than we currently plan to spend in order to maintain or increase revenue. These additional expenditures could adversely affect our business, results of operations, and financial condition. Most of our customers do not have long-term contractual financial commitments to us and, therefore, most of our customers could reduce or cease their use of our platform at any time without penalty or termination charges.

***There is a risk of dependence on one or a group of customers.***

During the fiscal year ended December 31, 2024, one customer accounted for 26.0% of our revenues. If we are unable to retain our current customers or finding new major customers or gain major new engagements from existing customers to replace any nonrecurring contracts, there may be material adverse effects on our financial condition or results of operations. This potential dependency could threaten the sustainability of our growth and have a material adverse effect on our financial condition or results of operations if we are unable to retain such major contracts or replace them with similarly major contracts on a regular basis.

***The market in which we operate is intensely competitive and, if we do not compete effectively, our operating results could be harmed.***

The market for livestream shopping platforms is intensely competitive and rapidly changing, barriers to entry are relatively low, and many of our competitors, have greater name recognition, longer operating histories, and larger marketing budgets, as well as substantially greater financial, technical, and other resources, than we do. In addition, many of our potential competitors have established marketing relationships and access to larger customer bases, and have major distribution agreements with consultants, system integrators, and resellers. As a result, our competitors may be able to respond more effectively than we can to new or changing opportunities, technologies, standards, customer requirements, competitive pressures, or challenges within the financial markets. Furthermore, because of these advantages, even if our products and services are more effective than the products and services that our competitors offer, potential customers might accept competitive products and services in lieu of purchasing our products and services. If we do not compete effectively against our current and future competitors, our operating results could be harmed.

***We may not be able to increase the number of our strategic relationships or grow the revenues received from our current strategic relationships.***

We have entered into certain strategic relationships with other individuals and enterprises and are actively seeking additional strategic relationships. There can be no assurance, however, that these strategic relationships will result in material revenues for us or that we will be able to generate any other meaningful strategic relationships. If we are not able to increase the number of our strategic relationships or grow the revenues received from our current strategic relationships, our operating results could be harmed.

***We may not be able to develop enhancements and new features to our existing service or acceptable new services that keep pace with technological developments.***

If we are unable to develop enhancements to, and new features for, our platform that keep pace with rapid technological developments, our business will be harmed. The success of enhancements, new features, and services depends on several factors, including the timely completion, introduction, and market acceptance of the feature or edition. Failure in this regard may significantly impair our revenue growth or harm our reputation. We may not be successful in either developing these modifications and enhancements or in timely bringing them to market at a competitive price or at all. Furthermore, uncertainties about the timing and nature of new network platforms or technologies, or modifications to existing platforms or technologies, could increase our research and development expenses. Any failure of our service to operate effectively with future network platforms and technologies could reduce the demand for our service, result in customer dissatisfaction, and harm our business.

***Our ability to deliver our services is dependent on third party Internet providers.***

The Internet's infrastructure is comprised of many different networks and services that, by design, are highly fragmented and distributed. This infrastructure is run by a series of independent, third-party organizations that work together to provide the infrastructure and supporting services of the Internet under the governance of the Internet Corporation for Assigned Numbers and Names ("ICANN") and the Internet Assigned Numbers Authority ("IANA"), which is now related to ICANN.

The Internet has experienced, and will continue to experience, a variety of outages and other delays due to damages to portions of its infrastructure, denial-of-service attacks, or related cyber incidents. These scenarios are not under our control and could reduce the availability of the Internet to us or our customers for delivery of our services. Any resulting interruptions in our services or the ability of our customers to access our services could result in a loss of potential or existing customers and harm our business.

***Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.***

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information, proprietary business information of our customers, including, credit card and payment information, and personally identifiable information of our customers and employees. The secure processing, maintenance, and transmission of this information is critical to our operations and business strategy.

In addition, we are subject to numerous federal, state, provincial and foreign laws regarding privacy and protection of data. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data and our agreements with certain customers require us to notify them in the event of a security incident. Evolving regulations regarding personal data and personal information, including the General Data Protection Regulation, the California Consumer Privacy Act of 2018 (“CCPA”), and the recently passed California Privacy Rights Act, which amends the CCPA and has many provisions that became effective on January 1, 2023, especially relating to classification of IP addresses, machine identification, location data and other information, may limit or inhibit our ability to operate or expand our business. Such laws and regulations require or may require us or our customers to implement privacy and security policies, permit consumers to access, correct or delete personal information stored or maintained by us or our customers, inform individuals of security incidents that affect their personal information, and, in some cases, obtain consent to use personal information for specified purposes.

We believe that we take reasonable steps to protect the security, integrity and confidentiality of the information we collect, use, store, and disclose, and we take steps to strengthen our security protocols and infrastructure, however, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. We also could be negatively impacted by software bugs or other technical malfunctions, as well as employee error or malfeasance. Advanced cyber-attacks can be multi-staged, unfold over time, and utilize a range of attack vectors with military-grade cyber weapons and proven techniques, such as spear phishing and social engineering, leaving organizations and users at high risk of being compromised. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, a disruption of our operations, damage to our reputation, a loss of confidence in our business, early termination of our contracts and other business losses, indemnification of our customers, liability for stolen assets or information, increased cybersecurity protection and insurance costs, financial penalties, litigation, regulatory investigations and other significant liabilities, any of which could materially harm our business any of which could adversely affect our business, revenues, and competitive position.

***Our success depends, in part, on the capacity, reliability, and security of our information technology hardware and software infrastructure, as well as our ability to adapt and expand our infrastructure.***

The capacity, reliability, and security of our information technology hardware and software infrastructure are important to the operation of our current business, which would suffer in the event of system failures. Likewise, our ability to expand and update our information technology infrastructure in response to our growth and changing needs is important to the continued implementation of our new service offering initiatives. Our inability to expand or upgrade our technology infrastructure could have adverse consequences, including the delayed provision of services or implementation of new service offerings, and the diversion of development resources. We rely on third parties for various aspects of our hardware and software infrastructure. Third parties may experience errors or disruptions that could adversely impact us and over which we may have limited control. Interruption and/or failure of any of these systems could disrupt our operations and damage our reputation, thus adversely impacting our ability to provide our products and services, retain our current users, and attract new users. In addition, our information technology hardware and software infrastructure may be vulnerable to unauthorized access, misuse, computer viruses, or other events that could have a security impact. If one or more of such events occur, our customer and other information processed and stored in, and transmitted through, our information technology hardware and software infrastructure, or otherwise, could be compromised, which could result in significant losses or reputational damage. We may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures, and we may be subject to litigation and financial losses, any of which could substantially harm our business and our results of operations.

***We have integrated, and may continue to integrate in the future, AI in certain tools and features available on our platform. AI technology presents various operational, compliance, and reputational risks and if any such risks were to materialize, our business and results of operations may be adversely affected.***

We have integrated artificial intelligence (“AI”) technologies in many of our tools and features available on our website. We may continue to integrate AI technologies in new product or service offerings. Given that AI is a rapidly developing technology that is in its early stages of business use, it presents a number of operational, compliance and reputational risks. AI algorithms are currently known to sometimes produce unexpected results and behave in unpredictable ways (e.g., “hallucinatory behavior”) that can generate irrelevant, nonsensical, fictitious, deficient, offensive or factually incorrect content and results, which, if incorporated into our platform, may result in reputational harm to us and be damaging to our brand. Additionally, content, analyses or recommendations that are based on AI might be found to be biased, discriminatory or harmful. Data sets from which Large Language Models learn are at risk of poisoning or manipulation by bad actors, resulting in offensive or undesired output. Similarly, the data set could contain copyrighted material resulting in infringing output. AI output might present ethical concerns or violate current and future laws and regulations.

We expect that there will continue to be new laws or regulations concerning the use of AI technology, which might be burdensome for us to comply with and may limit our ability to offer or enhance our existing tools and features or new offerings based on AI technology. Further, the use of AI technology involves complexities and requires specialized expertise. We may not be able to attract and retain top talent to support our AI technology initiatives. If any of the operational, compliance or reputational risks were to materialize, our business and results of operations may be adversely affected.

***We may be subject to risks associated with artificial intelligence and machine learning technology.***

Recent technological advances in AI and machine learning technology may pose risks to us. Our use of AI could give rise to legal or regulatory action, create liabilities, or materially harm our business. While we aim to develop and use AI and machine learning technology responsibly and attempt to mitigate ethical and legal issues presented by its use, we may ultimately be unsuccessful in identifying or resolving issues before they arise. Further, as the technology is rapidly evolving, costs and obligations could be imposed on us to comply with new regulations.

We also could be exposed to the risks of machine learning technology if third-party service providers or any counterparties, whether or not known to us, also use machine learning technology in their business activities. We will not be in a position to control the use of such technology in third-party products or services. Use by third-party service providers could give rise to issues pertaining to data privacy, data protection, and intellectual property considerations.

***We are dependent on third parties to, among other things, maintain our servers, provide the bandwidth necessary to transmit content, and utilize the content derived therefrom for the potential generation of revenues.***

We depend on third-party service providers, suppliers, and licensors to supply some of the services, hardware, software, and operational support necessary to provide some of our products and services. Some of these third parties do not have a long operating history or may not be able to continue to supply the equipment and services we desire in the future. If demand exceeds these vendors' capacity, or if these vendors experience operating or financial difficulties or are otherwise unable to provide the equipment or services we need in a timely manner, at our specifications and at reasonable prices, our ability to provide some products and services might be materially adversely affected, or the need to procure or develop alternative sources of the affected materials or services might delay our ability to serve our users. These events could materially and adversely affect our ability to retain and attract users, and have a material negative impact on our operations, business, financial results, and financial condition.

***We may not be able to find suitable software developers at an acceptable cost or at all.***

We currently rely on certain key suppliers and vendors in the coding and maintenance of our software. We will continue to require such expertise in the future. Due to the current demand for skilled software developers, we run the risk of not being able to find or retain suitable and qualified personnel at an acceptable price, or at all. These risks may be greater now than in the past due to current general labor shortages in the United States. Without these developers, we may not be able to further develop and maintain our software, which is the most important aspect of our business development.

***The success of our business is highly correlated to general economic conditions.***

Demand for our products and services is highly correlated with general economic conditions, as a substantial portion of our revenue is derived from discretionary spending by individuals, which typically declines during times of economic instability. Declines in economic conditions in the United States or in other countries in which we operate and may operate in the future may adversely impact our financial results. Because such declines in demand are difficult to predict, we or our industry may have increased excess capacity as a result. An increase in excess capacity may result in declines in prices for our products and services. Our ability to grow or maintain our business may be adversely affected by sustained economic weakness and uncertainty, including the effect of wavering consumer confidence, high unemployment, and other factors. The inability to grow or maintain our business would adversely affect our business, financial conditions, and results of operations, and thereby an investment in our common stock.

***Our failure to adequately protect our intellectual property rights could diminish the value of our products, weaken our competitive position and reduce our revenue, and infringement claims asserted against us or by us, could have a material adverse effect.***

We regard the protection of our intellectual property, which includes patents, trade secrets, copyrights, trademarks and domain names, as critical to our success. We strive to protect our intellectual property rights by relying on federal, state and common law rights, as well as contractual restrictions. We enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with parties with whom we conduct business in order to

limit access to, and disclosure and use of, our proprietary information. However, these contractual arrangements and the other steps we have taken to protect our intellectual property may not prevent the misappropriation of our proprietary information or deter independent development of similar technologies by others.

We have registered domain names and trademarks in the United States and have pursued additional registrations both in and outside the United States. Effective trade secret, copyright, trademark, domain name and patent protection is expensive to develop and maintain, both in terms of initial and ongoing registration requirements and the costs of defending our rights. Notwithstanding our efforts, third parties may independently develop technology that is not covered by our patents, or that is similar to, or competes with, our technology. In addition, our intellectual property may be infringed or misappropriated by third parties, particularly in foreign countries where the laws and governmental authorities may not protect our proprietary rights as effectively as those in the United States. We may be required to protect our intellectual property in an increasing number of jurisdictions, a process that is expensive and may not be successful or which we may not pursue in every location.

Monitoring unauthorized use of our intellectual property is difficult and costly. Our efforts to protect our proprietary rights may not be adequate to prevent misappropriation of our intellectual property. Further, we may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. In addition, our competitors may independently develop similar technology. The laws in the United States and elsewhere change rapidly, and any future changes could adversely affect us and our intellectual property. Our failure to meaningfully protect our intellectual property could result in competitors offering services that incorporate our most technologically advanced features, which could seriously reduce demand for our products. In addition, we may in the future need to initiate infringement claims or litigation. Litigation, whether we are a plaintiff or a defendant, can be expensive, time-consuming and may divert the efforts of our technical staff and managerial personnel, which could harm our business, whether or not such litigation results in a determination that is unfavorable to us. In addition, litigation is inherently uncertain, and thus we may not be able to stop its competitors from infringing upon our intellectual property rights.

***Natural disasters and other events beyond our control could materially adversely affect us.***

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers and could decrease demand for our services.

***Our future success depends on our key executive officers and our ability to attract, retain, and motivate qualified personnel.***

Our future success largely depends upon the continued services of our executive officers and management team, especially our Chief Executive Officer, Chairman of our board of directors, and President, Mr. Rory J. Cutaia. If one or more of our executive officers are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Additionally, we may incur additional expenses to recruit and retain new executive officers. If any of our executive officers joins a competitor or forms a competing company, we may lose some or all of our customers. Finally, we do not maintain “key person” life insurance on any of our executive officers. Because of these factors, the loss of the services of any of these key persons could adversely affect our business, financial condition, and results of operations, and thereby an investment in our stock.

Our continuing ability to attract and retain highly qualified personnel will also be critical to our success because we will need to hire and retain additional personnel as our business grows. There can be no assurance that we will be able to attract or retain highly qualified personnel. We face significant competition for skilled personnel in our industries. This competition may make it more difficult and expensive to attract, hire, and retain qualified managers and employees. Because of these factors, we may not be able to effectively manage or grow our business, which could adversely affect our financial condition or business. As a result, the value of your investment could be significantly reduced or completely lost.

## **Risks Related to an Investment in Our Securities**

**If we are not able to comply with the applicable continued listing requirements or standards of The NASDAQ Capital Market, The NASDAQ Capital Market could delist and adversely affect the market price and liquidity of our common stock.**

Our common stock is currently traded on The NASDAQ Capital Market under the symbol “VERB”. We have in the past been, and may in the future be, unable to comply with certain of the listing standards that we are required to meet to maintain the listing of our common stock on The NASDAQ Capital Market. If we fail to meet any of the continued listing standards of The NASDAQ Capital Market, our common stock will be delisted from The NASDAQ Capital Market.

These continued listing standards include specifically enumerated criteria, such as a \$1.00 minimum closing bid price and a requirement that we maintain stockholders’ equity of at least \$2,500,000.

There can be no assurance that we will be able to maintain continued compliance with the listing requirements of The NASDAQ Capital Market. If we were unable to meet these requirements, we would receive a delisting notice from the Nasdaq Capital Market for failure to comply with one or more of the continued listing requirements. If our common stock were to be delisted from The NASDAQ Capital Market, trading of our common stock most likely will be conducted in the over-the-counter market on an electronic bulletin board established for unlisted securities such as the OTC Markets or in the “pink sheets.” Such a downgrading in our listing market may limit our ability to make a market in our common stock and which may impact purchases or sales of our securities.

***Raising additional capital, including through future sales and issuances of our common stock, warrants or the exercise of rights to purchase common stock pursuant to our equity incentive plan could result in additional dilution of the percentage ownership of our stockholders, could cause our share price to fall and could restrict our operations.***

We expect we will need significant additional capital in the future to continue our planned operations, including any potential acquisitions, hiring new personnel and continuing activities as an operating public company. To the extent we seek additional capital through a combination of public and private equity offerings and debt financings, our stockholders may experience substantial dilution. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our existing stockholders may be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our stockholders. Debt and receivables financings may be coupled with an equity component, such as warrants to purchase shares of our common stock, which could also result in dilution of our existing stockholders’ ownership. The incurrence of indebtedness would result in increased fixed payment obligations and could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt and other operating restrictions that could adversely impact our ability to conduct our business. A failure to obtain adequate funds may cause us to curtail certain operational activities, including sales and marketing, in order to reduce costs and sustain the business, and would have a material adverse effect on our business and financial condition.

In addition, we have granted options to purchase shares of our common stock pursuant to our equity incentive plans and have registered 16,000,000 shares of common stock underlying options and shares granted pursuant to our equity incentive plans. Sales of shares issued upon exercise of options granted under our equity compensation plans may result in material dilution to our existing stockholders, which could cause our price of our common stock to fall.

***Our issuance of additional shares of preferred stock could adversely affect the market value of our common stock, dilute the voting power of common stockholders and delay or prevent a change of control.***

Our board of directors have the authority to cause us to issue, without any further vote or action by the stockholders, shares of preferred stock in one or more series, to designate the number of shares constituting any series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. For example, investors in the common stock may not wish to purchase common stock at a price above the conversion price of a series of convertible preferred stock because the holders of the preferred stock would effectively be entitled to purchase common stock at the lower conversion price causing economic dilution to the holders of common stock.

Further, the issuance of shares of preferred stock with voting rights may adversely affect the voting power of the holders of our other classes of voting stock either by diluting the voting power of our other classes of voting stock if they vote together as a single class, or by giving the holders of any such preferred stock the right to block an action on which they have a separate class vote even if the action were approved by the holders of our other classes of voting stock. The issuance of shares of preferred stock may also have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders, even where stockholders are offered a premium for their shares.

***The market price of our common stock has been, and may continue to be, subject to substantial volatility.***

The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including;

- volatility in the trading markets generally and in our particular market segment;
- limited trading of our common stock;
- actual or anticipated fluctuations in our results of operations;
- the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;
- announcements regarding our business or the business of our customers or competitors;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- developments or disputes concerning our intellectual property or our offerings, or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- any major change in our board of directors or management;
- sales of shares of our common stock by us or by our stockholders;
- lawsuits threatened or filed against us; and
- other events or factors, including those resulting from war, incidents of terrorism, pandemics (such as the COVID-19 pandemic) or responses to these events.

Statements of, or changes in, opinions, ratings, or earnings estimates made by brokerage firms or industry analysts relating to the markets in which we operate or expect to operate could have an adverse effect on the market price of our common stock. In addition, the stock market as a whole, as well as our particular market segment, has from time-to-time experienced extreme price and volume fluctuations, which may affect the market price for the securities of many companies, and which often have appeared unrelated to the operating performance of such companies. Any of these factors could negatively affect our stockholders' ability to sell their shares of common stock at the time and price they desire.

***A decline in the price of our common stock could affect our ability to raise further working capital, which could adversely impact our ability to continue operations.***

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. We may attempt to acquire a significant portion of the funds we need in order to conduct our planned operations through the sale of equity securities; thus, a decline in the price of our common stock could be detrimental to our liquidity and our operations because the decline may adversely affect investors' desire to invest in our securities. If we are unable to raise the funds we require for all of our planned operations, we may be forced to reallocate funds from other planned uses and may suffer a significant negative effect on our business plan and operations, including our ability to develop new products or services and continue our current operations. As a result, our business may suffer, and we may be forced to reduce or discontinue operations. We also might not be able to meet our financial obligations if we cannot raise enough funds through the sale of our common stock and we may be forced to reduce or discontinue operations.

***Because we do not intend to pay any cash dividends on our shares of common stock in the near future, our stockholders will not be able to receive a return on their shares unless and until they sell them.***

We intend to retain a significant portion of any future earnings to finance the development, operation and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the near future. The declaration, payment, and amount of any future dividends will be made at the discretion of our board of directors, and will depend upon,

among other things, the results of operations, cash flows, and financial condition, operating and capital requirements, and other factors as our board of directors considers relevant. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend. Unless our board of directors determines to pay dividends, our stockholders will be required to look to appreciation of our common stock to realize a gain on their investment. There can be no assurance that this appreciation will occur.

***If our common stock trades at a price less than \$5.00 it would be categorized as a “penny stock”, which may make it more difficult for investors to sell their shares of common stock due to suitability requirements.***

The SEC has adopted regulations which generally define a “penny stock” to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and “accredited investors”. The term “accredited investor” refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer’s account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer’s confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

***The Financial Industry Regulatory Authority, Inc. has adopted sales practice requirements that historically may have limited a stockholder’s ability to buy and sell our common stock, which could depress the price of our common stock.***

In addition to the “penny stock” rules described above, the Financial Industry Regulatory Authority (“FINRA”) has adopted rules that require that, in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer’s financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. Thus, the FINRA requirements historically has made it more difficult for broker-dealers to recommend that their customers buy our common stock, which could limit your ability to buy and sell our common stock, have an adverse effect on the market for our shares, and thereby depress our price per share of common stock.

***The elimination of monetary liability against our directors, officers, and employees under Nevada law and the existence of indemnification rights for our obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees.***

Our articles of incorporation and bylaws contain provisions permitting us to eliminate the personal liability of our directors and officers to us and our stockholders for damages for the breach of a fiduciary duty as a director or officer to the extent provided by Nevada law. In addition, we have entered into indemnification agreements with our directors and officers to provide such indemnification rights. We may also have contractual indemnification obligations under any future employment agreements with our officers. The foregoing indemnification obligations could result in us incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers, which we may be unable to recoup. These provisions and the resulting costs may also discourage us from bringing a lawsuit against directors and officers for breaches of their fiduciary duties and may similarly discourage the filing of derivative litigation by our stockholders against our directors and officers even though such actions, if successful, might otherwise benefit us and our stockholders.

***Anti-takeover effects of certain provisions of Nevada state law hinder a potential takeover of us.***

Nevada has a business combination law that prohibits certain business combinations between Nevada corporations and “interested stockholders” for three years after an “interested stockholder” first becomes an “interested stockholder,” unless the corporation’s board of directors approves the combination in advance. For purposes of Nevada law, an “interested stockholder” is any person who is (i) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation or (ii) an affiliate or associate of the corporation and at any time within the three previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then-outstanding shares of the corporation. The definition of the term “business combination” is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquirer to use the corporation’s assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders.

The potential effect of Nevada’s business combination law is to discourage parties interested in taking control of us from doing so if these parties cannot obtain the approval of our board of directors. Both of these provisions could limit the price investors would be willing to pay in the future for shares of our common stock.

***Our bylaws contain an exclusive forum provision, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.***

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the state and federal courts in the State of Nevada shall be the exclusive forum for any litigation relating to our internal affairs, including, without limitation: (a) any derivative action brought on behalf of us, (b) any action asserting a claim for breach of fiduciary duty to us or our stockholders by any current or former officer, director, employee, or agent of us, or (c) any action against us or any current or former officer, director, employee, or agent of us arising pursuant to any provision of the Nevada Revised Statutes, the articles of incorporation, or the bylaws.

For the avoidance of doubt, the exclusive forum provision described above does not apply to any claims arising under the Securities Act or Exchange Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, and Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

The choice of forum provision in our bylaws may limit our stockholders’ ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents even though an action, if successful, might benefit our stockholders. The applicable courts may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. With respect to the provision making the state and federal courts in the State of Nevada the sole and exclusive forum for certain types of actions, stockholders who do bring a claim in the state and federal courts in the State of Nevada could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Nevada. Finally, if a court were to find this provision of our bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could have a material adverse effect on us.

***If we fail to maintain effective internal controls over financial reporting, we may be unable to accurately or timely report our financial condition or results of operations, which may adversely affect our business.***

As a public company, we have significant requirements for enhanced financial reporting and internal controls, and must maintain internal controls over financial reporting to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002. The process of designing, implementing and maintaining effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments. In this regard, we continue to dedicate internal resources, potentially engage outside consultants, implement a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing whether such controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. If we are unable to maintain appropriate disclose controls or internal controls and procedures over financial reporting, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and adversely affect our operating results.

## **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

## **ITEM 1C. CYBERSECURITY**

### Risk Management and Strategy

We recognize the critical importance of developing, implementing, and maintaining robust cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data.

### Managing Material Risks & Integrated Overall Risk Management

We have strategically integrated cybersecurity risk management into our broader risk management framework to promote a company-wide culture of cybersecurity risk management. This integration ensures that cybersecurity considerations are an integral part of our decision-making processes at every level. Our management team works closely with our IT department to continuously evaluate and address cybersecurity risks in alignment with our business objectives and operational needs.

### Oversee Third-party Risk

Because we are aware of the risks associated with third-party service providers, we have implemented stringent processes to oversee and manage these risks. We conduct thorough security assessments of all third-party providers before engagement and maintain ongoing monitoring to ensure compliance with our cybersecurity standards. The monitoring includes annual assessments of the SOC reports of our providers and implementing complementary controls. This approach is designed to mitigate risks related to data breaches or other security incidents originating from third-parties.

### Risks from Cybersecurity Threats

We have not encountered cybersecurity challenges that have materially impaired our operations or financial standing.

## **ITEM 2. PROPERTIES**

Our corporate headquarters are located at 3024 Sierra Juniper Court, Las Vegas, Nevada 89138. We believe that our facility is sufficient to meet our current needs and that suitable additional space will be available as and when needed.

We own and operate full service video production studios at 10621 Calle Lee, Suite 153 and at 10542 Calle Lee, Suite 114, Los Alamitos, California 90720.

## **ITEM 3. LEGAL PROCEEDINGS**

For a discussion of our legal proceedings, refer to Note 16 "*Commitments and Contingencies*," in the notes to our audited consolidated financial statements of this Annual Report.

## **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

#### Market Information

Our common stock trades on The Nasdaq Capital Market under the symbol "VERB."

#### Holder of Common Stock

As of March 19, 2025, there were approximately 83 holders of record of our common stock. These holders of record include depositories that hold shares of stock for brokerage firms which, in turn, hold shares of stock for numerous beneficial owners.

#### Dividends

We have never declared or paid dividends. We do not intend to pay cash dividends on our common stock for the foreseeable future, but currently intend to retain any future earnings to fund the development and growth of our business. The payment of dividends, if any, on our common stock will rest solely within the discretion of our board of directors and will depend, among other things, upon our earnings, capital requirements, financial condition, and other relevant factors. Pursuant to a Securities Purchase Agreement we entered into on January 12, 2022 with three institutional investors, which we disclosed on a Form 8-K filed with the SEC on January 13, 2022, we were prohibited from declaring or paying a cash dividend or distribution on any of our common stock. On January 26, 2023, the Company repaid in full all of the outstanding obligations associated with the securities purchase agreement at which time the prohibition against the declaration or paying of a dividend was extinguished.

#### Recent Sales of Unregistered Securities

During our fiscal year ended December 31, 2024, all sales of equity securities that were not registered under the Securities Act of 1933, as amended, were previously reported in a Quarterly Report on Form 10-Q or in a Current Report on Form 8-K.

#### Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

### ITEM 6. [RESERVED]

### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our results of operations and financial condition for the fiscal years ended December 31, 2024 and 2023, should be read in conjunction with our consolidated financial statements and the related notes and the other financial information that are included elsewhere in this Annual Report. This discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations, and intentions. The following discussion contains forward-looking statements that involve risks and uncertainties such as our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements below. Factors that could cause or contribute to those differences in our actual results include, but are not limited to, those discussed below and those discussed elsewhere within this Annual Report, particularly in the section entitled "Cautionary Note Regarding Forward-Looking Statements" and the Item entitled "Risk Factors."*

#### Overview

Our business is currently comprised of three distinct, yet complimentary business units, all three of which are currently operating and generating revenue. The first business unit is MARKET.live focused on interactive video-based social commerce. Our MARKET.live platform is a multi-vendor, livestream social shopping destination leveraging the convergence of ecommerce and entertainment. Brands, retailers and creators that join MARKET.live have the ability to broadcast livestream shopping events simultaneously on numerous social media channels, including TikTok, YouTube, LinkedIn, Facebook, Instagram, Twitch, as well as on MARKET.live, reaching exponentially larger audiences.

The Company has developed and deployed technology integrations with META, TikTok, and Pinterest, among many others. For example, the Meta integration created a seamless, native, friction-free checkout process for Facebook and Instagram users to purchase MARKET.live vendors' products within each of those popular apps. This integration allows Facebook and Instagram users to browse products featured in MARKET.live shoppable videos, place products in a native shopping cart and checkout – all without leaving Facebook or Instagram. Our TikTok technology integration allows shoppers watching a MARKET.live stream on TikTok to stay on TikTok and check out through TikTok, eliminating the friction or reluctance of TikTok users to leave their TikTok feed in order to complete their purchase. Our technology integration allows the purchase data to flow back through MARKET.live and to the individual vendors and stores on MARKET.live seamlessly for fulfillment of the orders.

Last year we announced an expanded strategic relationship with TikTok evidenced by a formal partnership with TikTok Shop pursuant to which MARKET.live became a service provider for TikTok Shop and officially designated as a TikTok Shop Partner (TSP). Under the terms of the partnership, TikTok Shop refers consumer brands, retailers, influencers and affiliates leads to MARKET.live for a menu of MARKET.live contract-based recurring fee revenue services that include, among other things, assistance in onboarding to TikTok Shop and establishing a TikTok store, hosting training sessions and webinars for prospective TikTok Shop sellers, full creative services including content creation and full remote and in-studio production services, host/influencer casting and management, TikTok Shop maintenance and enhancements for existing TikTok clients' stores. The same services are currently provided to consumer brands that contact us directly or through several brand agencies with which we maintain affiliate relationships.

On March 4, 2025, we announced the execution of a binding term sheet to acquire LyveCom, an artificial intelligence (“AI”) driven video commerce platform. The transaction is subject to certain terms and conditions, including completion of an audit of Lyvecom's financial statements, which terms and conditions are set forth in detail in the Form 8-K filed on March 4, 2025, and set forth in the *Recent Developments* section in this Form 10-K.

While the transaction is expected to close early this summer, if not sooner, Phase 1 of the integration of LyveCom's technology is complete and the new, updated version of the MARKET.live was officially launched on March 4, 2025. This technology integration now allows our brand and merchant customers and clients to deliver an omnichannel livestream shopping experience to their own customers. Brands and merchants will not only engage their clients and customers on the newly updated and refreshed MARKET.live site, but also seamlessly across their own websites, mobile apps, and social platforms, all while leveraging MARKET.live's new AI-powered video content automation and personalized shopping experiences.

This proprietary technology embeds livestreams and shoppable videos directly onto merchant websites without impact on site speed, while simultaneously aggregating and repurposing content from TikTok, Instagram, and YouTube into interactive shopping experiences, allowing brands to engage customers without constant content production. Other new features and functionality now available through MARKET.live include:

- **One-Click Simulcasting:** Instantly scale the broadcast of live shopping events across MARKET.live, TikTok Shop, Shopify's Shop App, and other social sites, including the brand or merchant's own e-commerce sites, maximizing audience reach and engagement, while maintaining checkout and unified inventory management and control across all of the brand's or merchant's social sites and platforms.
- **AI-Driven Video Commerce:** Advanced AI capabilities will power real-time user-generated-content creation, automated video content repurposing, and AI-powered virtual live shopping hosts.
- **Frictionless Merchant Integration:** Frictionless, self-serve onboarding for merchants, enabling millions of Shopify merchants to adopt live and shoppable video with a simple 3-click integration, making livestream shopping capabilities more accessible and useable than ever.
- **New Strategic Partnerships:** New and expanded strategic partnerships with Tapcart, Shopify Shop App, Klaviyo, Recharge, and agency networks will expand MARKET.live's footprint into mobile commerce and high-growth DTC brands.
- **Real-Time Data & Analytics:** An intelligent analytics hub will provide in-depth insights into shopper behavior, enabling merchants to refine strategies and boost conversions.

The second business unit is GO FUND YOURSELF!, an interactive social crowd funding platform for public and private companies seeking broad-based exposure across numerous social media channels for their crowd-funded Regulation CF and Regulation A offerings. The platform combines an interactive reality TV show that has been described as a combination of Shark Tank and Kickstarter with MARKET.live's back-end capabilities allowing viewers to tap or scan onscreen icons and

QR codes to facilitate an investment, in near real time, as they watch companies presenting before the Show's panel of "Titans". Presenting companies that sell consumer products are able to offer their products directly to viewers during the show in near real time through the same onscreen technology.

The Show airs weekly on CheddarTV, available on most cable operators, prime time at 7pm EST. The Go Fund Yourself business unit generates revenue from cash fees we charge to issuers to appear on the show and for marketing, ad, and content creation and distribution services. For those issuers that sell products during each airing of the show through our platform, we charge a fee up to 25% of the gross sales revenue for all products sold. The Show's expert panel of "Titans" include rotating celebrity guest Titans from the worlds of business, sports, and entertainment, such as NFL Hall of Fame running back Marshall Faulk, among many others, as well as the recurring panel of Titans that include David Meltzer – Chairman of the Napoleon Hill Institute and Former CEO of the Leigh Steinberg Sports & Entertainment agency; Jayson Waller – thought leader, CEO of multiple multi-million-dollar companies, and host of the popular 'Jayson Waller Unleashed' Podcast; and Rory J. Cutaia – the Show's creator and the Founder, Chairman and CEO of Verb, each of whom are executive producers and minority owners of the Show.

The third business unit is Vanity Prescribed, a new telehealth initiative not unlike such companies as "HIMS" and "HERS" that are currently exploiting the rapid growth associated with the resale of the new weight-loss drugs. Vanity Prescribed leverages MARKET.live's social commerce technology which the Company intends to employ to disrupt the traditional healthcare model by utilizing social commerce capabilities to provide tailored healthcare solutions at affordable, fixed prices, without hidden fees, membership costs, or inflated pharmaceutical markups.

On March 11, 2025 the Company announced the launch of GoodGirlRx.com, a partnership under Vanity Prescribed with Savannah Chrisley, a well-known lifestyle personality with millions of social media followers and an advocate for health and wellness. Through GoodGirlRx.com, customers will have access to convenient, no-hassle telehealth services and pharmaceuticals, including the new weight-loss drugs, that offer fixed pricing regardless of dosage, breaking away from the industry's traditional model of excessive pricing and pharmaceutical gatekeeping. Through GoodGirlRx.com customers will be able to obtain virtual doctor visits with licensed physicians who can prescribe the weight loss drugs and other pharmaceuticals available to purchase on the site for those that qualify. Subscription pricing is also available through the site.

### ***Revenue Generation***

MARKET.live revenue is derived from contract-based recurring fee revenue services that include, among other things, a full suite of social commerce services for consumer brands and merchants seeking to adopt or expand online commerce and social selling capabilities, including end-to-end creative services such as content creation and full remote and in-studio production services, host/influencer/affiliate casting and management, TikTok Shop and other social media platform online store creation, set-up and establishment, maintenance and enhancements. Clients are referred to us through our existing partnership with TikTok Shop and other social media channels, as well as from several brand agencies with whom we maintain affiliate relationships.

GO FUND YOURSELF Show derives revenue from fees we charge to issuers to appear on the show and for marketing, ad, and content creation and distribution services. Appearance fees are based on service packages that range from \$15,000 to \$60,000 per issuer. For those issuers that sell products during each airing of the show through our platform, we charge a fee of up to 25% of the gross sales revenue for all products sold.

Vanity Prescribed/GoodGirlRx.com derives revenue from the sale of prescription and non-prescription pharmaceutical and health-care products, both through long-term subscriptions and non-prescription programs.

Historically, and continuing up through June 13, 2023, we were a Software-as-a-Service ("SaaS") applications platform developer that offered a SaaS platform for the direct sales industry comprised of a suite of interactive video-based sales enablement business software products marketed on a subscription basis, (the "SaaS Assets").

On June 13, 2023, the Company disposed of all of its operating SaaS Assets pursuant to an asset purchase agreement in consideration of the sum of \$6,500, \$4,750 of which was paid in cash by the buyer at the closing of the transaction (the "Sale of the SaaS Assets"). An additional payment in the aggregate of \$0.75 million will be paid by the buyer if certain profitability and revenue targets are met during the second year following the closing date as set forth more particularly in the asset purchase agreement. A similar payment would have been due and payable to the Company after the first year following the closing if the buyer had met certain profitability and revenue targets specified in the asset purchase agreement, which it failed to meet. The sale of the SaaS Assets was undertaken to allow the Company to focus its resources on its burgeoning MARKET.live business unit which it expects over time will create greater shareholder value.

As of December 31, 2024, the Company had cash and restricted cash of \$8,495 and highly liquid investments of \$4,913.

Revenue is recognized in an amount that reflects the contractual consideration that the Company receives in exchange for its services. The Company does not take possession of the customers' inventory or any credit risks relating to the products sold.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net sales in the consolidated statements of operations. Revenues during the years ended December 31, 2024 and 2023, were substantially all generated from clients and customers located within the United States of America.

### ***Economic Disruption***

Our business is dependent in part on general economic conditions. Many jurisdictions in which our customers are located and our products are sold have experienced and could continue to experience unfavorable general economic conditions, such as inflation, increased interest rates and recessionary concerns, which could negatively affect demand for our products. Under difficult economic conditions, customers may seek to cease spending on our current products or fail to adopt our new products. We cannot predict the timing or impact of an economic slowdown, or the timing or strength of any economic recovery. These and other economic factors could have a material adverse effect on our business, financial condition, and results of operations.

### **Recent Developments**

#### ***Binding Term Sheet***

On February 28, 2025, the Company entered into a Binding Term Sheet (the "Binding Term Sheet") with Lyvecom, Inc. ("Lyvecom") and the shareholders of Lyvecom (the "Lyvecom Shareholders") to acquire all the outstanding capital stock of Lyvecom. Lyvecom is AI-driven video commerce platform. The purchase price for the shares of capital stock of Lyvecom is \$3,000,000 in cash, the repayment of \$1,125,000 to certain investors in Lyvecom's Simple Agreement for Future Equity (S.A.F.E.) instruments, the payment of \$100,000 to a third party to satisfy his existing loan to Lyvecom, and the issuance shares of the Company's common stock (the "Shares") having a value of \$1,000,000 on the closing date; provided the number of Shares to be issued may not exceed 19.9% of the Company's outstanding shares of common stock on such date (the "Cap"). The Binding Term Sheet provides that in the event, as a result of the Cap, the Shares to be issued to the Lyvecom Shareholders on the closing date shall have a value of less than \$1,000,000, the shortfall will be paid by the Company to the Lyvecom Shareholders in cash. The Binding Term Sheet also provides for an earn-out payment to the Lyvecom Shareholders of up to an additional \$3,000,000 in cash over a 24-month earn-out period based on various performance metrics.

The Binding Term Sheet provides that the parties will use their best efforts to enter into one or more definitive agreements that incorporate all of the terms of the Binding Term Sheet and that pursuant to the definitive agreements the parties will consummate the transaction upon completion of Lyvecom's audit for the years ended December 31, 2024 and December 31, 2023 and the satisfaction of the other conditions to closing set forth the Binding Term Sheet.

If the transaction is not consummated by June 30, 2025, then either Company or Lyvecom have the right to terminate the Binding Term Sheet by written notice to the other; provided, that if the reason the transaction has not been consummated is because Lyvecom shall have failed to deliver its audited financial statements to the Company on or before May 30, 2025, then Lyvecom will reimburse the audit fees incurred by the Company in respect of such audit, which reimbursement may be made by providing a 100% credit to the Company in the amount of the audit fees against the monthly fees otherwise payable by the Company to Lyvecom pursuant to an existing services agreement for interactive video content between the parties. The existing services agreement shall be terminated upon the closing of the transaction.

In connection with the transaction, the Binding Term Sheet provides that the Company will enter into a two-year employment agreement with Maxwell Drut serve as MARKET.live's Chief Technology Officer. Pursuant to the employment agreement, Mr. Drut will receive an annual base salary of \$250,000 and with a bonus target of 25% of his base salary upon achievement of objectives as may be determined by the Company's board of directors.

## Results of Operations

### Fiscal Year Ended December 31, 2024 Compared to Fiscal Year Ended December 31, 2023

The following is a comparison of the results of our operations for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,		
	2024	2023	Change
<b>Revenue</b> .....	\$ 895	\$ 63	\$ 832
<b>Costs and expenses</b>			
Cost of revenue, exclusive of depreciation and amortization shown separately below .....	224	19	205
Depreciation and amortization .....	1,077	2,331	(1,254)
General and administrative .....	11,238	11,508	(270)
Total costs and expenses .....	12,539	13,858	(1,319)
Operating loss from continuing operations .....	(11,644)	(13,795)	2,151
<b>Other income (expense)</b>			
Interest income .....	692	-	692
Unrealized loss on short-term investments .....	(44)	-	(44)
Interest expense .....	(237)	(1,193)	956
Financing costs .....	(90)	(1,239)	1,149
Other income, net .....	812	1,162	(350)
Change in fair value of derivative liability .....	1	221	(220)
Total other income (expense), net .....	1,134	(1,049)	2,183
<b>Net loss from continuing operations</b> .....	<b>\$ (10,510)</b>	<b>\$ (14,844)</b>	<b>\$ 4,334</b>

### Revenue

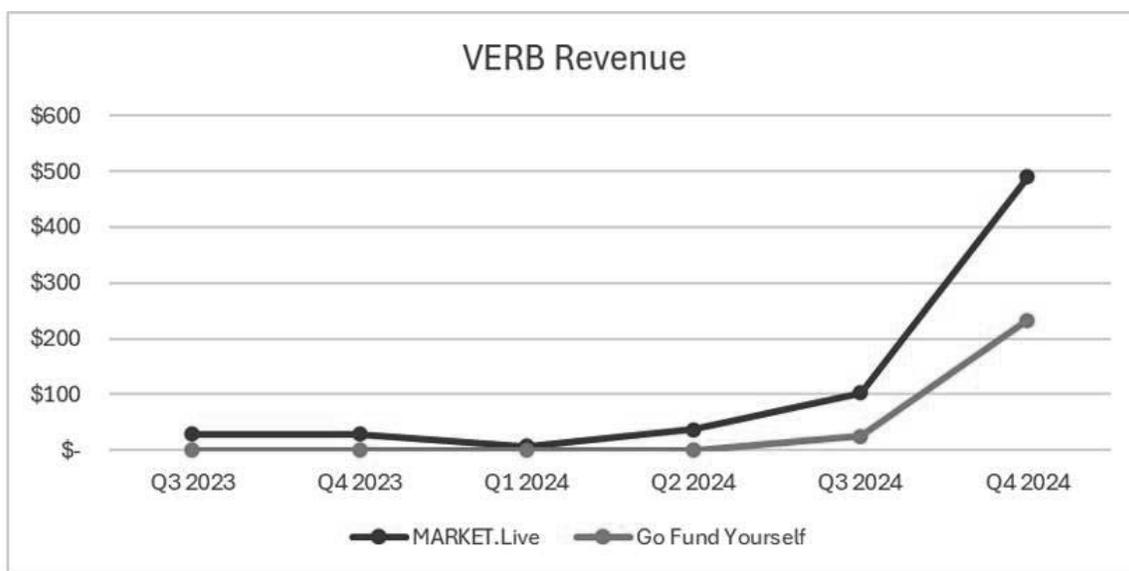
Revenue was \$895 for the year ended December 31, 2024, as compared to \$63 for the year ended December 31, 2023. The revenue increase of \$832, representing an increase of 1,321%, is primarily attributable to revenue received from our MARKET.live business unit services packages and from our Go Fund Yourself business unit.

Revenue was \$723 for the quarter ended December 31, 2024, as compared to \$29 for the quarter ended December 31, 2023. The revenue increase of \$694, representing an increase of 2,393%, is primarily attributable to tremendous growth from our MARKET.live business unit services packages and from our newly-formed Go Fund Yourself business unit.

Revenue was \$723 for the quarter ended December 31, 2024, as compared to \$128 for the quarter ended September 30, 2024. The revenue increase of \$595, representing an increase of 465%, is primarily attributable to tremendous growth from our MARKET.live business unit services packages and from growth in our Go Fund Yourself business unit.

The table below sets forth our quarterly revenues from the quarter ended September 30, 2023 (first quarter following the SaaS sale) through the quarter ended December 31, 2024, which reflects the trend of revenue over the past six fiscal quarters:

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
<b>MARKET.Live</b>	\$ 29	\$ 29	\$ 7	\$ 37	\$ 103	\$ 490
<b>Go Fund Yourself</b>	-	-	-	-	25	233
<b>Consolidated</b>	\$ 29	\$ 29	\$ 7	\$ 37	\$ 128	\$ 723



### Operating Expenses

Depreciation and amortization expense was \$1,077 for the year ended December 31, 2024, as compared to \$2,331 for the year ended December 31, 2023. The decrease of \$1,254 is due to a revision in the amortization of software development costs resulting from extending the life of the asset on January 1, 2024.

General and administrative expenses including stock compensation expense were \$11,238 for the year ended December 31, 2024, as compared to \$11,508 for the year ended December 31, 2023. The decrease of \$270 or 2%, in general and administrative expenses including stock compensation expense is primarily due to a decrease in stock compensation expense and a decrease in legal fees.

### Other Income (Expense), net

Other income (expense), net, was \$1,134 for the year ended December 31, 2024, which was primarily attributable to other income, net of \$812 and interest income, net of \$455 both offset by financing costs of \$90.

### Liquidity and Capital Resources

#### Overview

As of December 31, 2024 and 2023, we had the following balances of cash, restricted cash, and highly liquid investments.

	As of December 31,	
	2024	2023
Cash.....	\$ 7,617	\$ 4,353
Restricted Cash.....	878	-
Investments: Government-Backed Securities .....	3,731	-
Investments: Corporate Bonds .....	1,182	-
Total .....	<u>\$ 13,408</u>	<u>\$ 4,353</u>

Subsequent to December 31, 2024, we received \$1,724 of our ERC short-term receivable.

## ***Equity Financing***

### **Shares Issued as Part of ATM Offerings**

During December 2023, the Company entered into a sales agreement with Ascendant Capital Markets LLC (“Ascendant Sales Agreement”) to sell shares of its common stock pursuant to a prospectus supplement to the Company’s Registration Statement on Form S-3 (File No. 333-264038). For the year ended December 31, 2024, the Company has issued 278,501 shares of the Company’s common stock pursuant to the Ascendant Sales Agreement and received net proceeds of \$12,130, net of offering costs of \$136.

### **Regulation A Public Offering**

During the year ended December 31, 2024, the Company issued 136,986 shares of its common stock and received net proceeds of \$6,466, net of offering costs of \$109, resulting from a Form 1-A public offering of its common stock pursuant to Regulation A.

The shares that were offered and sold at-the-market under Nasdaq rules and pursuant to the Company’s Form 1-A, initially filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on February 14, 2024 and qualified on March 11, 2024.

## ***Note Payable***

We have the following outstanding note payable as of December 31, 2024 (in thousands):

<u>Note</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Borrowing</u>	<u>Balance at December 31, 2024</u>
Note payable.....	May 15, 2020	May 15, 2050	3.75%	150	\$ 118
Total note payable .....					118
Non-current.....					(98)
Current.....					<u>\$ 20</u>

On May 15, 2020, we executed an unsecured loan with the SBA under the Economic Injury Disaster Loan program in the amount of \$150. Monthly payments, including principal and interest, began on October 26, 2022. As of December 31, 2024, the outstanding balance of the note amounted to \$118. On March 7, 2025, we fully repaid the SBA loan balance, including accrued interest, amounting to \$115.

## **Critical Accounting Policies and Estimates**

Our financial statements have been prepared in accordance with GAAP, which require that we make certain assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenue and expenses during each reporting period.

### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Management bases these estimates and assumptions upon historical experience, existing and known circumstances, and other factors that management believes to be reasonable. In addition, the Company has considered the potential impact of the pandemic, as well as certain macroeconomic factors, including inflation, rising interest rates, and recessionary concerns, on its business and operations.

Significant estimates include assumptions made for assumptions made in valuing assets acquired in business combinations, impairment testing of goodwill and other long-lived assets, the valuation allowance for deferred tax assets, assumptions used in valuing derivative liabilities, assumptions used in valuing share-based compensation, and accruals for contingent liabilities. Some of those assumptions can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions or conditions.

## ***Segment Information***

Effective July 1, 2024, the Company operates as two reportable segments, MARKET.live and Go Fund Yourself. We identify our segments in accordance with ASC 280, *Segment Reporting*, and in the manner in which our Chief Executive Officer, as our chief operating decision maker (“CODM”), allocates resources and assesses financial performance.

## ***Revenue Recognition***

The Company recognizes revenue in accordance with Financial Accounting Standard Board’s (“FASB”) ASC 606, *Revenue from Contracts with Customers* (“ASC 606”). Revenue through June 13, 2023 of the year ended December 31, 2023 were derived primarily from providing application services through the SaaS application, digital marketing and sales support services. During that period, the Company also derived revenue from the sale of customized print products and training materials, branded apparel, and digital tools, as demanded by its customers. As a result of the sale of the SaaS business, revenue that was recorded historically from the SaaS business has been reclassified as part of discontinued operations. See Note 6 for revenue disclosures related to the SaaS business.

The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which includes

- (1) identifying the contract(s) or agreement(s) with a customer,
- (2) identifying our performance obligations in the contract or agreement,
- (3) determining the transaction price,
- (4) allocating the transaction price to the separate performance obligations, and
- (5) recognizing revenue as each performance obligation is satisfied.

Pursuant to ASC 606, revenue is recognized when performance obligations (defined below) under the terms of a contract are satisfied, which occurs for the Company upon shipment or delivery of products or services to our customers based on written sales terms, which is also when control is transferred. Revenue is recognized in an amount that reflects the contractual consideration that the Company receives in exchange for its services.

A performance obligation is a promise in a contract to transfer a distinct product. Performance obligations promised in a contract are identified based on the goods that will be transferred that are both capable of being distinct and are distinct in the context of the contract, whereby the transfer of the goods is separately identifiable from other promises in the contract. Performance obligations for each segment are described below within each segment’s discussion of revenue recognition.

MARKET.live revenue is derived from contract-based recurring fee revenue services that include, among other things, a full suite of social commerce services for consumer brands and merchants seeking to adopt or expand online commerce and social selling capabilities, including end-to-end creative services such as content creation and full remote and in-studio production services, host/influencer/affiliate casting and management, TikTok Shop and other social media platform online store creation, set-up and establishment, maintenance and enhancements. Clients are referred to us through our existing partnership with TikTok Shop and other social media channels, as well as from several brand agencies with whom we maintain affiliate relationships. The revenue associated with these services is typically recognized over time as the performance obligations are completed.

Revenue is recognized on a net basis from maintaining e-commerce platforms and online orders, as for certain services the Company is engaged in an agency relationship with its customers and earns defined amounts based on the individual contractual terms for the customer and the Company does not take possession of the customers’ inventory or any credit risks relating to the products sold.

MARKET.live performance obligations for other services include special projects, content creation, and livestream management. Performance obligations also include establishing and maintaining customer online stores, providing access to the Company’s e-commerce platform and customer service support. These performance obligations are distinct and contribute to the overall service delivery and client management.

GO FUND YOURSELF Show (“GFY”) derives revenue from fees we charge to issuers for full-scale onsite production services as the first 75% of the contract value is recognized as revenue once the show has been shot at the Company’s production facilities. The Company satisfies this performance obligation when the shooting is complete. Revenues are also derived from fees we charge to issuers for post-production services and for marketing, ad, and content creation and distribution services. Upon delivery of the post-production services which includes airing the show on Cheddar network, the remaining 25% of the contract value is recognized as revenue. The revenue associated with these services is recognized over time as the performance obligations are completed. GFY fees are based on service packages that range from \$15,000 to \$60,000 per client issuer. The Company accepts cash as payment or equity (non-cash) as payment for these services. For those client issuers that sell products during the airing of the show through our platform, we charge a fee of up to 25% of the gross sales revenue for all products sold.

GO FUND YOURSELF Show performance obligations include the shoot date production services and post-production services that include editing services to create clips from the Show that the client issuers can distribute across social media and utilize in connection with their marketing initiatives. These performance obligations are distinct and contribute to the overall service delivery and client issuer engagement.

Vanity Prescribed/GoodGirlRx.com derives revenue from the sale of prescription and non-prescription pharmaceutical and health-care products, both through long-term subscriptions and non-prescription programs. The revenue associated with this revenue stream is recognized as of a point in time when the product is shipped to the customer.

The Company bears the entire performance obligation and risk. The primary performance obligation is the shipment of the prescribed medication to the customer. Ancillary services, such as prescription verification and customer support, are not distinct and are considered part of the medication delivery process. The cost of the consultation is only part of the performance obligation if the client does not already have a prescription. This is consistent with our position that our performance obligation is limited to shipping because we could not ship the product until the physician from the consultation issues the prescription.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net sales in the consolidated statements of operations. Revenues during the years ended December 31, 2024 and 2023, were substantially all generated from clients and customers located within the United States of America.

### ***Investments***

In accordance with ASC 320, Investments – Debt Securities, the Company accounts for its investments as trading securities consisting of U.S. Treasury securities and corporate bonds that are reported at fair value on the Company’s consolidated balance sheet at December 31, 2024. Unrealized gains and losses on these investments are included in other income (expense), net within the Company’s condensed consolidated statements of operations.

The Company’s investments in trading securities are classified as current based on the intent of management, the nature of the investments and their availability for use in current operations.

### ***Share-Based Compensation***

The Company issues stock options and warrants, shares of common stock and restricted stock units as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation in accordance with FASB ASC 718, *Compensation – Stock Compensation*. Share-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period. The fair value of restricted stock units is determined based on the number of shares granted and the quoted price of our common stock and is recognized as expense over the service period. Forfeitures are accounted for as they occur. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for services.

### ***Goodwill***

In accordance with FASB ASC 350, *Intangibles-Goodwill and Other*, we review goodwill and indefinite lived intangible assets for impairment at least annually or whenever events or circumstances indicate a potential impairment. Our impairment testing is performed annually at December 31 (our fiscal year end). Impairment of goodwill and indefinite lived intangible assets is determined by comparing the fair value of our reporting units to the carrying value of the underlying net assets in the reporting units. If the fair value of a reporting unit is determined to be less than the carrying value of its net assets, goodwill is deemed impaired and an impairment loss is recognized to the extent that the carrying value of goodwill exceeds the difference between the fair value of the reporting unit and the fair value of its other assets and liabilities.

### ***Capitalized Software Development Costs***

The Company capitalizes internal and external costs directly associated with developing internal-use software, and hosting arrangements that include an internal-use software license, during the application development stage of its projects. The Company's internal-use software is reported at cost less accumulated amortization. Amortization begins once the project has been completed and is ready for its intended use.

Due to changes in management's assessment of its capitalized software development asset, the Company revised the asset's remaining useful life effective January 1, 2024 and will amortize the asset on a straight-line basis over a period of four years. Software maintenance activities or minor upgrades are recorded as expense in the period performed.

Amortization expense related to capitalized software development costs are recorded in depreciation and amortization in the consolidated statements of operations.

### ***Intangible Assets***

We have certain intangible assets that were initially recorded at their fair value at the time of acquisition. The finite-lived intangible assets consist of developed technology and customer contracts. Indefinite-lived intangible assets consist of domain names. Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful life of five years.

We review all finite lived intangible assets for impairment when circumstances indicate that their carrying values may not be recoverable. If the carrying value of an asset group is not recoverable, we recognize an impairment loss for the excess carrying value over the fair value in our consolidated statements of operations.

### **Recently Issued Accounting Pronouncements**

For a summary of our recent accounting policies, please refer to Note 2, *Summary of Significant Accounting Policies and Supplemental Disclosures*, of the Notes to Financial Statements.

### **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

### **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

Reference is made to the financial statements, which begin on page F-1 of this Annual Report.

### **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

### **ITEM 9A. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

We carried out an evaluation under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2024. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2024.

## **Management’s Annual Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Internal control over financial reporting is a process, including policies and procedures, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles. Our management assessed our internal control over financial reporting using the criteria in Internal Control — Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Based on the results of our evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2024 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles.

### **Changes in Internal Control over Financial Reporting**

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **Inherent Limitations on the Effectiveness of Controls**

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, no evaluation of internal control over financial reporting can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been or will be detected.

These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

## **ITEM 9B. OTHER INFORMATION**

### **Rule 10b5-1 Trading Arrangement**

During the three months ended December 31, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

## **ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

### PART III

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

##### Directors and Executive Officers

Our directors and executive officers, their ages, positions held, and duration of such, are as follows:

<u>Name</u>	<u>Position Held with Our Company</u>	<u>Age</u>	<u>Date First Elected or Appointed</u>
Rory J. Cutaia	Chairman of the Board, President, Chief Executive Officer, Secretary, Treasurer and Director	69	October 16, 2014
Bill J. Rivard	Interim Chief Financial Officer	55	June 13, 2023
James P. Geiskopf	Lead Director	65	October 16, 2014
Kenneth S. Cragun	Director	64	September 10, 2018
Edmund C. Moy	Director	67	October 21, 2022

##### Business Experience

The following is a brief account of the education and business experience of directors and executive officers during at least the past five years, indicating their principal occupation during the period, the name and principal business of the organization by which they were employed, and certain of their other directorships:

###### *Rory J. Cutaia, Chairman of the Board, President, Chief Executive Officer, and Secretary*

Rory J. Cutaia has served as our Chairman of the Board, President, Chief Executive Officer, and Secretary, since December 2012 upon the formation of Cutaia Media Group, LLC, in which roles he has continued to serve through our October 2014 acquisition of bBooth USA to the present, and served as our Treasurer from December 2012 to January 2022. Mr. Cutaia founded CMG in 2012 and bBooth, Inc. in 2014. In May 2014, CMG and bBooth, Inc. merged and became known as bBoothUSA, which entity was acquired in October 2014 by GSD, our predecessor. Prior to that, from October 2006 to August 2011, he was a partner and *Entrepreneur-in-Residence* at Corinthian Capital Group, Inc. (“Corinthian”), a private equity fund based in New York City that invested in middle-market, U.S. based companies. During his tenure at Corinthian, from June 2008 to October 2011, Mr. Cutaia was the co-founder and Executive Chairman of Allied Fiber, Inc., a company engaged in the construction of a nation-wide fiber-optic network, and from June 2007 to August 2011, Mr. Cutaia was the Chief Executive Officer and member of the board of directors of GreenFields Coal Company, a company engaged in the deployment of technology to recycle coal waste and clean-up coal waste sites. Before joining Corinthian, from January 2000 to October 2006, he founded and was the Chairman of the Board and Chief Executive Officer of The Telx Group, Inc. (“Telx”), a company engaged in the telecom carrier inter-connection, co-location, and data center business, which he sold in 2006. Before founding Telx, he was a practicing lawyer with Shea & Gould, a prominent New York City law firm. Mr. Cutaia obtained his Juris Doctorate degree from the Fordham University School of Law in 1985 and his Bachelor of Science, *magna cum laude*, in business management from the New York Institute of Technology in 1982.

We believe that Mr. Cutaia is qualified to serve on our board of directors because of his education and business experience described above, including over 23 years of board of director experience, as well as his knowledge of our current operations.

###### *Bill J. Rivard, Interim Chief Financial Officer*

Bill J. Rivard was appointed Interim Chief Financial Officer effective June 13, 2023. He had served as Corporate Controller of the Company since November 2021 where he worked closely with the Company’s Chief Financial Officer in all accounting and finance matters. Mr. Rivard maintains an active CPA certification and has more than 30 years of experience serving various corporate accounting and finance management roles in companies including Minnesota Brewing Company, Innuity, Clean Energy (NASDAQ: CLNE), and most recently, Palace Entertainment where he served as Director of Financial Reporting from March 2011 to April 2019 and then was promoted to Executive Director of Finance in April 2019, serving in this capacity until March 2020. Mr. Rivard began his technical accounting and financial reporting experience at the accounting firm McGladrey & Pullen LLP (now, RSM US LLP) where he served as an auditor, as well as the Securities and Exchange Commission where he served as a staff accountant. Mr. Rivard earned his Bachelor’s of Accountancy at the University of North Dakota in 1992.

*James P. Geiskopf, Lead Director*

James P. Geiskopf has served as one of our directors since the formation of bBooth USA, in which role he has continued to serve through our October 2014 acquisition of bBooth USA by GSD to the present. He also serves as our Lead Independent Director, as the Chairperson of the Compensation Committee, and as Chairperson of the Fiscal Oversight Committee, and as a member of the Audit Committee, Governance and Nominating Committee and Risk Committee. Mr. Geiskopf has 32 years of experience leading companies in the services industry. From 1975 to 1986, Mr. Geiskopf served as the Chief Financial Officer of Budget Rent a Car of Fairfield California and from 1986 to 2007, he served as its President and Chief Executive Officer. In 2007, he sold the franchise. Mr. Geiskopf served on the Board of Directors of Suisun Valley Bank from 1986 to 1993 and also served on the Board of Directors of Napa Valley Bancorp from 1991 to 1993, which was sold to a larger institution in 1993. From 2014 to June 2024, Mr. Geiskopf also served on the board of directors of Waste Energy Corp. (formerly MetaWorks Platforms, Inc.) (OTCQB: WAST), a public company that trades on the OTCQB. From June 2013 to March 2017, Mr. Geiskopf served as a director of Electronic Cigarettes International Group, Ltd. (“ECIG”), a Nevada corporation, an OTC listed company. ECIG filed a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Code on March 16, 2017.

We believe Mr. Geiskopf is qualified to serve on our Board because of his significant business experience including building, operating, and selling companies, serving on the boards of directors for several banks, and serving as a director and officer of several public companies. In these roles he acquired substantial business management, strategic, operational, human resource, financial, disclosure, compliance, and corporate governance skills.

*Kenneth S. Cragun, Director*

Kenneth S. Cragun was appointed as one of our directors in September 2018, and also serves as the Chairperson of the Audit Committee, and as a member of the Compensation Committee, Governance and Nominating Committee and Risk Committee. Mr. Cragun was appointed as Chief Financial Officer of Hyperscale Data, Inc. (NYSE American: GPUS) on August 19, 2020. Prior to his appointment as Chief Financial Officer, Mr. Cragun served as Chief Accounting Officer of Hyperscale Data, Inc. since October 1, 2018. Mr. Cragun served as the Chief Financial Officer of Ault Disruptive Technologies Corporation, an NYSE listed special-purpose acquisition company (NYSE American: ADRT), from its incorporation in February 2021 through October 2024. Mr. Cragun has been the Senior Vice President of Finance or Chief Financial Officer of Alzamend Neuro, Inc. (NASDAQ: ALZN), an early clinical-stage entity seeking to prevent, treat and cure Alzheimer’s Disease, since October of 2018. He served as a Chief Financial Officer Partner at Hardesty, LLC, a national executive services firm since October 2016. His assignments at Hardesty, LLC included serving as Chief Financial Officer of CorVel Corporation, a \$1.1 billion market cap publicly traded company (NASDAQ: CRVL). Mr. Cragun is a three-time finalist for the Orange County Business Journal’s “CFO of the Year - Public Companies” and has more than 30 years of experience, primarily in the technology industry. He served as Chief Financial Officer of two Nasdaq-listed companies: Local Corporation, from April 2009 to September 2016, which operated a U.S. top 100 website “Local.com” and, in June 2015, filed a voluntary petition seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code, and Modtech Holdings, Inc., from June 2006 to March 2009. Mr. Cragun served on the board of directors of Algorhythm Holdings, Inc. (NASDAQ: RIME) from July 2022 through September 2024. Mr. Cragun earned his Bachelor of Science in Accounting from Colorado State University-Pueblo. Mr. Cragun began his professional career at Deloitte.

We believe Mr. Cragun is qualified to serve on our Board due to his extensive experience with fast-growth businesses and building teams in more than 20 countries. Mr. Cragun has also led multiple financing transactions, including IPOs, PIPEs, convertible debt offerings, term loans and lines of credit. We believe his experiences provide additional breadth and depth to our Board.

*Edmund C. Moy, Director*

Edmund C. Moy was appointed as one of our directors effective October 21, 2022. From 2001 through 2006, Mr. Moy served as special assistant to the President of the United States at The White House, after which he was appointed as director of the United States Mint at the U.S. Department of the Treasury, a position he held until 2011. Mr. Moy began his career as a sales and marketing executive with Blue Cross Blue Shield United of Wisconsin, was appointed head of the regulatory agency Office of Prepaid Health Care, and was then selected to head the Office of Managed Care at the Centers for Medicare and Medicaid Services. Thereafter, he became an exclusive advisor to private equity firm Welsh, Carson, Anderson & Stowe. Mr. Moy currently serves as a director and member of the audit committee of Waste Energy Corp. (formerly MetaWorks Platforms, Inc.) and as an advisory board member of Draganfly Inc. (DPRO:NASDAQ). He also advises and consults with several privately held companies, is an exclusive provider of autographs to Numismatic Guaranty Corp., and serves on the Board of

Regents for Trinity International University. His prior board service includes privately held Emerald Health Network, L&L Energy, Inc. (LLEN:NASDAQ), and audit committee member of Parsec Capital Acquisitions Corp. (PCXCU:NASDAQ). He earned his Bachelor of Arts in Economics, International Relations, and Political Science in 1979 from the University of Wisconsin - Madison.

We believe that Mr. Moy is qualified to serve on our Board because he has extensive and unique leadership experience in Washington D.C., where he is recognized for his leadership roles in the Executive Branch of the government of the United States, as well as the experience gained from serving on the boards of several public companies.

### **Family Relationships**

To our management's knowledge, there are neither any family relationships among any of our directors or executive officers nor have any of our directors been involved in a legal proceeding that would be required to be disclosed pursuant to Item 401(f) of Regulation S-K of the Exchange Act.

### **Corporate Governance**

#### *Agreements with Directors*

None of our directors or director nominees were selected pursuant to any arrangement or understanding, other than with our directors acting within their capacity as such.

#### *Meetings of the Board and its Committees*

Our Board has a standing Audit Committee, a Compensation Committee, a Governance and Nominating Committee, Risk and Disclosure Committee, and a Fiscal Oversight Committee. Our Board met 13 times, including telephonic meetings, during fiscal year 2024. All Board members attended 100% of our Board meetings. All Board members attended 100% of the meetings held by committees of our Board on which they served during that period.

It is our policy that all of our directors are required to make a concerted and conscientious effort to attend our annual meeting of stockholders in each year during which that director serves as a member of our Board. All of our directors attended our 2024 annual meeting of stockholders.

#### *Audit Committee and Audit Committee Financial Expert*

On June 10, 2021, our Board amended and restated the Audit Committee charter that governs the Audit Committee. The Audit Committee charter can be found online at <https://www.verb.tech> in the "Governance" section under the "Investor Relations" tab.

The Audit Committee charter requires that each member of the committee meet the independence requirements of Nasdaq, and requires the Audit Committee to have at least one member that qualifies as an "audit committee financial expert." Currently, Messrs. Geiskopf, Moy, and Cragun (Chairman) serve on the Audit Committee and each meets the independence requirements of Nasdaq. In addition, Mr. Cragun qualifies as an "audit committee financial expert" under applicable SEC regulations.

In addition to the enumerated responsibilities of the Audit Committee in the charter, the primary function of the committee is to assist our Board in its general oversight of our accounting and financial reporting processes, audits of our financial statements, and internal control and audit functions.

#### *Compensation Committee*

On August 14, 2018, our Board approved and adopted a charter to govern the Compensation Committee, which was amended and restated on June 10, 2021. Currently, Messrs. Geiskopf (Chairman), Cragun, and Moy serve as members of the Compensation Committee and each meets the independence requirements of Nasdaq and the SEC, qualifies as a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, and qualifies as an outside director within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. In addition to the enumerated responsibilities of the Compensation Committee in the Compensation Committee charter, the primary function of the Compensation Committee is to oversee the compensation of our executives, produce an annual report on executive compensation for inclusion in our proxy

statement, if and when required by applicable laws or regulations, and advise our Board on the adoption of policies that govern our compensation programs. The Compensation Committee has the authority to form and delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees or to one or more designated members of the Compensation Committee, as the Compensation Committee may deem appropriate in its sole discretion. For the development of our compensation program, the Compensation Committee retained Compensation Advisory Partners LLC, or CAP, during the year ended December 31, 2024. CAP provided the Committee with advisory services only with respect to executive and Board compensation. CAP reviewed the compensation paid to our executive officers and Board and compared our compensation with certain companies CAP identified as peer companies. The Committee's recommendation and the Board's approval of the 2024 compensation program was based on various factors, including, among others, recommendations made by CAP. The Compensation Committee charter may be found online at <https://www.verb.tech> in the "Governance" section under the "Investor Relations" tab.

#### *Governance and Nominating Committee*

On August 14, 2018, our Board approved and adopted a charter to govern the Governance and Nominating Committee, which was amended and restated on June 10, 2021. Currently, Messrs. Geiskopf, Cragun, and Moy (Chairman) serve as members of the Governance and Nominating Committee and each meets the independence requirements of Nasdaq and the SEC. The Governance and Nominating Committee charter requires that each member of the Governance and Nominating Committee meet the independence requirements of Nasdaq and the SEC. In addition to the enumerated responsibilities of the Governance and Nominating Committee in the Governance and Nominating Committee charter, the primary function of the Governance and Nominating Committee is to determine the slate of director nominees for election to the Board, to identify and recommend candidates to fill vacancies occurring between annual stockholder meetings, to review our policies and programs that relate to matters of corporate responsibility, including public issues of significance to us and our stockholders, and any other related matters required by federal securities laws. The charter of the Governance and Nominating Committee may be found online at <https://www.verb.tech> in the "Governance" section under the "Investor Relations" tab.

#### *Risk and Disclosure Committee*

In June 2021, our Board approved and adopted the Risk and Disclosure Committee charter. The charter of the Risk and Disclosure Committee may be found online at <https://www.verb.tech> in the "Governance" section under the "Investor Relations" tab.

The Risk and Disclosure Committee charter requires that each member of the committee meet the independence requirements of Nasdaq. Currently, Messrs. Geiskopf, Cragun (Chairman), and Moy serve as members of the Risk and Disclosure Committee and each meets the independence requirements of Nasdaq and the SEC. The Risk and Disclosure Committee charter requires that each member of the Risk and Disclosure Committee meet the independence requirements of Nasdaq.

In addition to the enumerated responsibilities of the Risk and Disclosure Committee in the charter, the primary function of the committee is to assist our Chief Executive Officer and Chief Financial Officer in fulfilling their responsibility for oversight of the accuracy and timeliness of the disclosures made by us.

#### *Fiscal Oversight Committee*

In May 2024, our Board approved and adopted the Fiscal Oversight Committee charter. The charter of the Fiscal Oversight Committee may be found online at <https://www.verb.tech> in the "Governance" section found under the "Investor Relations" tab.

The Fiscal Oversight Committee charter requires that each member of the committee meet the independence requirements of Nasdaq. Currently, Mr. Geiskopf (Chairman) meets the independence requirements of Nasdaq and the SEC.

In addition to the enumerated responsibilities of the Fiscal Oversight Committee in the charter, the primary function of the committee is to assist our Chief Executive Officer and Chief Financial Officer in fulfilling their responsibility of managing the Company's excess non-operating cash assets with a view toward protecting and preserving the principal, while generating the highest return reasonably and practically possible. The Fiscal Oversight Committee also assists with managing the Company's capital markets initiatives.

### *Nominations Process and Criteria*

As of the filing of this Annual Report, we had not effected any material changes to the procedures by which our stockholders may recommend nominees to our Board. Our Board does not have a formal policy with regard to the consideration of any director candidates recommended by our stockholders. Our Board has determined that it is in the best position to evaluate our requirements, as well as the qualifications of each candidate when it considers a nominee for a position on our Board. Accordingly, we do not currently have any specific or minimum criteria for the election of nominees to our Board and we do not have any specific process or procedure for evaluating such nominees. Our Board assesses all candidates, whether submitted by management or stockholders, and makes recommendations for election or appointment.

In recommending director nominees for appointment to our board of directors, our nominating and corporate governance committee also actively considers diversity characteristics, including diversity of professional experience, race, ethnicity, gender, age, education, cultural background and personal background. However, we have not adopted a formal policy regarding the consideration of specific diversity characteristic, and instead prefer to rely on the judgment of our highly qualified committee in recommending candidates with the most appropriate mix of experiences, skills and expertise.

### *Director Independence*

Our Board is currently composed of four members. We have determined that the following three directors qualify as independent: James P. Geiskopf, Kenneth S. Cragun, and Edmund C Moy. We determined that Mr. Cutaia, our Chairman of the Board, President, Chief Executive Officer and Secretary, is not independent. We evaluated independence in accordance with the rules of Nasdaq and the SEC. Messrs. Geiskopf, Moy and Cragun also serve on our Audit, Compensation, Governance and Nominating, and Risk and Disclosure Committees. The Board evaluates the independence of each nominee for election as a director of our Company in accordance with the Nasdaq Listing Rules.

### *Stockholder Communications with the Board*

Stockholders and other parties interested in communicating directly with our Board, a committee thereof, or any individual director, may do so by sending a written communication to the attention of the intended recipient(s) in care of the Corporate Secretary, Verb Technology Company, Inc., 3024 Sierra Juniper Court, Las Vegas, Nevada 89138. The Corporate Secretary will forward all appropriate communications to the Chairman of our Audit Committee.

### *Investment in Human Capital*

We believe our people are at the heart of our success and our customers' success. We endeavor to not only attract and retain talented employees, but also to provide a challenging and rewarding environment to motivate and develop our valuable human capital. We look to our talented employees to lead and foster various initiatives that support our company culture including those related to diversity, equity and inclusion. In addition, we rely heavily on our talented team to execute our growth plans and achieve our long-term strategic objectives.

### *Orientation and Continuing Education*

We have an informal process to orient and educate new directors to the Board regarding their role on the Board, our committees and our directors, as well as the nature and operations of our business. This process provides for an orientation with key members of the management staff, and further provides access to materials necessary to inform them of the information required to carry out their responsibilities as a Board member. This information includes the most recent board approved budget, the most recent annual report, copies of the audited financial statements and copies of the interim quarterly financial statements.

The Board does not provide continuing education for our directors. Each director is responsible to maintain the skills and knowledge necessary to meet his or her obligations as a director.

### *Assessments*

The board intends that individual director assessments be conducted by other directors, taking into account each director's contributions at board meetings, service on committees, experience base, and their general ability to contribute to one or more of our major needs. We conducted our first director assessment in December 2021.

In December 2022, the Board implemented individual director assessments. The director assessments involve each director performing a self-assessment, as well as each director individually assessing other members of the Board, taking into account each director's contributions at Board meetings, service on committees, experience level, and their general ability to contribute to one or more of our major growth areas.

#### *Compensation Committee Interlocks and Insider Participation*

As of the date of this Annual Report, no member of the Compensation Committee is serving, and during the past year no member of the Compensation Committee has served, as an officer or employee of the Company or any of its subsidiaries. None of our executive officers currently serves, or during the past year has served, as a member of the board of directors or compensation committee (or other committee serving a similar purpose) of any entity that has an executive officer serving on our Board or Compensation Committee. In addition, none of the Compensation Committee members had any relationship, or participated in any transaction, with our Company during the fiscal year ended December 31, 2024 that requires disclosure under SEC rules. We have entered into indemnification agreements with each of our directors, including each member of the Compensation Committee.

#### *Code of Ethics*

In 2014, our Board approved and adopted a code of ethics and business conduct for directors, senior officers, and employees, or code of ethics, that applies to all of our directors, officers, and employees, including our principal executive officer and principal financial officer. The code of ethics addresses such individuals' conduct with respect to, among other things, conflicts of interests; compliance with applicable laws, rules, and regulations; full, fair, accurate, timely, and understandable disclosure by us; competition and fair dealing; corporate opportunities; confidentiality; protection and proper use of our assets; and reporting suspected illegal or unethical behavior. The code of ethics is available on our website at <https://www.verb.tech> in the "Governance" section under the "Investor Relations" tab.

### **Board Leadership Structure and Role in Risk Oversight**

#### *Board Leadership Structure*

We currently combine the positions of Chairman and Chief Executive Officer into one position. We believe that this structure is appropriate at this time and is a leadership model that has served our stockholders well since our inception. We believe that this combined model has certain advantages over other leadership structures. This combined role allows Mr. Cutaia to drive execution of our strategic plans and facilitates effective communication between management and our Board to bring key issues to its attention, and to see that our Board's guidance and decisions are implemented effectively by management. Further, our Board has designated Mr. Geiskopf as its Lead Director. Our Board believes that Mr. Geiskopf's strong leadership and qualifications, including his prior experience as a chief executive officer and chief financial officer and his tenure on our Board, among other factors, contribute to his ability to fulfill the role of Lead Director effectively.

#### *Role of the Board in Risk Oversight*

Our Board is responsible for the oversight of our operational risk management process. Our Board has delegated authority for addressing certain risks, and accessing the steps management has taken to monitor, control, and report such risks to our Audit Committee. Such risks include risks relating to execution of our growth strategy, the effects of the economy and general financial condition and outlook, our ability to expand our client base, communication with investors, certain actions of our competitors, the protection of our intellectual property, sufficiency of our capital, security of information systems and data, integration of new information systems, credit risk, product liability, and costs of reliance on external advisors. Our Audit Committee then reports such risks as appropriate to our Board, which then initiates discussions with appropriate members of our senior management if, after discussion of such risks, our Board determines that such risks raise questions or concerns about the status of operational risks then facing us.

Our Board relies on our Compensation Committee to address significant risk exposures that we may face with respect to compensation, including risks relating to retention of key employees, protection of partner relationships, management succession, and benefit costs, and, when appropriate, reports these risks to the full Board.

#### *Change-of-Control Arrangements*

We do not know of any arrangements, which may, at a subsequent date, result in a change-of-control.

### *Other Board Committees*

Other than our Audit Committee, Compensation Committee, Governance and Nominating Committee, Risk and Disclosure Committee, and a Fiscal Oversight Committee, we have no other committees of our board of directors. We do not have any defined policy or procedure requirements for our stockholders to submit recommendations or nominations for directors.

### **Involvement in Certain Legal Proceedings**

Except as set forth below, during the last ten years, none of our directors and executive officers have been involved in any of the following events:

1. any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;
4. being found by a court of competent jurisdiction in a civil action, the SEC or the Commodity Futures Trading Commission to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
5. being subject of, or a party to, any Federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any Federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
6. being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

On June 23, 2015, Local Corporation, a Delaware corporation, filed a voluntary petition for reorganization under Chapter 11 of the US Bankruptcy Code. Mr. Cragun, a Director of the Company, was chief financial officer of Local Corporation at the time of filing.

### **Insider Trading Policy**

The Company has adopted an insider trading policy governing the purchase, sale, and/or other disposition of its securities by its directors, officers, employees and independent contractors that the Company believes is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to the Company.

Directors, executive officers, employees and other related persons may not buy, sell or engage in other transactions in the Company's shares while aware of material non-public information; buy or sell securities of other companies while aware of material non-public information about those companies that they became aware of as a result of business dealings between the Company and those companies; or disclose material non-public information to any unauthorized persons outside of the Company. The policy also restricts trading and other transactions for a limited group of Company employees (including executives and directors) to defined window periods that follow the Company's quarterly earnings releases. A copy of such policy is filed hereto as Exhibit 19.

## **ITEM 11. EXECUTIVE COMPENSATION**

### **Summary Compensation Table**

The table and discussion below present compensation information for our executive officers as of December 31, 2024, reflecting the value of stock awards on the date of grant, which we refer to as our "named executive officers" (in thousands):

- Rory J. Cutaia, our Chairman of the Board, President, Chief Executive Officer, and Secretary; and
- Bill J. Rivard, our interim Chief Financial Officer;

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Stock Awards<sup>(1)</sup> (\$)</u>	<u>Option Awards<sup>(2)</sup> (\$)</u>	<u>All Other Compensation (\$)</u>	<u>Total (\$)</u>
Rory J. Cutaia <sup>(3)</sup> .....	2024	490 <sup>(5)</sup>	740 <sup>(5)</sup>	500 <sup>(1)(6)</sup>	-	-	1,730 <sup>(8)</sup>
	2023	459 <sup>(14)</sup>	-(7)	31 <sup>(1)(14)</sup>	486 <sup>(13)</sup>	-	976 <sup>(8)</sup>
Bill J. Rivard <sup>(4)</sup> .....	2024	225 <sup>(9)</sup>	29 <sup>(9)</sup>	225 <sup>(1)(10)</sup>	-	-	479 <sup>(11)</sup>
	2023	192 <sup>(14)</sup>	3 <sup>(15)</sup>	111 <sup>(1)(12)(14)</sup>	-	-	306 <sup>(11)</sup>

<sup>(1)</sup> For valuation purposes, the dollar amount shown is calculated based on the market price of our common stock on the grant dates. The number of shares granted, the grant date, and the market price of such shares for each named executive officer is set forth below.

<sup>(2)</sup> For valuation assumptions on stock option awards, refer to Note 2, "Summary of Significant Accounting Policies and Supplemental Disclosures," in the notes to our audited consolidated financial statements for the year ended December 31, 2023 of this Annual Report. The disclosed amounts reflect the fair value of the stock option awards that were granted during fiscal years ended December 31, 2024 and 2023 in accordance with Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 718.

<sup>(3)</sup> Mr. Cutaia was appointed as Chairman of the Board, President, Chief Executive Officer, Secretary, and Treasurer on October 16, 2014.

<sup>(4)</sup> Mr. Rivard was appointed as interim Chief Financial Officer on June 13, 2023.

<sup>(5)</sup> Mr. Cutaia was paid an annual salary of \$490 and earned a performance bonus of \$740 during the year ended December 31, 2024.

<sup>(6)</sup> Represents a grant of 50,968 restricted stock units on November 8, 2024 with a fair market value of \$9.78 per restricted stock unit.

<sup>(7)</sup> Due to the Company's cost savings plan, Mr. Cutaia was not paid his annual incentive target bonus of \$490 for 2023.

<sup>(8)</sup> As of December 31, 2024 and 2023, Mr. Cutaia had accrued but unpaid compensation equal to \$490 and \$648, respectively.

<sup>(9)</sup> Mr. Rivard was paid an annual salary of \$225 and earned a performance bonus of \$29 during the year ended December 31, 2024.

<sup>(10)</sup> Represents a grant of 22,936 restricted stock units on November 8, 2024 with a fair market value of \$9.78 per restricted stock unit.

<sup>(11)</sup> As of December 31, 2024 and 2023, Mr. Rivard had accrued but unpaid compensation equal to \$25 and \$0, respectively.

<sup>(12)</sup> Represents a grant of 685 restricted stock units on September 28, 2023 with a fair market value of \$146.00 per restricted stock unit.

<sup>(13)</sup> On June 21, 2023, the Company granted 1,802 incentive stock options and 743 non-qualified stock options with a fair value of \$191.00 per option.

<sup>(14)</sup> On November 17, 2022, certain executive officers and directors agreed to accept a 25% reduction in cash compensation over a four-month period commencing December 1, 2022 in exchange for equity award grants. The cost reduction plan was extended in March 2023 to April 2023 resulting in the issuance of 138 and 51 restricted stock units to Mr. Cutaia and Mr. Rivard, respectively.

<sup>(15)</sup> Represents a discretionary bonus of \$3 paid in December 2023.

## Narrative Disclosure to Summary Compensation Table

The following is a discussion of the material information that we believe is necessary to understand the information disclosed in the foregoing Summary Compensation Table.

### *Rory J. Cutaia*

On January 1, 2024, we entered into an executive employment agreement with Mr. Cutaia. The employment agreement is for a four-year term and can be extended for additional one-year periods. The employment agreement was extended on January 1, 2024 for an additional four-year term. In addition to certain payments due to Mr. Cutaia upon termination of employment, the employment agreement contains customary non-competition, non-solicitation, and confidentiality provisions. Mr. Cutaia is entitled to an annual base salary of \$490, which shall not be subject to reduction during the initial term, but will be subject to annual reviews and increases, if and as approved in the sole discretion of our board of directors, after it has received and reviewed advice from the Compensation Committee (who may or may not utilize the services of its outside compensation consultants, as it shall determine under the circumstances). In addition, Mr. Cutaia is eligible to receive performance-based cash and/or stock bonuses upon attainment of performance targets established by our board of directors in its sole discretion, after it has received and reviewed advice from the Compensation Committee (who may or may not utilize the services of its outside compensation consultants, as it shall determine under the circumstances). We must make annual equity grants to Mr. Cutaia as determined by our board of directors in its sole discretion, after it has received and reviewed advice from the Compensation Committee (who may or may not utilize the services of its outside compensation consultants, as it shall determine under the circumstances). Finally, Mr. Cutaia is eligible for certain other benefits, such as health, vision, and dental insurance, life insurance, and 401(k) matching.

Mr. Cutaia earned total cash compensation for his services to us in the amount of \$490 and \$459 for the fiscal years ending December 31, 2024 and 2023, respectively. The lower amount in fiscal 2023 includes a 25% reduction in the cash compensation component over a four-month period starting December 1, 2022.

On November 8, 2024, we granted Mr. Cutaia restricted stock units with an aggregate fair market value of \$500, payable in 50,968 shares of our common stock. The restricted stock units vest over a four-year period. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$9.78 and was used to calculate fair market value.

On April 5, 2024, we paid Mr. Cutaia a performance bonus of \$250 and on December 31, 2024, Mr. Cutaia was awarded his annual incentive bonus of \$490.

On June 21, 2023, we granted Mr. Cutaia restricted stock units with an aggregate fair market value of \$31, payable in 138 shares of our common stock. The restricted stock units vested on the grant date. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$222.00 and was used to calculate fair market value.

On June 21, 2023 we granted Mr. Cutaia stock options with an aggregate fair market value of \$486, valued using the Black-Scholes option methodology, payable in 2,545 shares of our common stock. The stock options are subject to a four-year vesting period, with 25% of the award vesting on each of the first, second, third, and fourth anniversaries from the grant date. The fair value per option of \$191.00 was valued using the Black-Scholes option methodology.

As of December 31, 2024 and 2023, Mr. Cutaia had accrued but unpaid compensation equal to \$490 and \$648, respectively.

#### *Bill J. Rivard*

Mr. Rivard was appointed as interim Chief Financial Officer on June 13, 2023. Mr. Rivard earned total cash compensation for his services to us in the amount of \$225 and \$195 for the fiscal years ending December 31, 2024 and 2023, respectively.

During the year ended December 31, 2024, Mr. Rivard was paid a discretionary bonus of \$4 and on December 31, 2024, was awarded an annual incentive bonus of \$25.

On November 8, 2024, we granted Mr. Rivard restricted stock units with an aggregate fair market value of \$225, payable in 22,936 shares of our common stock. The restricted stock units vest over a four-year period. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$9.78 and was used to calculate fair market value.

On September 28, 2023, we granted Mr. Rivard restricted stock units with an aggregate fair market value of \$100, payable in 685 shares of our common stock. The restricted stock units are subject to a four-year vesting period, with 25% of the award vesting on the first, second, third, and fourth anniversaries from the grant date. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$146.00 and was used to calculate fair market value.

On June 21, 2023, we granted Mr. Rivard restricted stock units with an aggregate fair market value of \$11, payable in 51 shares of our common stock. The restricted stock units vested on the grant date. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$222.00 and was used to calculate fair market value.

In fiscal 2023, Mr. Rivard received an incentive bonus of \$3 which was paid in cash.

As of December 31, 2024 and 2023, Mr. Rivard had accrued but unpaid compensation equal to \$25 and \$0, respectively.

#### **Resignation, Retirement, Other Termination, or Change-of-Control Arrangements**

Other than as disclosed below, we have no contract, agreement, plan, or arrangement, whether written or unwritten, that provides for payments to our directors or executive officers at, following, or in connection with the resignation, retirement, or other termination of our directors or executive officers, or a change of control of our company or a change in our directors' or executive officers' responsibilities following a change of control.

#### *Rory J. Cutaia*

Pursuant to Mr. Cutaia's employment agreement dated January 1, 2024, Mr. Cutaia is entitled to the following severance package in the event he is "terminated without cause," "terminated for good reason," or "terminated upon permanent disability": (i) monthly payments of \$35,833 or such sum equal to his monthly base compensation at the time of the termination, whichever is higher, for a period of 36 months from the date of such termination and (ii) reimbursement for COBRA health insurance costs for 18 months from the date of such termination and, thereafter, reimbursement for health insurance costs for

Mr. Cutaia and his family during the immediately subsequent 18-month period. In addition, all of Mr. Cutaia's then-unvested restricted stock awards or other awards will immediately vest, without restriction, and any unearned and unpaid bonus compensation, expense reimbursement, and all accrued vacation, personal, and sick days, and related items shall be deemed earned, vested, and paid immediately. For purposes of the employment agreement, "terminated without cause" means if Mr. Cutaia were to be terminated for any reason other than a discharge for cause or due to Mr. Cutaia's death or permanent disability. For purposes of the employment agreement, "terminated for good reason" means the voluntary termination of the employment agreement by Mr. Cutaia if any of the following were to occur without his prior written consent, which consent cannot be unreasonably withheld considering our then-current financial condition, and, in each case, which continues uncured for 30 days following receipt by us of Mr. Cutaia's written notice: (i) there is a material reduction by us in (A) Mr. Cutaia's annual base salary then in effect or (B) the annual target bonus, as set forth in the employment agreement, or the maximum additional amount up to which Mr. Cutaia is eligible pursuant to the employment agreement; (ii) we reduce Mr. Cutaia's job title and position such that Mr. Cutaia (A) is no longer our Chief Executive Officer; (B) is no longer our Chairman of the Board; or (C) is involuntarily removed from our board of directors; or (iii) Mr. Cutaia is required to relocate to an office location outside of Orange County, California, or outside of a 30-mile radius of Newport Beach, California. For purposes of the employment agreement, "terminated upon permanent disability" means if Mr. Cutaia were to be terminated because he is then unable to perform his duties due to a physical or mental condition for (i) a period of 120 consecutive days or (ii) an aggregate of 180 days in any 12-month period.

### ***Corporate Action, Change of Control, and Extraordinary Performance Agreements***

The Company's shares have traded and are continuing to trade at a price that results in a market cap that is significantly less than the Company's current net cash position. Accordingly, the Company's Board of Directors has determined that the Company is vulnerable to hostile takeover action and that any such action at this time is not in the best interests of its stockholders. The Company does not currently have any poison pill type provisions and due to previous reverse stock splits and other capital markets activities, the Company's management and board members currently own an insignificant number of shares and as such would be ineffective in voting such shares to thwart any hostile takeover actions. Until such time as the Board determines whether it is necessary or advisable to adopt a poison pill provision or other anti-takeover measure, on October 31, 2024, the Company entered into Corporate Action, Change of Control, and Extraordinary Performance Agreements (the "Agreement") with Rory J. Cutaia, Founder, Chairman and CEO of the Company, and James Geiskopf, Lead Director, (the "Awardees") pursuant to which the Company will issue fully vested restricted stock units ("RSU") subject to certain triggering events (the "Triggering Events"), as described below. Each RSU represents the right to be issued one share of common stock (the shares upon vesting, are subject to the restrictions as set forth in the Agreement, under the Company's 2019 Omnibus Incentive Plan, or the RSU award agreement).

The Triggering Events include, among other things, the following:

#### **1. Acceleration Upon a Corporate Transaction or Change of Control**

- a. "Corporate Transaction" means any person or Group (as defined in the Agreement) acquires an ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirteen percent (13%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is required to file a Schedule 13D (Beneficial Ownership Report (for >5% ownership with intent to influence)) with the U.S. Securities and Exchange Commission within 10 days of such acquisition. In the event of either a Corporate Transaction or a Change of Control, on or prior to December 31, 2025, the Awardee shall be entitled to fully vested 80,000 Restricted Stock Units for each Measurement Date (as defined in the Agreement) that cannot be reached due to the Change of Control. For example, for clarity, if the Corporate Transaction or Change of Control closes on July 15, 2025, then the Awardee shall be entitled to 160,000 Restricted Stock Units (2 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee and the Company shall grant and deliver the accelerated Restricted Stock Units Awards to Awardee on or prior to such closing of the Corporate Transaction or Change of Control.

- b. **“Change of Control”** means and includes each of the following:
- i. any one person, or group of owners of another corporation who, acting together through a merger, consolidation, purchase, acquisition of stock or the like (a “Group”), acquires ownership of Shares of the Company that, together with the Shares held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the Shares of the Company (or other voting securities of the Company then outstanding). However, if such person or Group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the Shares (or other voting securities of the Company then outstanding) before this transfer of the Company’s Shares (or other voting securities of the Company then outstanding), the acquisition of additional Shares (or other voting securities of the Company then outstanding) by the same person or Group shall not be considered to cause a Change of Control of the Company; or
  - ii. any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirty percent (30%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is not merely acquiring additional control of the Company; or
  - iii. a majority of members of the Company’s Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company’s Board prior to the date of the appointment or election (the “Incumbent Board”), but excluding, for purposes of determining whether a majority of the Incumbent Board has endorsed any candidate for election to the Board, any individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or Group other than the Company’s Board; or
  - iv. any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or Group) all or substantially all of the assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total fair market value of all assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, “gross fair market value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

The Triggering Events also include partial issuances of RSU’s to the Awardees through the achievement of extraordinary performance-based quarterly revenue milestones as determined by the Board (the “Revenue Milestones”), and as measured on specific dates, each a “Measurement Date” defined as December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025, and December 31, 2025, and the Awardees providing continuous services through the achievement of such milestones. Pursuant to the Agreement, each Awardee may be entitled to receive between 40,000 and 80,000 RSU’s upon achieving the following Revenue Milestones (i) between \$500,000 and \$900,000 as of December 31, 2024, (ii) between \$1.1M and \$1.5M as of March 31, 2025, (iii) between \$1.7M and \$2.1M as of June 30, 2025, (iv) between \$2.3M and \$2.7M as of September 30, 2025, and (v) \$2.9M and \$3.3M as of December 31, 2025. The achievement of each of the applicable quarterly Revenue Milestones on each Measurement Date will be reasonably determined by the Company’s Board of Directors.

### **Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth, for each named executive officer, certain information concerning outstanding restricted stock awards as of December 31, 2024. Market value was determined using the closing price of our common stock on December 31, 2024, which was \$6.54.

<u>Name</u>	<u>Number of Shares or Units of Stock That Have Not Vested (#)</u>	<u>Market value (in thousands) of shares of units of stock that have not vested (\$)</u>	<u>Vest date</u>
Rory J. Cutaia .....	10	1	January 4, 2025 <sup>(1)</sup>
	26	1	January 20, 2026 <sup>(1)</sup>
	50,968	333	November 8, 2028 <sup>(1)</sup>
Bill J. Rivard <sup>(2)</sup> .....	514	3	September 28, 2027 <sup>(1)</sup>
	22,936	150	November 8, 2028 <sup>(1)</sup>

<sup>(1)</sup> 25% vesting on the first, second, third, and fourth anniversaries from the grant date.

<sup>(2)</sup> Mr. Rivard was appointed as interim Chief Financial Officer on June 13, 2023.

The following table sets forth, for each Named Executive Officer, certain information concerning outstanding option awards as of December 31, 2024:

<u>Name</u>	<u>Number of securities underlying unexercised options (exercisable) (#)</u>	<u>Number of securities underlying unexercised options (unexercisable) (#)</u>	<u>Option Exercise price (\$)</u>	<u>Option expiration date</u>
Rory J. Cutaia .....	30	-	1,760.00	November 16, 2027 <sup>(2)</sup>
	450	1,352	222.00	June 20, 2028 <sup>(1)</sup>
	186	558	222.00	June 20, 2028 <sup>(1)</sup>
Bill J. Rivard <sup>(3)</sup> .....	14	5	14,400.00	November 16, 2026 <sup>(1)</sup>

<sup>(1)</sup> 25% vesting on the first, second, third, and fourth anniversaries from the grant date.

<sup>(2)</sup> All options have fully vested.

<sup>(3)</sup> Mr. Rivard was appointed as interim Chief Financial Officer on June 13, 2023.

### Director Compensation Table

The table below summarizes the compensation paid to our non-employee directors for the fiscal year ended December 31, 2024 (in thousands):

<u>Name<sup>(1)</sup></u>	<u>Fees earned or paid in cash (\$)</u>	<u>Stock awards (\$)</u>	<u>Total (\$)</u>
James P. Geiskopf .....	467	160 <sup>(2)</sup>	627
Kenneth S. Cragun .....	75	80 <sup>(3)</sup>	155
Edmund C. Moy .....	56	80 <sup>(4)</sup>	136

<sup>(1)</sup> Rory J. Cutaia, our Chairman of the Board, Chief Executive Officer, President, and Secretary during the fiscal year ending December 31, 2024, is not included in this table as he was an employee, and, thus, received no compensation for his services as a director. The compensation received by Mr. Cutaia as an employee is disclosed in the section entitled “Executive Compensation – Summary Compensation Table” appearing elsewhere in this Annual Report.

<sup>(2)</sup> Represents a grant of restricted stock units on November 8, 2024, with an aggregate fair market value of \$160 payable in 16,310 shares of our common stock. The restricted stock units vest on the first anniversary of the grant date. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$9.78 and was used to calculate fair market value.

<sup>(3)</sup> Represents a grant of restricted stock units on November 8, 2024, with an aggregate fair market value of \$80 payable in 8,155 shares of our common stock. The restricted stock units vest on the first anniversary of the grant date. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$9.78 and was used to calculate fair market value.

<sup>(4)</sup> Represents a grant of stock options on November 8, 2024, totaling 9,019 shares of our common stock valued at \$8.847 per option, which was valued using the Black-Scholes option methodology. The stock options expire in five years and vest on the first anniversary of the grant date.

## Narrative Disclosure to Director Compensation Table

The annual board fee payable in cash for our Lead Director is \$240 and for the other independent directors is \$75. In addition, we intend to provide a restricted stock unit or stock options based on recommendations from our independent compensation consultant. Our directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. Our board of directors may award special remuneration to any director undertaking any special services on their behalf other than services ordinarily required of a director.

### *James P. Geiskopf*

Mr. Geiskopf earned total cash compensation for his services to us in the amount of \$467 and \$175 for the fiscal years ending December 31, 2024 and 2023, respectively.

On November 8, 2024, we granted Mr. Geiskopf restricted stock units with an aggregate fair market value of \$160 payable in 16,310 shares of our common stock. The restricted stock units vest on the first anniversary of the grant date. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$9.78 and was used to calculate fair market value.

On April 2, 2024, we paid Mr. Geiskopf a performance bonus of \$250.

On June 21, 2023, the Company granted Mr. Geiskopf 815 stock options, which expire in five years and vest on the first anniversary of the grant date, with an exercise price of \$222.00 per share. The fair value per option of \$191.00 was calculated using the Black-Scholes option methodology.

On June 21, 2023, we granted Mr. Geiskopf restricted stock units with an aggregate fair market value of \$11, payable in 49 shares of our common stock. The restricted stock units vested on the grant date. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$222.00 and was used to calculate fair market value.

On January 20, 2023, the Company granted Mr. Geiskopf 17 stock options, which vested on the grant date, with an exercise price of \$1,840.00 per share and were issued to replace forfeited restricted stock units that were issued on January 20, 2022.

### *Kenneth S. Cragun*

Mr. Cragun earned total cash compensation for his services to us in the amount of \$75 and \$75 for the fiscal years ending December 31, 2024 and 2023, respectively.

On November 8, 2024, we granted Mr. Cragun restricted stock units with an aggregate fair market value of \$80 payable in 8,155 shares of our common stock. The restricted stock units vest on the first anniversary of the grant date. The price per share as reported by The Nasdaq Capital Market on the day of issuance was \$9.78 and was used to calculate fair market value.

On June 21, 2023, the Company granted Mr. Cragun 408 stock options, which expire in five years and vest on the first anniversary of the grant date, with an exercise price of \$222.00 per share. The fair value per option of \$191.00 was calculated using the Black-Scholes option methodology.

On January 20, 2023, the Company granted Mr. Cragun 9 stock options, which vested on grant, with an exercise price of \$1,840.00 per share, to replace forfeited restricted stock units that were issued on January 20, 2022.

### *Edmund C. Moy*

Mr. Moy was elected to the board on October 21, 2022 and earned total cash compensation for his services to us in the amount of \$56 and \$0 for the fiscal years ending December 31, 2024 and 2023, respectively.

On November 8, 2024, the Company granted Mr. Moy 9,019 stock options, which expire in five years and vest on the first anniversary of the grant date, with an exercise price of \$9.81 per share. The fair value per option of \$8.847 was determined using the Black-Scholes option methodology.

On September 28, 2023, the Company granted Mr. Moy 514 stock options, which vested on January 2, 2024, with an exercise price of \$146.00 per share. The fair value per option of \$132.20 was determined using the Black-Scholes option methodology.

On June 21, 2023, the Company granted Mr. Moy 408 stock options, which expire in five years and vest on the first anniversary of the grant date, with an exercise price of \$222.00 per share. The fair value per option of \$191.00 was determined using the Black-Scholes option methodology.

### Outstanding Equity Awards at Fiscal Year-End

The following table sets forth, for each non-employee director, certain information concerning outstanding restricted stock awards as of December 31, 2024. Market value was determined using the closing price of our common stock on December 31, 2024, which was \$6.54.

Name	Number of Shares or Units of Stock That Have Not Vested (#)	Market value (in thousands) of shares of units of stock that have not vested (S)	Vest date
James P. Geiskopf.....	16,310	107	November 8, 2025 <sup>(1)</sup>
Kenneth S. Cragun.....	8,155	53	November 8, 2025 <sup>(1)</sup>

<sup>(1)</sup> Vesting on the first anniversary of the grant date.

The following table sets forth, for each non-employee director, certain information concerning outstanding option awards as of December 31, 2024:

Name	Number of securities underlying unexercised options (exercisable) (#)	Number of securities underlying unexercised options (unexercisable) (#)	Option exercise price (S)	Option expiration Date
James P. Geiskopf.....	26	-	1,760.00	November 16, 2027 <sup>(1)</sup>
	17	-	1,840.00	January 19, 2028 <sup>(1)</sup>
	815	-	222.00	June 20, 2028 <sup>(1)</sup>
Kenneth S. Cragun.....	13	-	1,760.00	November 16, 2027 <sup>(1)</sup>
	8	-	1,760.00	November 16, 2027 <sup>(1)</sup>
	9	-	1,840.00	January 19, 2028 <sup>(1)</sup>
Edmund C. Moy .....	408	-	222.00	June 20, 2028 <sup>(1)</sup>
	8	-	1,760.00	November 16, 2027 <sup>(1)</sup>
	408	-	222.00	June 20, 2028 <sup>(1)</sup>
	514	-	146.00	September 27, 2028 <sup>(1)</sup>
	-	9,019	9.81	November 7, 2029 <sup>(2)</sup>

<sup>(1)</sup> All options have fully vested.

<sup>(2)</sup> Vesting on the first anniversary of the grant date.

### Actions to Recover Erroneously Awarded Compensation

At no time during the last fiscal year was the Company required to prepare an accounting restatement that required recovery of an erroneously awarded compensation pursuant to our Clawback Policy as attached as Exhibit 97 to this Annual Report.

## Policies and Practices related to the Grant of Certain Equity Awards Close in Time to the Release of Material Nonpublic Information (“MNPI”)

In accordance with Item 402(x) of Regulation S-K under the Securities Act, we are providing information regarding our procedures related to the grant of certain equity awards close in time to the release of *MNPI*. Although we do not have a formal policy, program or plan that requires us to award equity or equity-based compensation on specific dates, we generally issue equity awards to our executive officers annually in the first quarter, and such awards are approved by our Compensation Committee during the first quarter. Additionally, our Insider Trading Policy prohibits directors, officers and employees from trading in our common stock while in possession of or on the basis of *MNPI* about us. We have not timed, and do not plan to time, the disclosure of *MNPI* for the purpose of affecting the value of executive compensation.

In the year ended December 31, 2024, no options were granted to our named executive officers within four business days prior to, or one business day following, the filing or furnishing of a periodic or current report by us that disclosed *MNPI*.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of March 19, 2025, certain information with respect to the beneficial ownership of our common stock by (i) each of our current directors and director nominees, (ii) each of our named executive officers, (iii) our directors, director nominees and named executive officers as a group, and (iv) each stockholder known by us to be the beneficial owner of more than 5% of the outstanding shares of our outstanding common stock.

We have determined beneficial ownership in accordance with the rules of the SEC, which generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe, based on the information furnished to us, that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. Shares of common stock issuable upon conversion of convertible notes, exercise of options or warrants, or settlement of restricted stock units, or that may become issuable within 60 days of March 19, 2025, are considered outstanding and beneficially owned by the person holding the convertible notes, options, warrants or restricted stock units for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Name and Address of Beneficial Owner <sup>(1)</sup>	Title of Class	Amount and Nature of Beneficial Ownership <sup>(2)</sup>	Percent of Class <sup>(3)</sup>
Rory J. Cutaia .....	Common	61,573 <sup>(4)</sup>	6%
James P. Geiskopf.....	Common	61,027 <sup>(5)</sup>	5
Kenneth S. Cragun.....	Common	457 <sup>(6)</sup>	*
Bill J. Rivard.....	Common	253 <sup>(7)</sup>	*
Edmund C. Moy .....	Common	930 <sup>(8)</sup>	*
All directors and executive officers as a group.....	Common	124,240	11%

\* Less than 1%.

<sup>(1)</sup> Messrs. Cutaia, Geiskopf, Cragun, and Moy are current directors. Messrs. Cutaia and Rivard are our Named Executive Officers and Messrs. Cutaia and Rivard are our only current executive officers.

<sup>(2)</sup> Unless otherwise indicated, the address of each beneficial owner listed in the table below is: c/o Verb Technology Company, Inc., 3024 Sierra Juniper Court, Las Vegas, Nevada 89138.

<sup>(3)</sup> Percentage of common stock is based on 1,113,143 shares of our common stock outstanding as of March 19, 2025.

<sup>(4)</sup> Consists of (i) 60,869 shares of common stock held directly by Mr. Cutaia, (ii) 30 shares of common stock held by Cutaia Media Group Holdings, LLC (an entity over which Mr. Cutaia has dispositive and voting authority), (iii) 7 shares of common stock held by Mr. Cutaia’s spouse (as to which shares, he disclaims beneficial ownership), (iv) 1 share of common stock held jointly by Mr. Cutaia and his spouse, and (v) 666 shares of common stock underlying stock options exercisable within 60 days of March 19, 2025. This amount excludes 126,854 shares of common stock underlying restricted stock units and 1,910 shares of common stock underlying stock options that will not vest within 60 days of March 19, 2025.

<sup>(5)</sup> Consists of (i) 60,168 shares of common stock held directly, (ii) 1 share of common stock held by Mr. Geiskopf’s children, and (iii) 858 shares of common stock underlying stock options exercisable within 60 days of March 19, 2025. This amount excludes 40,589 shares of common stock underlying restricted stock units that will not vest within 60 days of March 19, 2025.

<sup>(6)</sup> Consists of (i) 19 shares of common stock held directly, and (ii) 438 shares of common stock underlying stock options exercisable within 60 days of March 19, 2025. This amount excludes 20,295 shares of common stock underlying restricted stock units that will not vest within 60 days of March 19, 2025.

- (7) Consists of (i) 239 shares of common stock held directly and (ii) 14 shares of common stock underlying stock options exercisable within 60 days of March 19, 2025. This amount excludes 57,593 shares of common stock underlying restricted stock units and 5 shares of common stock underlying stock options that will not vest within 60 days of March 19, 2025.
- (8) Consists of 930 shares of common stock underlying stock options exercisable within 60 days of March 19, 2025. This amount excludes 22,470 shares of common stock underlying stock options that will not vest within 60 days of March 19, 2025.

## Securities Authorized for Issuance under Equity Compensation Plans

### 2019 Omnibus Incentive Plan

On November 11, 2019, our board of directors approved our 2019 Omnibus Incentive Plan, or Incentive Plan, and on December 20, 2019, our stockholders approved and adopted the Incentive Plan. The material terms of the Incentive Plan are summarized below.

On September 2, 2020, our board of directors approved an additional 200,000 shares of our common stock to be authorized for awards granted under the Incentive Plan, and on October 16, 2020, our stockholders approved the additional 200,000 shares of our common stock to be authorized for awards granted under the Incentive Plan.

On February 17, 2023, our board of directors approved an additional 15,000,000 shares of common stock to be authorized under the Incentive Plan, and on April 10, 2023, our stockholders approved the additional 15,000,000 shares of our common stock to be authorized for awards granted under the Incentive Plan.

The following table summarizes certain information regarding our equity compensation plans as of December 31, 2024:

Plan category	Number of securities to be issued upon exercise of outstanding restricted stock awards, options, warrants and rights (a)	Weighted-average exercise price of outstanding restricted stock awards, options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders .....	216,888	\$ 10.05	15,430,927
Equity compensation plans not approved by security holders .....	-	-	-
<b>Total</b> .....	<b>216,888</b>	<b>\$ 10.05</b>	<b>15,430,927</b>

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

### General

Other than the transactions discussed below, and the executive compensation arrangements described in the section titled “Executive Compensation,” since January 1, 2023, in which the amount involved in the transaction exceeded or will exceed the lesser of \$120,000 or one percent of the average of our total assets at the year-end for the fiscal years ended December 31, 2024 and 2023, and in which any director, executive officer, holder of more than 5% of our common stock, or any member of the immediate family of any of the foregoing, had or will have a direct or indirect material interest (any such transaction, a “related party transaction”).

### Policies and Procedures for Approval of Related Party Transactions

If we contemplate entering into any transaction with a related party, regardless of the amount involved, the terms of such transaction are required to be presented to our Board for approval in advance of the transaction. Any director, officer or employee who becomes aware of a transaction or relationship that could reasonably be expected to give rise to a conflict of interest is required to disclose the matter promptly to our Board. Our Board must then either approve or reject the transaction and may only approve the transaction if it determines, based on all of the information presented, that the related party transaction is not inconsistent with the best interests of the Company and its stockholders.

## Related Party Transactions

Unless otherwise specified, all dollar amounts in this section are in thousands except per share amounts and par values. All historical share and per-share amounts reflected throughout this section have been adjusted to reflect a reverse stock split implemented on October 9, 2024.

### Notes Payable to Related Parties

The Company has the following outstanding notes payable to related parties on December 31, 2024 and 2023 (in thousands):

<u>Note</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Borrowing</u>	<u>Largest Aggregate Amount Outstanding Since January 1, 2023</u>	<u>Amount Outstanding as of December 31, 2024</u>	<u>Interest Paid Since January 1, 2024</u>	<u>Interest Paid Since January 1, 2023</u>
Note 1 <sup>(1)</sup> .....	December 1, 2015	April 1, 2023	12.0%	\$ 1,249	\$ 879	\$ -	\$ -	\$ 154
Note 2 <sup>(2)</sup> .....	April 4, 2016	June 4, 2021	12.0%	343	48	-	-	8
<b>Total notes payable – related parties .....</b>					<b>\$ 927</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 162</b>

- (1) On December 1, 2015, we issued a convertible note payable to Mr. Cutaia in the principal amount of \$1,249 to consolidate all loans and advances made by Mr. Cutaia to us as of that date. The note bears interest at a rate of 12% per annum, is secured by our assets, and initially matured on February 8, 2021. 30% of the original principal amount of the note, or \$375, was converted to common stock in 2018, while the remaining balance of \$825 was not initially convertible.

In February 2021, Mr. Cutaia and the Company amended the note to extend the maturity date from February 8, 2021 to February 8, 2023. In exchange for the extension, the Company issued Mr. Cutaia warrants to purchase 17 shares of common stock with a grant date fair value of \$287. The warrants were fully vested upon issuance, are exercisable at \$20,880.00 per share, and have a term of three years. There were no other changes to the original terms of the note.

On May 19, 2021, our Board approved an amendment to the note to allow for conversion of the note at any time at the discretion of the holder at a fixed conversion price of \$8,240.00, which was the closing price of the common stock on the amendment date. On May 12, 2022, the maturity date of the note was extended to April 1, 2023. On October 12, 2023, the Company repaid all of the outstanding principal and accrued interest amounting to \$879.

As of December 31, 2024, the outstanding balance of the note was \$0.

- (2) On April 4, 2016, we issued a convertible note to Mr. Cutaia, in the principal amount of \$343 to consolidate all loans and advances made by Mr. Cutaia to us during the period December 2015 through March 2016. The note bears interest at a rate of 12% per annum, is secured by our assets, and initially matured on June 4, 2021. 30% of the original principal amount of the note, or \$103, was converted to common stock in 2018, while the remaining balance of \$240 was not initially convertible.

On May 19, 2021, our Board approved an amendment to the note to allow for conversion of the note at any time at the discretion of the holder at a fixed conversion price of \$8,240.00, which was the closing price of the common stock on the amendment date. On the same date, \$200 of the principal amount of the note was converted into 24 shares of common stock at the fixed conversion price. On September 20, 2023, the Company repaid all of the outstanding principal and accrued interest amounting to \$48.

As of December 31, 2024, the outstanding balance of the note was \$0.

### Series B Preferred Stock

On February 17, 2023, the Company entered into a Subscription and Investment Representation Agreement (the “Subscription Agreement”) with Rory J. Cutaia, its Chief Executive Officer, who is an accredited investor (the “Purchaser”), pursuant to which the Company agreed to issue and sell one (1) share of the Company’s Series B Preferred Stock, par value \$0.0001 per share (the “Series B Preferred Stock”), to the Purchaser for \$5,000.00 in cash. The sale closed on February 17, 2023. On April 20, 2023, the Company redeemed the Series B Preferred Stock for \$5,000 in cash.

The Certificate of Designation provides that the holder of the Series B Preferred Stock will have 700,000,000 votes and will vote together with the outstanding shares of the Company’s common stock as a single class exclusively with respect to any proposal to amend the Company’s Articles of Incorporation, as amended, to effect a reverse stock split of the Company’s common stock and to increase the number of authorized shares of common stock of the Company. The Series B Preferred Stock will be voted, without action by the holder, on any such proposal in the same proportion, both For and Against, as shares of the common stock are voted. The Series B Preferred Stock otherwise has no voting rights except as otherwise required by the Nevada Revised Statutes.

The Series B Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. The Series B Preferred Stock has no rights with respect to any distribution of assets of the Company, including upon a liquidation, bankruptcy, reorganization, merger, acquisition, sale, dissolution or winding up of the Company, whether voluntarily or involuntarily. The holder of the Series B Preferred Stock will not be entitled to receive dividends of any kind.

The outstanding share of Series B Preferred Stock shall be redeemed in whole, but not in part, at any time (i) if such redemption is ordered by the Board of Directors in its sole discretion or (ii) automatically upon the effectiveness of the amendment to the Articles of Incorporation implementing a reverse stock split and the increase in authorized shares of common stock of the Company.

### Director Independence

The Board evaluates the independence of each nominee for election as a director of our Company in accordance with the Nasdaq Listing Rules. Pursuant to these rules, a majority of our Board must be “independent directors” within the meaning of the Nasdaq Listing Rules, and all directors who sit on our Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee must also be independent directors.

Our Board is currently composed of four members. We have determined that the following three directors qualify as independent: James P. Geiskopf, Kenneth S. Cragun, and Edmund C Moy. We determined that Mr. Cutaia, our Chairman of the Board, President, Chief Executive Officer and Secretary, is not independent.

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

### Audit Fees

The following table sets forth the fees billed to us for the year ended December 31, 2024 and 2023 for professional services rendered by our independent registered public accounting firms, Grassi & Co., CPAs, P.C. (“Grassi”) and Weinberg & Company, P.A. (“Weinberg”) (in thousands):

Fees	2024		2023	
	Grassi	Weinberg	Grassi	Weinberg
Audit Fees.....	\$ 231	\$ 15	\$ 257	\$ 168
Audit-Related Fees .....	30	13	31	59
Tax Fees .....	51	-	51	5
All Other Fees.....	-	-	-	1
<b>Total Fees .....</b>	<b>\$ 312</b>	<b>\$ 28</b>	<b>\$ 339</b>	<b>\$ 233</b>

For purposes of the preceding table, the professional fees are classified as follows:

- Audit Fees – These are fees performed for the audit of our annual financial statements and the required review of our quarterly financial statements and other procedures performed by the independent auditors to form an opinion on our financial statements.
- Audit-Related Fees – These are fees for expenses by the independent auditors that are associated with the audit, but don’t fall within the above-described category. Fees for auditor consents for registration filings are included within this category.
- Tax Fees – These are fees for all professional services performed by professional staff in our independent auditor’s tax group, except those services related to the audit of our financial statements.
- All Other Fees – These are fees for other permissible work, such as due diligence related to acquisitions and dispositions, audits related to acquisitions, attestation services that are not required by statute or regulation, and for other permissible work performed that does not meet the above-described categories.

### Pre-Approval Policies and Procedures

The Audit Committee has adopted policies and procedures to oversee the external audit process and pre-approves all services provided by our independent registered public accounting firm. All of the above services and fees were reviewed and approved by our Board or Audit Committee, as applicable, before the respective services were rendered.

**PART IV**

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

(a)(1) Financial Statements

Reference is made to the financial statements attached beginning on page F-2 of this Annual Report.

	<u>Page</u>
<b>Reports of Independent Registered Public Accounting Firms (PCAOB ID NO: 606)</b> .....	F-1
<b>Consolidated Balance Sheets</b> .....	F-3
<b>Consolidated Statements of Operations</b> .....	F-4
<b>Consolidated Statements of Changes in Stockholders' Equity</b> .....	F-5
<b>Consolidated Statements of Cash Flows</b> .....	F-6
<b>Notes to Consolidated Financial Statements</b> .....	F-7

(a)(2) Financial Statement Schedules

None.

(a)(3) Exhibits

Reference is made to the exhibits listed on the Index to Exhibits.

**ITEM 16. FORM 10-K SUMMARY**

None.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Stockholders and Board of Directors  
Verb Technology Company, Inc.**

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Verb Technology Company, Inc. (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of operations, changes in stockholders’ equity, and cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### Valuation of Capitalized Software Development Costs and its Useful Life

##### *Critical Audit Matter Description*

As of December 31, 2024, the Company’s capitalized software development costs, net of accumulated amortization, aggregated \$3.0 million. As disclosed in Note 2 to the consolidated financial statements, due to changes in market conditions and technological trends affecting the software application’s expected future use, management reassessed the estimated remaining useful life of its primary capitalized software development asset. Effective January 1, 2024, the Company revised the asset’s remaining useful life and is now amortizing the asset on a straight-line basis over a period of four years, which represents a change from the previous amortization period.

We identified the assessment of the capitalized software development costs as a critical audit matter due to the following:

- a) The capitalized software development costs are material to the consolidated financial statements;
- b) The change in estimated useful life required significant management judgment regarding the expected future use of the software, technology obsolescence factors, anticipated competitive landscape, and potential changes in customer requirements;
- c) Management's determination of whether impairment indicators were present as of the consolidated balance sheet date involved significant subjective assessments of qualitative factors, including but not limited to, changes in the business strategy, technological developments, and projected future cash flows expected to be generated by the software; and
- d) Auditing these elements involved especially challenging auditor judgment in evaluating the reasonableness of management's estimates and assumptions, as well as the application of heightened professional skepticism.

*How the Critical Audit Matter was Addressed in the Audit.*

Our audit procedures related to the evaluation of the capitalized software development costs included the following, among others:

- a) We obtained an understanding of controls over the Company's accounting and disclosures for capitalized software development cost.
- b) We also obtained an understanding of the company's history and development of the capitalized software through inquiries with management and review of relevant agreements and other source documentation.
- c) With respect to the Company's valuation and useful life of capitalized software development costs:
  - i. We evaluated the methodology used by management to identify and assess potential impairment indicators against the criteria outlined in ASC 360-10-35-21.
  - ii. We assessed the qualifications and expertise of management in evaluating the impairment indicators and the prospects of the business utilizing the capitalized software.
  - iii. We obtained and evaluated the reasonableness of management's undiscounted cash flow forecast related to supporting its valuation assertion with respect to the capitalized software development cost. Specifically, we tested the mathematical accuracy of the forecast and evaluated the reasonableness of key assumptions in the cash flow forecast.
  - iv. We evaluated the reasonableness of management's assertion by reviewing evidence of the software's continued use and functionality, activity, and related agreements with suppliers and partners of the Company.
- d) We assessed the sufficiency of disclosures with respect to capitalized software development costs.

/s/ Grassi & Co., CPAs, P.C.

We have served as the Company's auditor since 2023.

Jericho, NY

March 24, 2025

**VERB TECHNOLOGY COMPANY, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share data)

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash.....	\$ 7,617	\$ 4,353
Restricted cash .....	878	-
Accounts receivable, net of allowance for credit losses of \$0 and \$0 as of December 31, 2024 and 2023, respectively .....	350	-
ERC receivable – short-term .....	2,458	-
Short-term investments – trading .....	4,913	-
Prepaid expenses and other current assets .....	252	331
<b>Total current assets .....</b>	<b>16,468</b>	<b>4,684</b>
Capitalized software development costs, net.....	2,992	3,990
ERC receivable – long-term.....	-	1,528
Property and equipment, net.....	331	43
Operating lease right-of-use assets .....	340	218
Intangible assets, net .....	178	117
Other non-current assets.....	326	259
<b>Total assets .....</b>	<b>\$ 20,635</b>	<b>\$ 10,839</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable .....	\$ 731	\$ 1,408
Accrued expenses.....	2,326	2,324
Contract liabilities .....	134	-
Accrued payroll .....	425	420
Accrued officers' compensation.....	534	648
Notes payable, current.....	20	1,787
Accrued interest .....	-	533
Operating lease liabilities, current.....	124	67
Derivative liability.....	-	1
<b>Total current liabilities.....</b>	<b>4,294</b>	<b>7,188</b>
<b>Long-term liabilities</b>		
Notes payable, non-current.....	98	362
Operating lease liabilities, non-current.....	222	164
<b>Total liabilities.....</b>	<b>4,614</b>	<b>7,714</b>
Commitments and contingencies (Note 16)		
<b>Stockholders' equity</b>		
Series C Preferred Stock, \$0.0001 par value, 5,000 shares authorized, 0 and 3,000 shares issued and outstanding as of December 31, 2024 and 2023.....	-	2,980
Common stock, \$0.0001 par value, 400,000,000 shares authorized, 993,120 and 106,157 shares issued and outstanding as of December 31, 2024 and 2023 .....	1	1
Additional paid-in capital .....	203,295	175,766
Accumulated deficit.....	(187,094)	(175,622)
<b>Stockholders' equity in Verb Technology Company, Inc. ....</b>	<b>16,202</b>	<b>3,125</b>
Non-controlling interests .....	(181)	-
<b>Total stockholders' equity .....</b>	<b>16,021</b>	<b>3,125</b>
<b>Total liabilities and stockholders' equity .....</b>	<b>\$ 20,635</b>	<b>\$ 10,839</b>

The accompanying notes are an integral part of these consolidated financial statements

**VERB TECHNOLOGY COMPANY, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except share and per share data)

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenue</b> .....	\$ 895	\$ 63
<b>Costs and expenses</b>		
Cost of revenue, exclusive of depreciation and amortization shown separately below ...	224	19
Depreciation and amortization .....	1,077	2,331
General and administrative.....	11,238	11,508
Total costs and expenses.....	12,539	13,858
Operating loss from continuing operations .....	(11,644)	(13,795)
<b>Other income (expense), net</b>		
Interest income .....	692	-
Unrealized loss on short-term investments.....	(44)	-
Interest expense.....	(237)	(1,193)
Financing costs.....	(90)	(1,239)
Other income, net.....	812	1,162
Change in fair value of derivative liability .....	1	221
Total other income (expense), net.....	1,134	(1,049)
<b>Net loss from continuing operations</b> .....	<b>(10,510)</b>	<b>(14,844)</b>
Loss from discontinued operations, net of tax .....	-	(7,150)
<b>Net loss</b> .....	<b>(10,510)</b>	<b>(21,994)</b>
Less: Net loss attributable to non-controlling interests.....	(181)	-
<b>Net loss attributable to Verb Technology Company, Inc.</b> .....	<b>(10,329)</b>	<b>(21,994)</b>
Series C Preferred Stock dividend payable.....	(243)	-
Deemed dividend due to Series C redemption .....	(900)	-
Deemed dividend due to warrant reset.....	-	(164)
<b>Net loss to common stockholders</b> .....	<b>\$ (11,472)</b>	<b>\$ (22,158)</b>
Loss per share from continuing operations– basic and diluted .....	<b>\$ (19.36)</b>	<b>\$ (441.48)</b>
Loss per share from discontinued operations– basic and diluted .....	<b>\$ -</b>	<b>\$ (210.33)</b>
Weighted average number of common shares outstanding – basic and diluted .....	<b>592,478</b>	<b>33,995</b>

The accompanying notes are an integral part of these consolidated financial statements

**VERB TECHNOLOGY COMPANY, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(in thousands, except share and per share data)

**For the year ended December 31, 2024:**

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Non-</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>controlling</u>	
<b>Balance as of December 31, 2023</b> .....	<b>3,000</b>	<b>\$ 2,980</b>	<b>106,157</b>	<b>\$ 1</b>	<b>\$ 175,766</b>	<b>\$ (175,622)</b>	<b>\$ -</b>	<b>\$ 3,125</b>
Issuance of common stock in connection with public offerings, net...	-	-	415,487	-	18,596	-	-	18,596
Fair value of vested restricted stock awards, stock options and warrants .....	-	-	197	-	1,943	-	-	1,943
Fair value of common shares issued as payment on notes payable.....	-	-	95,573	-	2,867	-	-	2,867
Series C Preferred Shares redeemed in exchange for common shares.....	(3,000)	(2,980)	342,672	-	3,880	(900)	-	-
Series C Preferred Stock dividend payable paid with the issuance of common shares .....	-	-	32,913	-	243	(243)	-	-
Issuance of shares for fractional adjustments related to reverse stock split .....	-	-	121	-	-	-	-	-
Net loss .....	-	-	-	-	-	(10,329)	(181)	(10,510)
<b>Balance as of December 31, 2024</b> .....	<b>-</b>	<b>\$ -</b>	<b>993,120</b>	<b>\$ 1</b>	<b>\$ 203,295</b>	<b>\$ (187,094)</b>	<b>\$ (181)</b>	<b>\$ 16,021</b>

**For the year ended December 31, 2023:**

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Non-</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>controlling</u>	
<b>Balance as of December 31, 2022</b> .....	<b>-</b>	<b>\$ -</b>	<b>14,590</b>	<b>\$ 1</b>	<b>\$ 158,629</b>	<b>\$ (153,464)</b>	<b>\$ -</b>	<b>\$ 5,166</b>
Issuance of common stock in connection with public offerings, net...	-	-	51,864	-	9,110	-	-	9,110
Sale of Series C Preferred Stock.....	3,000	2,980	-	-	(180)	-	-	2,800
Fair value of vested restricted stock awards, stock options and warrants .....	-	-	1,013	-	2,400	-	-	2,400
Deemed dividend due to warrant reset.	-	-	-	-	164	(164)	-	-
Issuance of shares for fractional adjustments related to reverse stock split .....	-	-	156	-	-	-	-	-
Fair value of common shares issued for services.....	-	-	641	-	200	-	-	200
Fair value of common shares issued to settle accrued expenses .....	-	-	1,383	-	346	-	-	346
Fair value of common shares issued as payment on notes payable.....	-	-	36,510	-	5,097	-	-	5,097
Net loss .....	-	-	-	-	-	(21,994)	-	(21,994)
<b>Balance as of December 31, 2023</b> .....	<b>3,000</b>	<b>\$ 2,980</b>	<b>106,157</b>	<b>\$ 1</b>	<b>\$ 175,766</b>	<b>\$ (175,622)</b>	<b>\$ -</b>	<b>\$ 3,125</b>

The accompanying notes are an integral part of these consolidated financial statements

**VERB TECHNOLOGY COMPANY, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating Activities:</b>		
Net loss .....	\$ (10,510)	\$ (21,994)
Loss from discontinued operations, net of tax .....	-	7,150
<b>Adjustments to reconcile net loss used in operating activities, net of discontinued operations:</b>		
Depreciation and amortization .....	1,077	2,331
Share-based compensation .....	2,079	2,503
Amortization of debt discount .....	99	310
Amortization of debt issuance costs .....	73	241
Non-cash finance costs .....	90	1,239
Unrealized loss on short-term investments .....	44	-
Gain on lease termination .....	-	(263)
Change in fair value of derivative liability .....	(1)	(221)
<b>Effect of changes in assets and liabilities, net of discontinued operations:</b>		
Accounts receivable .....	(350)	-
Prepaid expenses and other current assets .....	(58)	85
ERC receivable .....	(930)	-
Operating lease right-of-use assets .....	66	195
Other assets .....	(67)	13
Accounts payable, accrued expenses, and accrued interest .....	(438)	(251)
Contract liabilities .....	134	-
Operating lease liabilities .....	(73)	(80)
Net cash used in operating activities attributable to continuing operations .....	(8,765)	(8,742)
Net cash used in operating activities attributable to discontinued operations .....	-	(1,855)
<b>Investing Activities:</b>		
Capitalized software development costs .....	-	(239)
Purchases of investments – trading securities .....	(5,502)	-
Proceeds from sale of investments – trading securities .....	545	-
Purchases of property and equipment .....	(342)	(32)
Purchases of intangible assets .....	(86)	(35)
Net cash used in investing activities attributable to continuing operations .....	(5,385)	(306)
Net cash provided by (used in) investing activities attributable to discontinued operations .....	-	4,750
<b>Financing Activities:</b>		
Proceeds from sale of common stock .....	18,596	9,215
Proceeds from sale of Series C Preferred Stock .....	-	2,980
Proceeds from notes payable .....	-	1,000
Payments for offering costs related to common stock offerings .....	(105)	-
Payments for offering costs related to Series C Preferred Stock .....	(180)	-
Payment of convertible note payable – related party .....	-	(765)
Payment of notes payable .....	(19)	(388)
Payment for convertible notes payable .....	-	(1,350)
Net cash provided by financing activities attributable to continuing operations .....	18,292	10,692
Net cash used in financing activities attributable to discontinued operations .....	-	(2,615)
Net change in cash and restricted cash .....	4,142	1,924
Cash and restricted cash - beginning of year .....	4,353	2,429
Cash and restricted cash - end of year .....	\$ 8,495	\$ 4,353

The accompanying notes are an integral part of these consolidated financial statements

**VERB TECHNOLOGY COMPANY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(in thousands, except share and per share data)**

**1. DESCRIPTION OF BUSINESS**

***Our Business***

References in this document to the “Company,” “Verb,” “we,” “us,” or “our” are intended to mean Verb Technology Company, Inc., individually, or as the context requires, collectively with its subsidiaries on a consolidated basis.

Our business is currently comprised of three distinct, yet complimentary business units, all three of which are currently operating and generating revenue. The first business unit is MARKET.live focused on interactive video-based social commerce. Our MARKET.live platform is a multi-vendor, livestream social shopping destination leveraging the convergence of ecommerce and entertainment. Brands, retailers and creators that join MARKET.live have the ability to broadcast livestream shopping events simultaneously on numerous social media channels, including TikTok, YouTube, LinkedIn, Facebook, Instagram, Twitch, as well as on MARKET.live, reaching exponentially larger audiences.

The Company has developed and deployed technology integrations with META, TikTok, and Pinterest, among many others. For example, the Meta integration created a seamless, native, friction-free checkout process for Facebook and Instagram users to purchase MARKET.live vendors’ products within each of those popular apps. This integration allows Facebook and Instagram users to browse products featured in MARKET.live shoppable videos, place products in a native shopping cart and checkout – all without leaving Facebook or Instagram. Our TikTok technology integration allows shoppers watching a MARKET.live stream on TikTok to stay on TikTok and check out through TikTok, eliminating the friction or reluctance of TikTok users to leave their TikTok feed in order to complete their purchase. Our technology integration allows the purchase data to flow back through MARKET.live and to the individual vendors and stores on MARKET.live seamlessly for fulfillment of the orders.

Last year we announced an expanded strategic relationship with TikTok evidenced by a formal partnership with TikTok Shop pursuant to which MARKET.live became a service provider for TikTok Shop and officially designated as a TikTok Shop Partner (TSP). Under the terms of the partnership, TikTok Shop refers consumer brands, retailers, influencers and affiliates leads to MARKET.live for a menu of MARKET.live contract-based recurring fee revenue services that include, among other things, assistance in onboarding to TikTok Shop and establishing a TikTok store, hosting training sessions and webinars for prospective TikTok Shop sellers, full creative services including content creation and full remote and in-studio production services, host/influencer casting and management, TikTok Shop maintenance and enhancements for existing TikTok clients’ stores. The same services are currently provided to consumer brands that contact us directly or through several brand agencies with which we maintain affiliate relationships.

On March 4, 2025, we announced the execution of a binding term sheet to acquire LyveCom, an artificial intelligence (“AI”) driven video commerce platform. The transaction is subject to certain terms and conditions, including completion of an audit of Lyvecom’s financial statements, which terms and conditions are set forth in detail in the Form 8-K filed on March 4, 2025. See Note 18 – Subsequent Events.

The second business unit is GO FUND YOURSELF!, an interactive social crowd funding platform for public and private companies seeking broad-based exposure across numerous social media channels for their crowd-funded Regulation CF and Regulation A offerings. The platform combines an interactive reality TV show that has been described as a combination of Shark Tank and Kickstarter with MARKET.live’s back-end capabilities allowing viewers to tap or scan onscreen icons and QR codes to facilitate an investment, in near real time, as they watch companies presenting before the Show’s panel of “Titans”. Presenting companies that sell consumer products are able to offer their products directly to viewers during the show in near real time through the same onscreen technology.

The Show airs weekly on CheddarTV, available on most cable operators, prime time at 7pm EST. The Go Fund Yourself business unit generates revenue from cash fees we charge to issuers to appear on the show and for marketing, ad, and content creation and distribution services. For those issuers that sell products during each airing of the show through our platform, we charge a fee up to 25% of the gross sales revenue for all products sold. The Show’s expert panel of “Titans” include rotating celebrity guest Titans from the worlds of business, sports, and entertainment, such as NFL Hall of Fame running back Marshall Faulk, among many others, as well as the recurring panel of Titans that include David Meltzer – Chairman of the Napoleon Hill Institute and Former CEO of the Leigh Steinberg Sports & Entertainment agency; Jayson Waller – thought leader, CEO

of multiple multi-million-dollar companies, and host of the popular ‘*Jayson Waller Unleashed*’ Podcast; and Rory J. Cutaia – the Show’s creator and the Founder, Chairman and CEO of Verb, each of whom are executive producers and minority owners of the Show

The third business unit is Vanity Prescribed, a new telehealth initiative not unlike such companies as “HIMS” and “HERS” that are currently exploiting the rapid growth associated with the resale of the new weight-loss drugs. Vanity Prescribed leverages MARKET.live’s social commerce technology which the Company intends to employ to disrupt the traditional healthcare model by utilizing social commerce capabilities to provide tailored healthcare solutions at affordable, fixed prices, without hidden fees, membership costs, or inflated pharmaceutical markups.

On March 11, 2025, the Company announced the launch of GoodGirlRx.com, a partnership under Vanity Prescribed with Savannah Chrisley, a well-known lifestyle personality with millions of social media followers and an advocate for health and wellness. Through GoodGirlRx.com, customers will have access to convenient, no-hassle telehealth services and pharmaceuticals, including the new weight-loss drugs, that offer fixed pricing regardless of dosage, breaking away from the industry’s traditional model of excessive pricing and pharmaceutical gatekeeping. Through GoodGirlRx.com customers will be able to obtain virtual doctor visits with licensed physicians who can prescribe the weight loss drugs and other pharmaceuticals available to purchase on the site for those that qualify. Subscription pricing is also available through the site.

Historically, and continuing up through June 13, 2023, the Company was a Software-as-a-Service (“SaaS”) applications platform developer that offered a SaaS platform for the direct sales industry comprised of a suite of interactive video-based sales enablement business software products marketed on a subscription basis, (the “SaaS Assets”).

On April 12, 2019, the Company acquired Sound Concepts Inc. (“Sound Concepts”). The acquisition was intended to augment and diversify the Company’s internet and Software-as-a-Service (“SaaS”) business. Sound Concepts is now known as Verb Direct, LLC.

On September 4, 2020, Verb Acquisition Co., LLC (“Verb Acquisition”), a subsidiary of the Company, acquired Ascend Certification, LLC, dba SoloFire (“SoloFire”). The acquisition was intended to augment and diversify the Company’s internet and SaaS business.

On October 18, 2021, the Company established verbMarketplace, LLC (“Market LLC”), a Nevada limited liability company. Market LLC is a wholly owned subsidiary of the Company established for the MARKET.live platform.

On June 13, 2023, the Company disposed of all of its operating SaaS assets of Verb Direct and Verb Acquisition, (referred to collectively as the “SaaS Assets”) pursuant to an asset purchase agreement in consideration of the sum of \$6,500, \$4,750 of which was paid in cash by the buyer at the closing of the transaction. An additional payment in the aggregate of \$750 will be paid by the buyer if certain profitability and revenue targets are met during the second year following the closing date as set forth more particularly in the asset purchase agreement. A similar payment would have been due and payable to the Company after the first year following the closing if the buyer had met certain profitability and revenue targets specified in the asset purchase agreement, which it failed to meet. The sale of the SaaS Assets was undertaken to allow the Company to focus its resources on its burgeoning MARKET.live business unit which it expects over time will create greater shareholder value.

On November 15, 2024, the Company formed Go Fund Yourself Show LLC (“Go Fund Yourself”), a Nevada limited liability company. Go Fund Yourself is a majority-owned subsidiary of the Company established for the Go Fund Yourself show.

As of December 31, 2024, the Company had cash and restricted cash of \$8,495 and short-term investments of \$4,913. Subsequent to year end, the Company received \$1,724 related to its ERC short-term receivable.

### ***Economic Disruption***

Our business is dependent in part on general economic conditions. Many jurisdictions in which our customers are located and our products are sold have experienced and could continue to experience unfavorable general economic conditions, such as inflation, increased interest rates and recessionary concerns, which could negatively affect demand for our products. Under difficult economic conditions, customers may seek to cease spending on our current products or fail to adopt our new products, which could negatively affect our financial performance. We cannot predict the timing or magnitude of an economic slowdown or the timing or strength of any economic recovery. These and other economic factors could have a material adverse effect on our business, financial condition, and results of operations.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SUPPLEMENTAL DISCLOSURES

### *Basis of Presentation*

On April 18, 2023, we implemented a 1-for-40 reverse stock split (the “Reverse Stock Split”) of our common stock, \$0.0001 par value per share (the “Common Stock”). Our Common Stock commenced trading on a post Reverse Stock Split basis on April 19, 2023. As a result of the Reverse Stock Split, every forty (40) shares of our pre-Reverse Stock Split Common Stock were combined and reclassified into one share of our Common Stock. The number of shares of Common Stock subject to outstanding options, warrants, and convertible securities were also reduced by a factor of forty and the exercise price of such securities increased by a factor of forty, as of April 18, 2023. All historical share and per-share amounts reflected throughout our consolidated financial statements and other financial information in this Annual Report have been adjusted to reflect this Reverse Stock Split. The par value per share of our Common Stock was not affected by this Reverse Stock Split.

On October 8, 2024, we implemented a 1-for-200 reverse stock split (the “Reverse Stock Split”) of our common stock, \$0.0001 par value per share (the “Common Stock”). Our Common Stock commenced trading on a post Reverse Stock Split basis on October 9, 2024. As a result of the Reverse Stock Split, every two hundred (200) shares of our pre-Reverse Stock Split Common Stock were combined and reclassified into one share of our Common Stock. The number of shares of Common Stock subject to outstanding options, warrants, and convertible securities were also reduced by a factor of two hundred and the exercise price of such securities increased by a factor of two hundred, as of October 8, 2024. All historical share and per-share amounts reflected throughout our condensed consolidated financial statements and other financial information in this Annual Report have been further adjusted to reflect this Reverse Stock Split. The par value per share of our Common Stock was not affected by this Reverse Stock Split.

As discussed in Note 1, among the terms of the Sale of the SaaS Assets was that additional payments of \$1,750 will be paid to us by the buyer if certain profitability and revenue targets are met within the two-year period following the closing date. The contingent payments were not recorded at the closing date of the sale and will be recognized as the cash is received and the contingency resolved pursuant to ASC 450-30.

In connection with the SaaS sale, the Company had also met the criterion pursuant to ASC 205-20, *Discontinued Operations*, as a strategic shift from operating and managing a SaaS business to operating and managing a live streaming shopping platform has occurred because of the sale. As a result, the Company’s consolidated results of operations and statements of cash flows reflect the presentation of discontinued operations.

### *Principles of Consolidation*

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of Verb, Verb Direct, LLC, Verb Acquisition Co., LLC, verbMarketplace, LLC and Go Fund Yourself LLC. All intercompany accounts have been eliminated in the consolidation.

Go Fund Yourself is not wholly owned, but the Company has consolidated the results of Go Fund Yourself as it has been determined that the Company has the power to direct and control the activities of this entity and has a 51% voting interest. The equity interests of others who own less than 50% in Go Fund Yourself are reflected in the consolidated balance sheets as non-controlling interests. The portion of net income or loss attributable to others who own less than 50% are reflected as net income or loss attributable to non-controlling interests in the consolidated statements of operations.

Certain prior period amounts have been reclassified to conform to the current year presentation within the consolidated financial statements for the years ended December 31, 2024 and 2023.

### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported periods. Management bases these estimates and assumptions upon historical experience, existing and known circumstances, and other factors that management believes to be reasonable. In addition, the Company has considered the potential impact of the pandemic, as well as certain macroeconomic factors, including inflation, rising interest rates, and recessionary concerns, on its business and operations.

Significant estimates include assumptions made in analysis of assumptions made in purchase price allocations, impairment testing of long-term assets, realization of deferred tax assets, determining fair value of derivative liabilities, and valuation of equity instruments issued for services. Some of those assumptions can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions or conditions.

### ***Segment Information***

Effective July 1, 2024, the Company operates as two reportable segments, MARKET.live and Go Fund Yourself. We identify our segments in accordance with ASC 280, *Segment Reporting*, and in the manner in which our Chief Executive Officer, as our chief operating decision maker (“CODM”), allocates resources and assesses financial performance. See Note 17 for disclosures of Segment Information.

### ***Revenue Recognition***

The Company recognizes revenue in accordance with Financial Accounting Standard Board’s (“FASB”) ASC 606, *Revenue from Contracts with Customers* (“ASC 606”). Revenue through June 13, 2023 of the year ended December 31, 2023 were derived primarily from providing application services through the SaaS application, digital marketing and sales support services. During that period, the Company also derived revenue from the sale of customized print products and training materials, branded apparel, and digital tools, as demanded by its customers. As a result of the sale of the SaaS business, revenue that was recorded historically from the SaaS business has been reclassified as part of discontinued operations. See Note 6 for revenue disclosures related to the SaaS business.

The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which includes

- (1) identifying the contract(s) or agreement(s) with a customer,
- (2) identifying our performance obligations in the contract or agreement,
- (3) determining the transaction price,
- (4) allocating the transaction price to the separate performance obligations, and
- (5) recognizing revenue as each performance obligation is satisfied.

Pursuant to ASC 606, revenue is recognized when performance obligations (defined below) under the terms of a contract are satisfied, which occurs for the Company upon shipment or delivery of products or services to our customers based on written sales terms, which is also when control is transferred. Revenue is recognized in an amount that reflects the contractual consideration that the Company receives in exchange for its services.

A performance obligation is a promise in a contract to transfer a distinct product. Performance obligations promised in a contract are identified based on the goods that will be transferred that are both capable of being distinct and are distinct in the context of the contract, whereby the transfer of the goods is separately identifiable from other promises in the contract. Performance obligations for each segment are described below within each segment’s discussion of revenue recognition.

MARKET.live revenue is derived from contract-based recurring fee revenue services that include, among other things, a full suite of social commerce services for consumer brands and merchants seeking to adopt or expand online commerce and social selling capabilities, including end-to-end creative services such as content creation and full remote and in-studio production services, host/influencer/affiliate casting and management, TikTok Shop and other social media platform online store creation, set-up and establishment, maintenance and enhancements. Clients are referred to us through our existing partnership with TikTok Shop and other social media channels, as well as from several brand agencies with whom we maintain affiliate relationships. The revenue associated with these services is typically recognized over time as the performance obligations are completed.

Revenue is recognized on a net basis from maintaining e-commerce platforms and online orders, as for certain services the Company is engaged in an agency relationship with its customers and earns defined amounts based on the individual contractual terms for the customer and the Company does not take possession of the customers’ inventory or any credit risks relating to the products sold.

MARKET.live performance obligations for other services include special projects, content creation, and livestream management. Performance obligations also include establishing and maintaining customer online stores, providing access to the Company’s e-commerce platform and customer service support. These performance obligations are distinct and contribute to the overall service delivery and client management.

GO FUND YOURSELF Show (“GFY”) derives revenue from fees we charge to issuers for full-scale onsite production services as the first 75% of the contract value is recognized as revenue once the show has been shot at the Company’s production facilities. The Company satisfies this performance obligation when the shooting is complete. Revenues are also derived from fees we charge to issuers for post-production services and for marketing, ad, and content creation and distribution services. Upon delivery of the post-production services which includes airing the show on Cheddar network, the remaining 25% of the contract value is recognized as revenue. The revenue associated with these services is recognized over time as the performance obligations are completed. GFY fees are based on service packages that range from \$15,000 to \$60,000 per client issuer. The Company accepts cash as payment or equity (non-cash) as payment for these services. For those client issuers that sell products during the airing of the show through our platform, we charge a fee of up to 25% of the gross sales revenue for all products sold.

GO FUND YOURSELF Show performance obligations include the shoot date production services and post-production services that include editing services to create clips from the Show that the client issuers can distribute across social media and utilize in connection with their marketing initiatives. These performance obligations are distinct and contribute to the overall service delivery and client issuer engagement.

Vanity Prescribed/GoodGirlRx.com derives revenue from the sale of prescription and non-prescription pharmaceutical and health-care products, both through long-term subscriptions and non-prescription programs. The revenue associated with this revenue stream is recognized as of a point in time when the product is shipped to the customer.

The Company bears the entire performance obligation and risk. The primary performance obligation is the shipment of the prescribed medication to the customer. Ancillary services, such as prescription verification and customer support, are not distinct and are considered part of the medication delivery process. The cost of the consultation is only part of the performance obligation if the client does not already have a prescription. This is consistent with our position that our performance obligation is limited to shipping because we could not ship the product until the physician from the consultation issues the prescription.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net sales in the consolidated statements of operations. Revenues during the years ended December 31, 2024 and 2023, were substantially all generated from clients and customers located within the United States of America.

***Cost of Revenue***

Cost of revenue primarily consists of processing fees and independent contractors associated with the MARKET.live platform and independent contractors for shows related to Go Fund Yourself.

***Contract Liabilities***

Contract liabilities represent consideration received from customers under revenue contracts for which the Company has not yet delivered or completed its performance obligation to the customer. Contract liabilities are recognized over the contract period.

The following table provides information about contract liabilities from contracts with customers, including significant changes in the contract liabilities balance during the period:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
Beginning balance .....	\$ -	\$ -
Increase due to deferral of revenue .....	167	-
Decrease due to recognition of revenue .....	<u>(33)</u>	<u>-</u>
Ending balance .....	<u>\$ 134</u>	<u>\$ -</u>

The Company expects to recognize revenue related to contract liabilities within the next 12 months.

### ***Accounts Receivable, net***

Accounts receivable is recorded at the invoiced amount and is stated at net realizable value. The Company estimates losses on receivables based on expected losses, including its historical experience of actual losses. Receivables are considered impaired and written-off when it is probable that all contractual payments due will not be collected in accordance with the terms of the agreement. As of December 31, 2024 and 2023, the accounts receivable balance was \$350 and \$0, respectively.

The Company follows ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*. On a periodic basis, management evaluates its accounts receivable and determines whether to provide an allowance or if any accounts should be written off based on past history of write-offs, collections, and current credit conditions. As of December 31, 2024 and 2023, the allowance for credit losses balance was \$0 and \$0, respectively.

### ***Investments***

In accordance with ASC 320, *Investments – Debt Securities*, the Company accounts for its investments as trading securities consisting of U.S. Treasury securities and corporate bonds that are reported at fair value on the Company's consolidated balance sheet at December 31, 2024. Unrealized gains and losses on these investments are included in other income (expense), net within the Company's condensed consolidated statements of operations for the year ended December 31, 2024.

The Company's investments in trading securities are classified as current based on the intent of management, the nature of the investments and their availability for use in current operations. See Note 3 – Investments and Fair Value Measurements for further details of the Company's investments at December 31, 2024.

### ***Capitalized Software Development Costs***

The Company capitalizes internal and external costs directly associated with developing internal-use software, and hosting arrangements that include an internal-use software license, during the application development stage of its projects. The Company's internal-use software is reported at cost less accumulated amortization. Amortization begins once the project has been completed and is ready for its intended use.

Due to changes in management's assessment of its capitalized software development asset, the Company revised the asset's remaining useful life effective January 1, 2024 and will amortize the asset on a straight-line basis over a period of four years. Software maintenance activities or minor upgrades are recorded as expense in the period performed.

Amortization expense related to capitalized software development costs are recorded in depreciation and amortization in the consolidated statements of operations.

### ***Property and Equipment***

Property and equipment are recorded at historical cost and depreciated on a straight-line basis over their estimated useful lives of approximately five years once the individual assets are placed in service. Leasehold improvements are amortized over the shorter of the useful life or the remaining period of the applicable lease term.

### ***Business Combinations***

Pursuant to FASB ASC 805, *Business Combinations* ("ASC 805"), the Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and separately identified intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from, acquired technology, trademarks and trade names, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is the period needed to gather all information necessary to make the purchase price allocation, not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings. See Note 18 for Subsequent Events.

### ***Intangible Assets***

The Company has certain intangible assets that were initially recorded at their fair value at the time of acquisition. The finite-lived intangible assets consist of developed technology and customer contracts. Indefinite-lived intangible assets consist of domain names. Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful life of five years.

The Company reviews all finite-lived intangible assets for impairment when circumstances indicate that their carrying values may not be recoverable. If the carrying value of an asset group is not recoverable, the Company recognizes an impairment loss for the excess carrying value over the fair value in our consolidated statements of operations.

The Company did not record any impairment charges related to indefinite lived intangible assets for the years ended December 31, 2024 and 2023.

### ***Long-Lived Assets***

The Company evaluates long-lived assets, other than goodwill and indefinite lived intangible assets, for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made.

On June 13, 2023, the Company entered into a definitive agreement to sell all of the operating assets and liabilities of the SaaS business to SW Sales for \$6,500, including \$4,750 of cash paid upon closing. The operations of the SaaS business have been presented within discontinued operations. Upon completion of the sale of assets to SW Sales, in which the buyer assumed all liabilities related to the SaaS business, the Company recorded an impairment of \$5,441 within loss from discontinued operations as the carrying amount of the net assets exceeded the sale price, less selling costs.

### ***Leases***

The Company leases two separate studios under lease agreements with monthly payments over a period of 36 months. The Company also leases space for its corporate office under a month-to-month lease agreement. The Company determines whether a contract contains a lease at contract inception. A contract is or contains a lease if the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. Control is determined based on the right to obtain all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. Operating lease right-of-use assets (“ROU”) for operating leases represent the right to use an underlying asset for the lease term, and operating lease liabilities represent the obligation to make lease payments. Lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Operating lease expense is recognized on a straight-line basis over the lease term and is included in the general and administrative line in the Company’s consolidated statements of operations.

### ***Income Taxes***

The Company accounts for income taxes under FASB ASC 740, *Income Taxes*. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The deferred tax assets of the Company relate primarily to operating loss carry-forwards for federal and state income tax purposes. A full valuation allowance for deferred tax assets has been provided because the Company believes it is not more likely than not that the deferred tax asset will be realized. Realization of deferred tax assets is dependent on the Company generating sufficient taxable income in future periods.

The Company periodically evaluates its tax positions to determine whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. The Company accrues interest and penalties, if incurred, on unrecognized tax benefits as components of the income tax provision in the accompanying consolidated statements of operations. As of December 31, 2024, and 2023, the Company has not established a liability for uncertain tax positions.

### ***Preferred Stock***

The Company applies the accounting standards for distinguishing liabilities from equity when determining the classification and measurement of its preferred stock. Preferred shares subject to mandatory redemption are classified as liability instruments and are measured at fair value. Conditionally redeemable preferred shares (including preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, preferred shares are classified as part of stockholders' equity. Accordingly, the Series C Preferred Stock offering on December 29, 2023 is classified as part of stockholders' equity as of December 31, 2023. During the year ended December 31, 2024, all of the Series C Preferred Stock outstanding and the related dividend payable were redeemed in exchange for common shares.

### ***Non-controlling Interests***

Non-controlling interests represents the portion of net assets in consolidated subsidiaries that are not attributable, directly or indirectly, to the Company. In January 2025, we have entered into arrangements with third-party investors under which the investors are determined to hold non-controlling interests in entities fully consolidated by the Company. The net assets of the shared entities are attributed to the controlling and non-controlling interests based on the terms of the governing contractual arrangements. The net loss of \$181 that is allocated to the non-controlling interests is included in the consolidated statement of operations for the year ended December 31, 2024.

### ***Fair Value of Financial Instruments***

The Company follows the guidance of FASB ASC 820 ("ASC 820") and FASB ASC 825 for disclosure and measurement of the fair value of its financial instruments. ASC 820 establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The three (3) levels of fair value hierarchy defined by ASC 820 are described below:

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3: Pricing inputs that are generally unobservable inputs and not corroborated by market data.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses and other current assets, accounts payable, and accrued expenses approximate their fair value due to their short-term nature. The carrying amount of the Company's financial obligations approximate their fair values due to the fact that the interest rates on these obligations are based on prevailing market interest rates. The Company uses Level 2 inputs for its valuation methodology for the derivative liabilities, see Note 3 for Investments and Fair Value Measurements and Note 10 for Derivative Liability.

### ***Derivative Financial Instruments***

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the consolidated balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

The Company uses Level 2 inputs for its valuation methodology for the derivative liabilities as their fair values were determined by using a Binomial pricing model. The Company's derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as adjusted to fair value of derivatives.

### ***Advertising Costs***

All costs associated with advertising, promotion and marketing programs are expensed as incurred. Advertising expense totaled \$583 and \$441 for the years ended December 31, 2024 and 2023, respectively.

### ***Share-Based Compensation***

The Company issues stock options, warrants, shares of common stock and restricted stock units as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation in accordance with FASB ASC 718, *Compensation – Stock Compensation*. Share-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period. The fair value of restricted stock units is determined based on the number of shares granted and the quoted price of its common stock and is recognized as expense over the service period. Forfeitures are accounted for as they occur. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for services.

### ***Net Loss Per Share***

Basic net loss per share is computed by using the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed giving effect to all dilutive potential shares of common stock that were outstanding during the period. Dilutive potential shares of common stock consist of incremental shares of common stock issuable upon exercise or conversion.

As of December 31, 2024, and 2023, the Company had total outstanding options of 18,075 and 10,435, respectively, outstanding warrants of 3,545 and 4,598, respectively, outstanding restricted stock units of 198,823 and 767, respectively, which were all excluded from the computation of net loss per share because they are anti-dilutive due to the Company's net loss position during the reported periods.

At the close of business on April 5, 2024, the Company's unexercised publicly traded warrants under the symbol VERBW expired pursuant to their original terms and as such Nasdaq suspended trading the 879 remaining warrants and the trading symbol VERBW was delisted from Nasdaq.

### ***Concentration of Credit and Other Risks***

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable. Cash is deposited with a limited number of financial institutions. The balances held at any one financial institution at times may be in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits of up to \$250.

The Company extends limited credit to customers based on an evaluation of their financial condition and other factors. The Company generally does not require collateral or other security to support accounts receivable. The Company performs ongoing credit evaluations of its customers and maintains an allowance for credit losses and sales credits. The Company believes that any concentration of credit risk in its accounts receivable is substantially mitigated by the Company's evaluation process, relatively short collection terms and the high level of credit worthiness of its customers.

The Company's concentration of credit risk includes its concentrations from key customers and vendors. The details of these significant customers and vendors are presented in the following table for the years ended December 31, 2024 and 2023:

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>The Company's largest customers are presented below as a percentage of the aggregate</b>		
Accounts Receivable	Two customers accounted for 30% of the ending balance	No customers individually over 10%
Revenues	One customer accounted for 26% of revenues, attributable to Market.live segment	No customers individually over 10%
<b>The Company's largest vendors are presented below as a percentage of the aggregate</b>		
Purchases	One vendor that accounted for 17% of its purchases individually and in the aggregate, attributable to Market.live segment	One vendor that accounted for 20% of its purchases individually and in the aggregate, attributable to Market.live segment

## Supplemental Cash Flow Information

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest.....	\$ 5	\$ 399
Cash paid for income taxes .....	\$ 1	\$ 2
<b>Supplemental disclosure of non-cash investing and financing activities attributable to continuing operations:</b>		
Fair value of common shares issued to settle accounts payable and accrued expenses .....	-	346
Fair value of common shares issued as payment on notes payable .....	2,777	5,097
Fair value of common shares issued as payment to redeem Series C preferred shares.....	4,123	-
Derecognition of operating lease right-of-use asset .....	-	1,186
Derecognition of operating lease liabilities .....	-	1,870
Derecognition of other assets and liabilities related to lease termination .....	-	421
Recognition of operating lease right-of-use asset and related lease liability .....	187	245
Unpaid offering costs related to common stock offerings .....	-	105
Unpaid offering costs related to preferred stock offering .....	-	180
<b>Supplemental disclosure of non-cash investing and financing activities attributable to discontinued operations:</b>		
Discount recognized from advances on future receipts .....	\$ -	\$ 558

## Recent Accounting Pronouncements

### Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). ASU 2023-07 requires the disclosure of incremental segment information on an annual and interim basis, including the disclosure of significant segment expense categories. ASU 2023-07 is effective for fiscal years beginning after December 31, 2023 and interim periods beginning after December 15, 2024. Early adoption is permitted. The amendment was adopted by the Company in the fourth quarter of 2024, and the related consolidated financial statement disclosures have been included within this Annual Report on Form 10-K.

### New Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”). ASU 2023-09 requires additional income tax disclosures, including amendments to the rate reconciliation and income taxes paid disclosure. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied on a prospective basis, but retrospective application is permitted. The Company does not anticipate that the adoption of this standard will have a material impact on the consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement – Reporting Comprehensive Income (Subtopic 220-40): Expense Disaggregation Disclosures* (“ASU 2024-03”). ASU 2024-03 requires additional information about specific expense categories in the notes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued after the effective date or (2) retrospectively to all prior periods presented in the financial statements. The Company is in the process of evaluating the effect this standard will have on the consolidated financial statement disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission (the “SEC”) did not or are not believed by management to have a material impact on the Company’s present or future consolidated financial statements.

## 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Company invests its surplus funds in excess of operational and capital requirements in a diversified portfolio of marketable securities, with the objectives of delivering competitive returns while maintaining a high degree of liquidity.

A summary of our short-term investments as of December 31, 2024 and 2023, are as follows:

	As of December 31,	
	2024	2023
U.S. treasury securities .....	\$ 3,731	\$ -
Corporate bonds.....	1,182	-
Short-term investments.....	<u>\$ 4,913</u>	<u>\$ -</u>

### Marketable securities

Marketable securities as of December 31, 2024 consisted of the following:

	Cost of Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>Marketable debt securities</b>				
U.S. treasury securities .....	\$ 3,706	\$ 25	\$ -	\$ 3,731
Corporate bonds.....	1,174	8	-	1,182
Total marketable debt securities.....	<u>\$ 4,880</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 4,913</u>

### Fair Value Measurements

Our financial instruments include cash, prepaid expenses, accounts payable, and accrued liabilities. The fair value of cash, prepaid expenses, accounts payable and accrued liabilities approximate their carrying values due to their short-term nature, which are all considered Level 1. The fair value of long-term debt approximates its carrying value.

Our financial instruments measured at fair value on a recurring basis consisted of U.S. treasury securities, corporate bonds and derivative liabilities (see Note 10). U.S. treasury securities are classified within Level 1 of the fair value hierarchy as they are valued based on quoted market price in an active market. Corporate bonds are valued based on quoted prices in markets that are less active and are generally classified within Level 2 of the fair value hierarchy. We did not hold Level 1 or Level 2 financial instruments as of December 31, 2023.

Financial instruments valued based on unobservable inputs which reflect the reporting entity's own assumptions or data that market participants would use in valuing an instrument are generally classified within Level 3 of the fair value hierarchy. We did not hold Level 3 financial instruments as of December 31, 2024, and 2023.

Financial instruments measured at fair value on a recurring basis as of December 31, 2024 are classified based on the valuation technique in the table below:

### Fair Value Measurements Using

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Marketable debt securities</b>				
U.S. treasury securities .....	\$ 3,731	\$ -	\$ -	\$ 3,731
Corporate bonds.....	-	1,182	-	1,182
Total marketable debt securities.....	<u>\$ 3,731</u>	<u>\$ 1,182</u>	<u>\$ -</u>	<u>\$ 4,913</u>

## 4. CAPITALIZED SOFTWARE DEVELOPMENT COSTS

In 2020, the Company began developing MARKET.live, a livestream ecommerce platform, and has capitalized \$7,131 of internal and external development costs as of December 31, 2024 and 2023, respectively. In October 2021, the Company entered into a 10-year license and services agreement with a third party (the "Primary Contractor") to develop on a work-for-hire basis certain components of MARKET.live. The Primary Contractor's fees for developing such components, including the license fee, is \$5,750. The Primary Contractor was paid an additional \$500 bonus in April 2022 for services rendered pursuant to the license and service agreement.

For the years ended December 31, 2024 and 2023, the Company amortized \$998 and \$2,209, respectively.

Capitalized software development costs, net consisted of the following:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
Beginning balance .....	\$ 3,990	\$ 6,176
Additions .....	-	23
Amortization .....	(998)	(2,209)
Ending balance .....	<u>\$ 2,992</u>	<u>\$ 3,990</u>

The expected future amortization expense for capitalized software development costs as of December 31, 2024, is as follows:

<u>Year ending</u>	<u>Amortization</u>
2025.....	\$ 998
2026.....	997
2027.....	997
Total amortization.....	<u>\$ 2,992</u>

## 5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2024 and 2023:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
Computers.....	\$ 57	\$ 51
Furniture and fixtures.....	6	-
Machinery and equipment .....	315	51
Leasehold improvements .....	81	15
Total property and equipment.....	459	117
Accumulated depreciation.....	(128)	(74)
Total property and equipment, net.....	<u>\$ 331</u>	<u>\$ 43</u>

Depreciation expense amounted to \$54 and \$122 for the years ended December 31, 2024 and 2023, respectively.

## 6. DISCONTINUED OPERATIONS

On June 13, 2023, the Company entered into a definitive agreement to sell all of its SaaS operating assets and liabilities to SW Sales for \$6,500, including \$4,750 of cash due upon closing. The operations of the SaaS business have been presented within discontinued operations. Upon completion of the sale of assets to SW Sales, in which the buyer assumed all liabilities related to the SaaS business, the Company recorded an impairment of \$5,441 within loss from discontinued operations as the carrying amount of the net assets exceeded the sale price, less selling costs.

The following information presents the net revenues and net loss of the SaaS business for the years ended December 31, 2024 and 2023:

	<u>Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Net revenues .....	\$ -	\$ 3,814
Net loss .....	\$ -	\$ (7,150)

## 7. OPERATING LEASES

The Company leases warehouse and corporate office space under certain operating lease agreements. The Company determines if an arrangement is a lease at inception. Lease assets are presented as operating lease ROU assets and the related liabilities are presented as operating lease liabilities in the consolidated balance sheets pursuant to ASC 842, *Leases*.

Operating ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Generally, the implicit rate of interest in lease arrangements is not readily determinable and the Company utilizes its incremental borrowing rate in determining the present value of lease payments. The Company's incremental borrowing rate is a hypothetical rate based on its understanding of what its credit rating would be. The operating lease ROU asset includes any lease payments made and excludes lease incentives.

On June 13, 2023, the Company derecognized the Lehi lease as part of the sale of SaaS assets to SW Sales. As a result of the sale, the Company has eliminated any lease-related information related to the SaaS business as part of its presentation of continuing operations.

On July 3, 2023, the Company entered into a lease termination agreement with its landlord related to the office lease in Newport Beach, California. Pursuant to terms of the lease termination agreement, the Company vacated the property by August 15, 2023. A gain on lease termination of \$263 was recorded within other income (expense), net in the consolidated statement of operations for the year ended December 31, 2023.

On August 8, 2023, the Company entered into a studio office lease agreement for its Market.live studio in California. The agreement requires the Company to pay \$8 per month for a term through September 30, 2026. In accordance with ASC 842, the Company recognized a right-of-use asset and the related lease liability of \$245.

On November 1, 2023, the Company entered into a corporate office sublease agreement with Mr. Cutaia for its executive office in Las Vegas, Nevada. The lease is cancellable by either party with 30 days advance written notice and the monthly rent amount is five hundred dollars due at the beginning of the month. This lease was terminated during the year ended December 31, 2024.

On April 1, 2024, the Company entered into a corporate office sublease agreement with a related party for its executive office in Las Vegas, Nevada. The agreement requires the Company to pay \$1.5 per month for a term through March 31, 2025. Thereafter, the lease shall continue on a month-to-month basis, subject to termination by either party upon written notice.

On November 18, 2024, the Company entered into a studio office lease agreement for its Go Fund Yourself studio in California. The agreement requires the Company to pay \$6 per month for a term through January 31, 2028. In accordance with ASC 842, the Company recognized a right-of-use asset and the related lease liability of \$187.

The components of lease expense and supplemental cash flow information related to leases for the period are as follows:

	<u>Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Lease cost</u>		
Operating lease cost (included in general and administrative expenses in the Company's statement of operations).....	\$ 148	\$ 264
<u>Other information</u>		
Cash paid for amounts included in the measurement of lease liabilities .....	\$ 92	\$ 143
Weighted average remaining lease term – operating leases (in years) .....	2.48	2.75
Weighted average discount rate – operating leases .....	6.8%	9.0%
	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Operating leases</u>		
ROU assets .....	<u>\$ 340</u>	<u>\$ 218</u>
Short-term operating lease liabilities .....	\$ 124	\$ 67
Long-term operating lease liabilities.....	222	164
Total operating lease liabilities .....	<u>\$ 346</u>	<u>\$ 231</u>

<u>Year ending</u>	<u>Operating Leases</u>
2025 .....	\$ 156
2026 .....	143
2027 .....	71
2028 .....	6
Total lease payments .....	376
Less: Imputed interest/present value discount .....	(30)
Present value of lease liabilities .....	<u>\$ 346</u>

## 8. ACCRUED OFFICERS' COMPENSATION

Accrued officers' compensation consists primarily of unpaid compensation for the Company's Chief Executive Officer and its Interim Chief Financial Officer.

As of December 31, 2024, and 2023, accrued officers' compensation amounted to \$534 and \$648, respectively.

## 9. NOTES PAYABLE

The Company has the following outstanding notes payable as of December 31, 2024 and 2023:

<u>Note</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Borrowing</u>	<u>Balance at December 31, 2024</u>	<u>Balance at December 31, 2023</u>
Note payable <sup>(A)</sup> .....	May 15, 2020	May 15, 2050	3.75%	\$ 150	\$ 118	\$ 137
Promissory note payable <sup>(B)</sup> ..	November 7, 2022	May 7, 2024	9.0%	5,470	-	1,179
Promissory note payable <sup>(C)</sup> ..	October 11, 2023	April 11, 2025	9.0%	1,005	-	1,005
Debt discount .....					-	(99)
Debt issuance costs .....					-	(73)
Total notes payable .....					118	2,149
Non-current .....					(98)	(362)
Current .....					<u>\$ 20</u>	<u>\$ 1,787</u>

<sup>(A)</sup> On May 15, 2020, the Company executed an unsecured loan with the SBA under the Economic Injury Disaster Loan program in the amount of \$150. Monthly payments, including principal and interest, began on October 26, 2022. As of December 31, 2024, and 2023, the outstanding balance under the note was \$118 and \$137, respectively. See Note 18 – Subsequent Events.

<sup>(B)</sup> On November 7, 2022, the Company entered into a note purchase agreement (the "November Note Purchase Agreement") and promissory note with an institutional investor (the "November Note Holder") providing for the sale and issuance of an unsecured, non-convertible promissory note in the original principal amount of \$5,470, which has an original issue discount of \$470, resulting in gross proceeds to the Company of approximately \$5,000 (the "November Note," and such financing, the "November Note Offering"). The November Note matures eighteen months following the date of issuance. Commencing six months from the date of issuance, the Company is required to make monthly cash redemption payments in an amount not to exceed \$600. The November Note may be repaid in whole or in part prior to the maturity date for a 10% premium. The November Note requires the Company to use up to 20% of the gross proceeds raised from future equity or debt financings, or the sale of any subsidiary or material asset, to prepay the November Note, subject to a \$2,000 cap on the aggregate prepayment amount. Until all obligations under the November Note have been paid in full, the Company is not permitted to grant a security interest in any of its assets, or to issue securities convertible into shares of common stock, subject in each case to certain exceptions. verbMarketplace, LLC entered into a guaranty, dated November 7, 2022, in connection with the November Note Offering, pursuant to which it guaranteed the obligations of the Company under the November Note in exchange for receiving a portion of the loan proceeds.

In connection with the November Note Offering, the Company incurred \$335 of debt issuance costs. The debt issuance costs and the debt discount of \$450 are being amortized over the term of the November Notes using the effective interest rate method. As of December 31, 2023, the amount of unamortized debt discount and debt issuance costs was \$99 and \$73, respectively. During the year ended December 31, 2024, the Company amortized the remaining amount of \$99 of debt discount and \$73 of debt issuance costs.

During the year ended December 31, 2024, the Company issued 57,422 shares of its common stock pursuant to an exchange agreement in exchange for a reduction of \$1,720 on the outstanding balance of the November Notes. The shares issued for the share exchange agreement were valued based upon the Nasdaq at-the-market price and is being consistently applied for each share exchange. As a result, there was no gain or loss on the transaction.

On March 18, 2024, the Company paid the November Notes in full.

- (c) On October 11, 2023, the Company entered into a note purchase agreement with Streeterville pursuant to which Streeterville purchased the Note in the aggregate principal amount of \$1,005. The Note bears interest at 9.0% per annum compounded daily. The maturity date of the Note is 18 months from the date of its issuance.

During the year ended December 31, 2024, the Company issued 38,151 shares of its common stock pursuant to an exchange agreement in exchange for a reduction of \$1,057 on the outstanding balance of the Note. The shares issued under the share exchange agreement were valued based upon the Nasdaq at-the-market price and is being consistently applied for each share exchange. The shares issued for the final share exchange agreement on May 3, 2024 were valued at a 10% discount resulting in a loss on this particular transaction of \$90. This amount has been recorded as a finance cost in the Company's consolidated statement of operations for the year ended December 31, 2024.

On May 3, 2024, the Note was repaid in full.

The following table provides a breakdown of interest expense for the periods presented:

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest expense – amortization of debt discount .....	\$ 99	\$ 310
Interest expense – amortization of debt issuance costs .....	73	241
Interest expense – other .....	<u>65</u>	<u>642</u>
Total interest expense .....	<u>\$ 237</u>	<u>\$ 1,193</u>

Total interest expense for notes payable to related parties was \$0 and \$72 for the years ended December 31, 2024 and 2023, respectively. The Company paid \$0 and \$162 in interest to related parties for the years ended December 31, 2024 and 2023, respectively.

## 10. DERIVATIVE LIABILITY

Under authoritative guidance used by the FASB on determining whether an instrument (or embedded feature) is indexed to an entity's own stock, instruments that do not have fixed settlement provisions are deemed to be derivative instruments. In prior years, the Company granted certain warrants that included a fundamental transaction provision that could give rise to an obligation to pay cash to the warrant holder. As a result, the fundamental transaction clause of these warrants is accounted for as a derivative liability in accordance with ASC 815 and are being re-measured every reporting period with the change in value reported in the Company's consolidated statements of operations.

The derivative liabilities were valued using a Binomial pricing model with the following assumptions:

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
Stock Price .....	\$ 6.54	\$ 34.00
Exercise Price .....	\$ 1,600.00	\$ 1,600.00
Expected Life .....	0.14	1.08
Volatility .....	190%	202%
Dividend Yield .....	0%	0%
Risk-Free Interest Rate .....	4.39%	4.79%
Total Fair Value .....	<u>\$ -</u>	<u>\$ 1</u>

The expected life of the warrants was based on the remaining contractual term of the instruments. The Company uses the historical volatility of its common stock to estimate the future volatility for its common stock. The expected dividend yield was based on the fact that the Company has not paid dividends in the past and does not expect to pay dividends in the future. The risk-free interest rate was based on rates established by the Federal Reserve Bank.

During the year ended December 31, 2024, the Company recorded other income of \$1 to account for the decrease in the fair value of these derivative liabilities. As of December 31, 2024, the balance of derivative liabilities was \$0.

During the year ended December 31, 2023, the Company recorded other income of \$221 to account for the decrease in the fair value of these derivative liabilities. As of December 31, 2023, the balance of derivative liabilities was \$1.

## 11. CAPITAL STOCK

### Common Stock

The Company's common stock activity for the year ended December 31, 2024 was as follows:

#### *Shares Issued as Part of ATM Offerings*

During December 2023, the Company entered into a sales agreement with Ascendant Capital Markets LLC ("Ascendant Sales Agreement") to sell shares of its common stock pursuant to a prospectus supplement to the Company's Registration Statement on Form S-3 (File No. 333-264038). For the year ended December 31, 2024, the Company has issued 278,501 shares of the Company's common stock pursuant to the Ascendant Sales Agreement and received net proceeds of \$12,130, net of offering costs of \$136.

#### *Regulation A Public Offering*

During the year ended December 31, 2024, the Company issued 136,986 shares of its common stock and received net proceeds of \$6,466, net of offering costs of \$109, resulting from a Form 1-A public offering of its common stock pursuant to Regulation A.

The shares that were offered and sold at-the-market under Nasdaq rules and pursuant to the Company's Form 1-A, initially filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on February 14, 2024 and qualified on March 11, 2024.

The Company filed a second Form 1-A on May 30, 2024, which was qualified on June 11, 2024. The Company did not sell any securities pursuant to the second Form 1-A. The second Form 1-A was withdrawn on September 3, 2024.

#### *Shares Issued as Payment on Notes Payable*

During the year ended December 31, 2024, the Company issued 57,422 shares of its common stock to Streeterville in exchange for a reduction of \$1,720 on the outstanding balance of the November Notes.

During the year ended December 31, 2024, the Company issued 38,151 shares of its common stock pursuant to an exchange agreement in exchange for a reduction of \$1,057 on the outstanding balance of the Note.

#### *Shares Issued for Services*

During the year ended December 31, 2024, the Company issued 23 shares of common stock to its CEO, Rory Cutaia, associated with the vesting of Restricted Stock Units.

During the year ended December 31, 2024, the Company issued 171 shares of common stock to its Interim Chief Financial Officer associated with the vesting of Restricted Stock Units.

#### *Series C Preferred Shares Redeemed in Exchange for Common Shares*

During the year ended December 31, 2024, the Company redeemed 3,000 Series C Preferred Shares in exchange for 342,672 common shares in order to reduce the amount of dividend to be accrued. The Company recorded a deemed dividend of \$900 to Series C Preferred Shareholders during the year ended December 31, 2024. On October 14, 2024, the Company redeemed 187 Series C Preferred Shares in exchange for 32,913 common shares to fully repay the amount accrued for preferred dividends.

#### *Reverse Stock Split*

On October 8, 2024, we implemented a 1-for-200 reverse stock split (the "Reverse Stock Split") of our common stock, \$0.0001 par value per share (the "Common Stock"). Our Common Stock commenced trading on a post Reverse Stock Split basis on October 9, 2024. As a result of the Reverse Stock Split, every two hundred (200) shares of our pre-Reverse Stock Split Common Stock were combined and reclassified into one share of our Common Stock. The number of shares of Common Stock subject to outstanding options, warrants, and convertible securities were also reduced by a factor of two hundred and the

exercise price of such securities increased by a factor of two hundred, as of October 8, 2024. All historical share and per-share amounts reflected throughout our condensed consolidated financial statements and other financial information in this Annual Report have been adjusted to reflect the Reverse Stock Split. The par value per share of our Common Stock was not affected by the Reverse Stock Split.

### ***Corporate Action, Change of Control, and Extraordinary Performance Agreements***

The Company's shares have traded and are continuing to trade at a price that results in a market cap that is significantly less than the Company's current net cash position. Accordingly, the Company's Board of Directors has determined that the Company is vulnerable to hostile takeover action and that any such action at this time is not in the best interests of its stockholders. The Company does not currently have any poison pill type provisions and due to previous reverse stock splits and other capital markets activities, the Company's management and board members currently own an insignificant number of shares and as such would be ineffective in voting such shares to thwart any hostile takeover actions. Until such time as the Board determines whether it is necessary or advisable to adopt a poison pill provision or other anti-takeover measure, on October 31, 2024 the Board determined to approve the entry into Corporate Action, Change of Control, and Extraordinary Performance Agreements (the "Agreement") with Rory J. Cutaia, Founder, Chairman and CEO of the Company, and James Geiskopf, Lead Director, (the "Awardees") pursuant to which the Company will issue fully vested restricted stock units ("RSU") subject to certain triggering events (the "Triggering Events"), as described below. Each RSU represents the right to be issued one share of common stock (the shares upon vesting, are subject to the restrictions as set forth in the Agreement, under the Company's 2019 Omnibus Incentive Plan, or the RSU award agreement).

The Triggering Events include, among other things, the following:

#### **1. Acceleration Upon a Corporate Transaction or Change of Control**

- a. "Corporate Transaction" means any person or Group (as defined in the Agreement) acquires an ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirteen percent (13%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is required to file a Schedule 13D (Beneficial Ownership Report (for >5% ownership with intent to influence)) with the U.S. Securities and Exchange Commission within 10 days of such acquisition. In the event of either a Corporate Transaction or a Change of Control, on or prior to December 31, 2025, the Awardee shall be entitled to fully vested 80,000 Restricted Stock Units for each Measurement Date (as defined in the Agreement) that cannot be reached due to the Change of Control. For example, for clarity, if the Corporate Transaction or Change of Control closes on July 15, 2025, then the Awardee shall be entitled to 160,000 Restricted Stock Units (2 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee and the Company shall grant and deliver the accelerated Restricted Stock Units Awards to Awardee on or prior to such closing of the Corporate Transaction or Change of Control.
- b. "Change of Control" means and includes each of the following:
  - i. any one person, or group of owners of another corporation who, acting together through a merger, consolidation, purchase, acquisition of stock or the like (a "Group"), acquires ownership of Shares of the Company that, together with the Shares held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the Shares of the Company (or other voting securities of the Company then outstanding). However, if such person or Group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the Shares (or other voting securities of the Company then outstanding) before this transfer of the Company's Shares (or other voting securities of the Company then outstanding), the acquisition of additional Shares (or other voting securities of the Company then outstanding) by the same person or Group shall not be considered to cause a Change of Control of the Company; or
  - ii. any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirty percent (30%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is not merely acquiring additional control of the Company; or

- iii. a majority of members of the Company's Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board prior to the date of the appointment or election (the "Incumbent Board"), but excluding, for purposes of determining whether a majority of the Incumbent Board has endorsed any candidate for election to the Board, any individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or Group other than the Company's Board; or
- iv. any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or Group) all or substantially all of the assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total fair market value of all assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, "gross fair market value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

The Triggering Events also include partial issuances of RSU's to the Awardees through the achievement of extraordinary performance-based quarterly revenue milestones as determined by the Board (the "Revenue Milestones"), and as measured on specific dates, each a "Measurement Date" defined as December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025, and December 31, 2025, and the Awardees providing continuous services through the achievement of such milestones. Pursuant to the Agreement, each Awardee may be entitled to receive between 40,000 and 80,000 RSU's upon achieving the following Revenue Milestones (i) between \$500,000 and \$900,000 as of December 31, 2024, (ii) between \$1.1M and \$1.5M as of March 31, 2025, (iii) between \$1.7M and \$2.1M as of June 30, 2025, (iv) between \$2.3M and \$2.7M as of September 30, 2025, and (v) \$2.9M and \$3.3M as of December 31, 2025. The achievement of each of the applicable quarterly Revenue Milestones on each Measurement Date will be reasonably determined by the Company's Board of Directors.

During the year ended December 31, 2024, the Company recognized \$785 of stock compensation expense pursuant to the terms of the agreement for the achievement of extraordinary performance-based quarterly revenue milestones as of December 31, 2024. See Note 18 – Subsequent Events.

The Company's common stock activity for the year ended December 31, 2023 was as follows:

#### ***Shares Issued as Part of Public Offering***

On January 24, 2023, the Company entered into an underwriting agreement with Aegis Capital Corp. ("Aegis") as underwriter relating to the offering, issuance and sale of 4,506 shares of the Company's common stock at a public offering price of \$1,600.00 per share. The net proceeds for the offering were \$6,578, after deducting discounts, commissions and estimated offering expenses. As a result of this transaction, certain warrants which previously had an exercise price of \$2,720.00 per share, had the exercise price reduced to \$1,600.00 per share.

#### ***Shares Issued as Part of ATM Agreements***

During the year ended December 31, 2023, the Company sold 47,358 shares and received net proceeds of \$2,637 net of offering costs of \$43, resulting from all ATM sales.

#### ***Shares Issued for Services***

During the year ended December 31, 2023, the Company issued 782 shares of common stock to officers, directors and employees associated with the vesting of restricted stock units.

During the year ended December 31, 2023, the Company issued 10 shares of common stock to employees associated with a special incentive program. The shares of common stock were valued based on the closing price of the Company's common stock on the date of issuance. The aggregate fair value of \$11 was recorded as share-based compensation expense on the date of issuance.

During the year ended December 31, 2023, the Company issued 221 shares of common stock to Mr. Cutaita associated with the vesting of restricted stock units.

On September 5, 2023, the Company issued 641 shares of common stock to certain vendors for services rendered and to be rendered with an aggregate grant date fair value of \$200. These shares of common stock were valued based on the closing price of the Company's common stock on the date of the issuance or the date the Company entered into the agreement related to the issuance.

#### ***Shares Issued for Settlements of Accrued Expenses***

During the year ended December 31, 2023, the Company issued 466 shares of common stock to settle accrued expenses. The fair market value of the shares issued was based on the closing price of the Company's common stock on the dates of each settlement, which amounted to \$146.

#### ***Shares Issued for Settlement of Litigation***

On September 19, 2023, the Company issued 917 shares to certain other investors to settle litigation, see Note 14. The fair market value of the shares issued was based on the closing price of the Company's common stock on the date of the settlement, which amounted to \$200. A loss of \$(200) was recorded within other income (expense), net in the consolidated statement of operations for the year ended December 31, 2023. In exchange for the shares, 161 warrants were cancelled as part of the settlement agreement.

#### ***Shares Issued as Payment on Notes Payable***

During the year ended December 31, 2023, the Company issued 36,510 shares to Streeterville in exchange for a reduction on the Company's note payable outstanding balance with Streeterville amounting to \$5,097.

#### ***Termination of Equity Line of Credit Agreement***

On January 26, 2023, the Company terminated the January Purchase Agreement dated January 12, 2022, which provided for the sale by the Company of up to \$50,000 of newly issued shares.

#### ***Reverse Stock Split***

At a Special Meeting of Stockholders on April 10, 2023, the stockholders of the Company approved a Certificate of Amendment to the Articles of Incorporation of the Company to increase its authorized common stock from 200,000,000 shares to 400,000,000 shares and approved the grant of discretionary authority to the board of directors of the Company to effect a reverse stock split of its outstanding shares of common stock at a specific ratio within a range of one-for-five (1-for-5) to a maximum of a one-for-forty (1-for-40) split. On April 18, 2023, the Company implemented the 1-for-40 reverse stock split (the "Reverse Stock Split") of its common stock. The Company's common stock commenced trading on a post- reverse stock split basis on April 19, 2023. As a result of the Reverse Stock Split, every forty (40) shares of the Company's pre-Reverse Stock Split common stock were combined and reclassified into one share of common stock. Any fractional shares were rounded up to a whole share which resulted in the issuance of 31,195 shares of common stock. The number of shares of common stock subject to outstanding options, warrants, and convertible securities were also reduced by a factor of forty and the exercise price of such securities increased by a factor of forty effective as of April 18, 2023.

#### ***Equity Incentive Plan***

At the Special Meeting of Stockholders on April 10, 2023, the stockholders of the Company approved an amendment to the Company's 2019 Incentive Compensation Plan to increase the number of shares authorized under the plan by 15,000,000 shares of common stock to be authorized for awards granted under the plan.

#### **Preferred Stock**

The Company's preferred stock activity for the year ended December 31, 2024 was as follows:

### ***Series C***

During the year ended December 31, 2024, the Company redeemed 3,000 Series C Preferred Shares in exchange for 342,672 common shares in order to reduce the amount of dividend to be accrued. The transaction was done at the Nasdaq at-the-market price. No broker was involved in the transaction and no fees or commissions were paid or incurred by the Company. The Company recorded a deemed dividend of \$900 to Series C Preferred Shareholders to account for the difference between the initial investment of \$1,000 per Series C Preferred Share and the Stated Value of \$1,300 per Series C Preferred Share, the Redemption Price. On October 14, 2024, the Company redeemed 187 Series C Preferred Shares in exchange for 32,913 common shares to fully repay the amount accrued for preferred dividends.

The Company's preferred stock activity for the year ended December 31, 2023 was as follows:

### ***Series B***

On February 17, 2023, the Company entered into a Subscription and Investment Representation Agreement (the "Subscription Agreement") with Rory J. Cutaia, its Chief Executive Officer, who is an accredited investor (the "Purchaser"), pursuant to which the Company agreed to issue and sell one (1) share of the Company's Series B Preferred Stock, par value \$0.0001 per share (the "Series B Preferred Stock"), to the Purchaser for \$5 in cash. The sale closed on February 17, 2023. On April 20, 2023, the Company redeemed the Series B Preferred Stock for \$5 in cash.

The Certificate of Designation provides that the holder of the Series B Preferred Stock will have 700,000,000 votes and will vote together with the outstanding shares of the Company's common stock as a single class exclusively with respect to any proposal to amend the Company's Articles of Incorporation, as amended, to effect a reverse stock split of the Company's common stock and to increase the number of authorized shares of common stock of the Company. The Series B Preferred Stock will be voted, without action by the holder, on any such proposal in the same proportion, both For and Against, as shares of the common stock are voted. The Series B Preferred Stock otherwise has no voting rights except as otherwise required by the Nevada Revised Statutes.

The Series B Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. The Series B Preferred Stock has no rights with respect to any distribution of assets of the Company, including upon a liquidation, bankruptcy, reorganization, merger, acquisition, sale, dissolution or winding up of the Company, whether voluntarily or involuntarily. The holder of the Series B Preferred Stock will not be entitled to receive dividends of any kind.

The outstanding share of Series B Preferred Stock shall be redeemed in whole, but not in part, at any time (i) if such redemption is ordered by the Board of Directors in its sole discretion or (ii) automatically upon the effectiveness of the amendment to the Articles of Incorporation implementing a reverse stock split and the increase in authorized shares of common stock of the Company.

### ***Series C***

On December 28, 2023, the Company filed a certificate of designation of preferences and rights (the "Certificate of Designation") of Series C Preferred Stock (the "Series C Preferred Stock"), with the Secretary of State of Nevada, designating 5,000 shares of preferred stock, par value \$0.0001 of the Company, as Series C Preferred Stock. Each share of Series C Preferred Stock shall have a stated face value of \$1,300.00 ("Stated Value"). The Series C Preferred Stock is not convertible into common shares of capital stock of the Company and as such is non-dilutive to current stockholders.

Each share of Series C Preferred Stock shall accrue a rate of return on the Stated Value at the rate of 10% per year, compounded annually to the extent not paid as set forth in the Certificate of Designation, and to be determined pro rata for any fractional year periods (the "Preferred Return"). The Preferred Return shall accrue on each share of Series C Preferred Stock from the date of its issuance, and shall be payable or otherwise settled as set forth in the Certificate of Designation.

Commencing on the 1 year anniversary of the issuance date of each share of Series C Preferred Stock, each such share of Series C Preferred Stock shall accrue an automatic quarterly dividend, based on three quarters of 91 days each and the last quarter of 92 days (or 93 days for leap years), which shall be calculated on the Stated Value of such share of Series C Preferred Stock, and which shall be payable in additional shares of Series C Preferred Stock, based on the Stated Value, or in cash as set forth in the Certificate of Designation (each, as applicable, the "Quarterly Dividend"). For the period beginning on the 1 year anniversary of the issuance date of a share of Series C Preferred Stock to the 2 year anniversary of the issuance date of a share of Series C Preferred Stock, the Quarterly Dividend shall be 2.5% per quarter, and for all periods following the 2 year anniversary of the issuance date of a share of Series C Preferred Stock, the Quarterly Dividend shall be 5% per quarter.

Subject to the terms and conditions set forth in the Certificate of Designation, at any time the Company may elect, in the sole discretion of the Board of Directors, to redeem all, but not less than all, of the Series C Preferred Stock then issued and outstanding from all of the Series C Preferred Stock Holders (a “Corporation Optional Redemption”) by paying to the applicable Series C Preferred Stock Holders an amount in cash equal to the Series C Preferred Liquidation Amount (as defined in the Certificate of Designation) then applicable to such shares of Series C Preferred Stock being redeemed in the Corporation Optional Conversion (the “Redemption Price”).

The Series C Preferred Stock confers no voting rights on holders, except with respect to matters that materially and adversely affect the voting powers, rights or preferences of the Series C Preferred Stock or as otherwise required by applicable law.

On December 29, 2023, the Company entered into a Securities Purchase Agreement with Streeterville, pursuant to which the Company sold and Streeterville purchased 3,000 shares of the Company’s newly designated non-convertible Series C Preferred Stock (the “Series C Shares”) for a total purchase price of \$3,000. The Shares have a 10% stated annual dividend, no voting rights and has a face value of \$1,300 per share. The sale of the Series C Shares was consummated on December 29, 2023.

## 12. RESTRICTED STOCK UNITS

A summary of restricted stock unit activity for the years ended December 31, 2024 and 2023 is presented below:

	<u>Shares</u>	<u>Weighted-Average Grant Date Fair Value</u>
Non-vested at January 1, 2023.....	450	\$ 5,808.00
Granted.....	1,424	186.00
Vested/ deemed vested.....	(1,004)	1,194.00
Forfeited and other.....	(103)	8,098.00
Non-vested at December 31, 2023.....	<u>767</u>	<u>\$ 1,176.00</u>
Granted.....	198,265	9.78
Vested/deemed vested.....	(197)	1,518.00
Forfeited and other.....	(12)	8,480.00
Non-vested at December 31, 2024.....	<u>198,823</u>	<u>\$ 12.28</u>

On November 8, 2024, the Company granted 198,265 restricted stock units to officers, employees and directors. The restricted stock units vest on November 8 of each year from 2025 through 2028. These restricted stock units were valued based on the closing price of the Company’s common stock on the respective dates of issuance and had an aggregate grant date fair value of \$1,939, which is being amortized as share-based compensation expense over the respective vesting terms.

On September 28, 2023, the Company granted 685 restricted stock units to its interim Chief Financial Officer. The restricted stock units vest annually through September 2027. These restricted stock units were valued based on the closing price of the Company’s common stock on the date of issuance and had an aggregate grant date fair value of \$100, which is being amortized as share-based compensation expense over the vesting term.

On June 21, 2023, a total of 727 shares of restricted stock with a grant date fair value of \$161 was granted pursuant to the Cost Savings Plan that was extended through April 30, 2023. These restricted stock units were valued based on the closing price of the Company’s common stock on the date of issuance and vested on the grant date. The total shares issued for these vested restricted stock units include 259 granted to officers and 50 granted to directors.

The total fair value of restricted stock units that vested or deemed vested during the year ended December 31, 2024 was \$299. The share-based compensation expense recognized relating to the vesting of restricted stock units for the years ended December 31, 2024 and 2023 amounted to \$1,254 and 1,103, respectively. As of December 31, 2024, the amount of unvested compensation related to issuances of restricted stock units was \$2,032 which will be recognized as an expense in future periods as the shares vest. When calculating basic net loss per share, these shares are included in weighted average common shares outstanding from the time they vest. When calculating diluted net loss per share, these shares are included in weighted average common shares outstanding as of their grant date.

See Note 18 – Subsequent Events.

### 13. STOCK OPTIONS

A summary of option activity for the years ended December 31, 2024 and 2023 is presented below.

	<u>Options</u>	<u>Weighted- Average Exercise Price</u>	<u>Weighted- Average Remaining Contractual Life (Years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at January 1, 2023.....	696	\$ 10,422.00	3.37	\$ -
Granted .....	10,293	190.00	-	-
Forfeited and other.....	(554)	12,096.00	-	-
Exercised .....	-	-	-	-
Outstanding at December 31, 2023.....	<u>10,435</u>	<u>240.14</u>	<u>4.60</u>	<u>-</u>
Granted .....	9,019	9.81	-	-
Forfeited and other.....	(1,379)	333.58	-	-
Exercised .....	-	-	-	-
Outstanding at December 31, 2024.....	<u><u>18,075</u></u>	<u><u>\$ 127.61</u></u>	<u><u>4.22</u></u>	<u><u>\$ -</u></u>
Vested December 31, 2024.....	4,911	\$ 284.37	3.58	\$ -
Exercisable at December 31, 2024.....	4,911	\$ 284.37	3.58	\$ -

As of December 31, 2024, the intrinsic value of the outstanding options was \$0.

On November 8, 2024, the Company granted stock options to a board member to purchase a total of 9,019 stock options. The options have an exercise price of \$9.81, expire in five years, and vest one year from the grant date. The total grant date fair value of these options was \$80 based on the Black-Scholes option pricing model.

On September 28, 2023, the Company granted stock options to employees to purchase a total of 4,600 stock options. The options have an average exercise price of \$146.00 per share, expire in five years, and vest annually over 4 years. The total grant date fair value of these options was \$608 based on the Black-Scholes option pricing model.

On June 21, 2023, the Company granted stock options to board members to purchase a total of 4,988 stock options. The options have an average exercise price of \$222.00 per share, expire in five years, and vest one year from the grant date. The total grant date fair value of these options was \$953 based on the Black-Scholes option pricing model. On September 28, 2023, the Company granted stock options to a board member to purchase a total of 514 stock options. The options have an average exercise price of \$146.00 per share, expire in five years, and vested on the grant date. The total grant date fair value of these options was \$68 based on the Black-Scholes option pricing model.

During the year ended December 31, 2023, the Company granted stock options to board members to purchase a total of 41 stock options as replacement awards related to forfeited restricted stock units. The options have an average exercise price of \$1,840.00 per share, expire in five years, and vested on the grant date. The total fair value of these options at grant date was \$66 using the Black-Scholes Option Pricing model.

The share-based compensation expense recognized relating to the vesting of stock options for the years ended December 31, 2024 and 2023 amounted to \$689 and \$1,289, respectively. As of December 31, 2024, the total unrecognized share-based compensation expense was \$855, which is expected to be recognized as part of operating expense through September 2027.

The grant date fair value of option awards is estimated using the Black-Scholes option pricing model based on the following assumptions:

	<u>Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Risk free interest rate .....	4.20%	3.56% - 4.62 %
Average expected term .....	5 years	5 years
Expected volatility.....	145%	127 – 145 %
Expected dividend yield .....	-	-

The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of measurement corresponding with the expected term of the share option award; the expected term represents the weighted-average period of time that option awards are expected to be outstanding giving consideration to vesting schedules and historical participant exercise behavior; the expected volatility is based upon historical volatility of the Company's common stock; and the expected dividend yield is based on the fact that the Company has not paid dividends in the past and does not expect to pay dividends in the future.

See Note 18 – Subsequent Events.

#### 14. STOCK WARRANTS

A summary of warrant activity for the years ended December 31, 2024 and 2023 is presented below:

	<u>Warrants</u>	<u>Weighted-Average Exercise Price</u>	<u>Weighted-Average Remaining Contractual Life (Years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at January 1, 2023.....	4,763	\$ 7,520.00	3.56	\$ -
Granted .....	-	-	-	-
Forfeited .....	(165)	1,628.00	-	-
Exercised .....	-	-	-	-
Outstanding at December 31, 2023.....	<u>4,598</u>	<u>6,752.00</u>	<u>3.10</u>	<u>-</u>
Granted .....	-	-	-	-
Forfeited .....	(1,053)	24,098.44	-	-
Exercised .....	-	-	-	-
Outstanding at December 31, 2024.....	<u><u>3,545</u></u>	<u><u>\$ 1,769.64</u></u>	<u><u>2.92</u></u>	<u><u>\$ -</u></u>

As of December 31, 2024, the intrinsic value of the outstanding warrants was \$0.

On January 24, 2023, the Company entered into an underwriting agreement with Aegis relating to the January 2023 offering, issuance and sale of 4,506 shares of the Company's common stock at a public offering price of \$1,600.00 per share. As a result of this transaction, certain warrants which previously had an exercise price of \$2,720.00 per share, had the exercise price reduced to \$1,600.00 per share, which resulted in the Company recognizing a deemed dividend of \$164.

On September 19, 2023, the Company issued 917 shares of its common stock to certain other investors to settle litigation. In exchange for the shares, 161 warrants were cancelled as part of the settlement agreement.

#### 15. INCOME TAXES

As of December 31, 2024 and 2023, the total current state tax expense is \$1 and \$2, respectively. There are no current federal taxes payable and no federal or state deferred taxes.

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes attributable to continuing operations were as follows:

	<u>Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Statutory federal income tax rate .....	21.0%	21.0%
State taxes, net of federal benefit.....	5.5%	2.2%
Non-deductible items.....	(2.7)%	(1.0)%
Change in valuation allowance.....	(25.3)%	(20.5)%
Prior year true up .....	1.5%	(1.7)%
Effective income tax rate.....	<u><u>0.0%</u></u>	<u><u>0.0%</u></u>

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes attributable to discontinued operations were as follows:

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Statutory federal income tax rate .....	0.0%	21.0%
State taxes, net of federal benefit.....	0.0%	2.2%
Goodwill and intangible assets .....	0.0%	16.7%
Change in valuation allowance .....	(0.0)%	(39.9)%
Prior year true up .....	0.0%	0.0%
Effective income tax rate.....	<u>0.0%</u>	<u>0.0%</u>

Significant components of the Company’s deferred tax assets and liabilities related to continuing operations are as follows:

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Net operating loss carry-forwards.....	\$ 32,047	\$ 30,863
Share based compensation .....	1,890	1,385
Long-lived assets .....	100	115
Section 174 R&D amortization.....	1,517	1,837
Other temporary differences .....	705	426
Less: Valuation allowance .....	(36,259)	(34,626)
Deferred tax assets, net .....	<u>\$ -</u>	<u>\$ -</u>

ASC 740 requires that the tax benefit of net operating loss carry-forwards be recorded as an asset to the extent that management assesses that realization is “more likely than not.” Realization of the future tax benefits is dependent on the Company’s ability to generate sufficient taxable income within the carry forward period. Because of the Company’s recent history of operating losses, management believes that recognition of the deferred tax assets arising from the above-mentioned future tax benefits is currently not likely to be realized and, accordingly, recorded a 100% valuation allowance against all deferred tax assets as of December 31, 2024 amounting to \$36.3 million.

Any uncertain tax positions would be related to tax years that remain open and subject to examination by the relevant tax authorities. The Company has no liabilities related to uncertain tax positions or unrecognized benefits for the years ended December 31, 2024 and 2023.

As of December 31, 2024 and 2023, the Company had federal net operating loss carry-forwards of approximately \$131.2 million and \$127.5 million, respectively, and state net operating loss carry-forwards of approximately \$88.3 million and \$83.3 million, respectively, which may be available to offset future taxable income for tax purposes. As of December 31, 2024, approximately \$12.6 million of federal net operating loss carry-forwards begin to expire in 2034. While the remaining amount of approximately \$119.8 million does not expire, the Tax Cuts and Jobs Act of 2017 limits the amount of federal net operating loss utilized each year after December 31, 2017 to 80% of taxable income. As of December 31, 2024, approximately \$38.1 million of state net operating loss carry-forwards begin to expire in 2031.

Net operating loss carryforwards may be limited upon the ownership change under IRS Section 382. IRS Section 382 places limitations (the “Section 382 Limitation”) on the amount of taxable income which can be offset by net operating loss carry-forwards after a change in control (generally greater than 50% change in ownership) of a loss corporation. Generally, after a change in control, a loss corporation cannot deduct operating loss carry-forwards in excess of the Section 382 Limitation. Due to these “change in ownership” provisions, utilization of the net operating loss may be subject to an annual limitation regarding their utilization against taxable income in future periods. The Company has not concluded its analysis of Section 382 through December 31, 2023 but believes the provisions will not limit the availability of losses to offset future income.

The Company is subject to income taxes in the U.S. federal jurisdiction and various state jurisdictions. The tax regulations within each jurisdiction are subject to interpretation of related tax laws and regulations and require significant judgment to apply. As of December 31, 2024, tax years 2021 through 2023 remain open for IRS audit and tax years 2020 through 2023 remain subject to examination in significant state tax jurisdictions. The Company has not received any notice of audit from the IRS or state authorities for any of the open tax years.

## 16. COMMITMENTS AND CONTINGENCIES

### *Litigation*

#### a. Former Employee

The Company is currently in a dispute with a former employee of its predecessor bBooth, Inc. who has interposed a breach of contract claim in which he alleges that in 2015 he was entitled to approximately \$300 in unpaid bonus compensation. This former employee filed his complaint in the Superior Court of California for the County of Los Angeles on November 20, 2019, styled *Meyerson v. Verb Technology Company, Inc., et al.* (Case No. 19STCV41816). The Company disputed the former employee's claims and interposed several affirmative defenses, including that the claims are contradicted by documentary evidence, barred by the applicable statute of limitations, and barred by a written, executed release. On February 9, 2021, the former employee's counsel filed a motion for summary judgment, or in the alternative, summary adjudication against the Company. On October 13, 2021, the California court issued an order (i) denying the former employee's motion for summary judgment on his claims against the Company, but (ii) granting the former employee's motion to dismiss the Company's affirmative defenses, which ruling the Company contends was in error. Under the rules, the Company is precluded from appealing the dismissal of its affirmative defenses until after a trial. On August 29, 2023, after a bench trial at which the Company was precluded from introducing evidence of its affirmative defenses, the court found in favor of Plaintiff Meyerson; and judgment was entered in Meyerson's favor in the amount of \$584 which included interest. Meyerson's counsel thereafter submitted an untimely request for attorney's fees and costs which the Company has opposed. After due consideration, the Court awarded Meyerson's counsel only approximately \$8 in counsel fees. After the trial, the Company filed a timely appeal from the judgment (*Meyerson v. Verb Technology Company, Inc.* (2023 2nd Appellate District) Case No.: B334777, seeking among other things, that the trial court's finding be vacated and that the Company's affirmative defenses be reinstated. As of this date, the appeal has yet to be heard. In the interim, the Company bonded the judgement preventing any enforcement or collection of the judgement while the appeal is pending. As of December 31, 2024, the bonded amount is recorded and included within restricted cash on the Company's consolidated balance sheet. The Company has accrued the liability at December 31, 2024 and believes the accrual is adequate pending the outcome of the appeal process.

#### b. Legal Malpractice Action

The Company was involved in a dispute with Baker Hostetler LLP ("BH") relating to corporate legal services provided by BH to the Company. The Company filed its complaint in the Superior Court of California for the County of Los Angeles on May 17, 2021, styled *Verb Technology Company, Inc. v. Baker Hostetler LLP, et al.* (Case No. 21STCV18387). The Company's complaint arises from BH's alleged legal malpractice, breach of fiduciary duties owed to the Company, breach of contract, and violations of California's Business and Professions Code Section 17200 et seq. The Company was seeking, amongst other things, compensatory damages from BH. On October 5, 2021, BH filed a cross-complaint against the Company alleging, amongst other things, that the Company owes it approximately \$915 in legal fees. The Company disputed owing this amount to BH. On March 1, 2023, BH and the Company entered into an out of court settlement and the Company agreed to pay \$25 on execution of the settlement agreement and \$6.25 per month over a period of 12 months with a total settlement amount of \$100. The remaining unpaid settlement amount of \$31 was paid by the Company during the year ended December 31, 2024.

The Company knows of no material proceedings in which any of its directors, officers, or affiliates, or any registered or beneficial stockholder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

The Company believes it has adequately reserved for all litigation within its financial statements.

### *Board of Directors*

The Company has committed an aggregate of \$598 in board fees to its three independent board members over the term of their appointment for services to be rendered. This amount includes a one-time performance-based bonus payment to a board member that is non-recurring. The Company's CEO does not receive compensation for serving on the Board of Directors.

Total board fees expensed during the year ended December 31, 2024 totaled \$598.

## 17. SEGMENT REPORTING

The Company currently operates two reportable segments, MARKET.live and Go Fund Yourself. The Company also operates a third business unit, currently operating in stealth mode, which for the year ending December 31, 2024, the Company does not deem to be a reportable segment.

The following tables summarize the Company's reportable segment information and unallocated corporate expenses:

	Year ended December 31, 2024				Year ended December 31, 2023			
	Reportable Segments				Reportable Segments			
	MARKET.live	Go Fund Yourself	Corporate	Consolidated	MARKET.live	Go Fund Yourself	Corporate	Consolidated
Revenues.....	\$ 637	\$ 258	\$ -	\$ 895	\$ 63	\$ -	\$ -	\$ 63
<b>Costs and expenses:</b>								
Cost of revenue, exclusive of depreciation and amortization shown separately below .....	164	60	-	224	19	-	-	19
Depreciation and amortization...	999	14	64	1,077	2,211	-	120	2,331
General and administrative	3,686	553	6,999	11,238	2,603	-	8,905	11,508
Total costs and expenses ....	4,849	627	7,063	12,539	4,832	-	9,026	13,858
<b>Operating loss .....</b>	<b>\$ (4,212)</b>	<b>\$ (369)</b>	<b>\$ (7,063)</b>	<b>\$ (11,644)</b>	<b>\$ (4,769)</b>	<b>\$ -</b>	<b>\$ (9,026)</b>	<b>\$ (13,795)</b>

Total assets by reportable segment as of December 31, 2024 is as follows:

	Corporate	Go Fund Yourself	MARKET.Live	Consolidated
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash .....	\$ 7,575	\$ -	\$ 42	\$ 7,617
Restricted cash .....	878	-	-	878
Accounts receivable .....	-	233	117	350
ERC Receivable - short-term .....	2,458	-	-	2,458
Short-term investments - trading .....	4,913	-	-	4,913
Prepaid expenses and other current assets .....	172	46	34	252
Total current assets .....	15,996	279	193	16,468
Capitalized software development costs .....	-	-	2,992	2,992
Property and equipment, net .....	74	250	7	331
Operating lease right-of-use assets .....	-	186	154	340
Intangible assets, net .....	168	10	-	178
Other non-current assets .....	250	67	9	326
<b>Total assets .....</b>	<b>\$ 16,488</b>	<b>\$ 792</b>	<b>\$ 3,355</b>	<b>\$ 20,635</b>

## 18. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 24, 2025, the date these consolidated financial statements were issued. There were no material events or transactions that require disclosure in the financial statements other than the items discussed below.

### *Collection of ERC short-term receivable*

Subsequent to December 31, 2024, the Company received \$1,724 of its ERC short-term receivable.

### *Issuances of Restricted Stock Units*

On January 7, 2025, the Company granted 146,435 shares restricted stock units to its officers and directors. The restricted stock units vest over a four-year period for its officers and vest on the first anniversary of the grant date for its non-employee directors. These Restricted Stock Units were valued based on market value of the Company's stock price on the date of grant and had aggregate fair value of \$965, which is being amortized as stock compensation expense over its respective vesting term.

### *Issuance of Stock Options*

On January 7, 2025, the Company granted stock options to a board member to purchase a total of 13,451 stock options. The options have an exercise price of \$6.59 per share, expire in five years, and vest on the first anniversary of the grant date. The total fair value of these options at the grant date was \$86 using the Black-Scholes option pricing model.

### *Issuances of Common Stock*

Subsequent to December 31, 2024, the Company issued 60,023 shares of common stock to Mr. Cutaia associated with the vesting of restricted stock units.

Subsequent to December 31, 2024, the Company issued 60,000 shares of common stock to its Lead Director associated with the vesting of restricted stock units.

### *Binding Term Sheet*

On February 28, 2025, the Company entered into a Binding Term Sheet (the "Binding Term Sheet") with Lyvecom, Inc. ("Lyvecom") and the shareholders of Lyvecom (the "Lyvecom Shareholders") to acquire all the outstanding capital stock of Lyvecom, an AI-driven video commerce platform. The purchase price for the shares of capital stock of Lyvecom is \$3,000 in cash, the repayment of \$1,125 to certain investors in Lyvecom's Simple Agreement for Future Equity (S.A.F.E.) instruments, the payment of \$100 to a third party to satisfy his existing loan to Lyvecom, and the issuance shares of the Company's common stock (the "Shares") having a value of \$1,000 on the closing date; provided the number of Shares to be issued may not exceed 19.9% of the Company's outstanding shares of common stock on such date (the "Cap"). The Binding Term Sheet provides that in the event, as a result of the Cap, the Shares to be issued to the Lyvecom Shareholders on the closing date shall have a value of less than \$1,000, the shortfall will be paid by the Company to the Lyvecom Shareholders in cash. The Binding Term Sheet also provides for an earn-out payment to the Lyvecom Shareholders of up to an additional \$3,000 in cash over a 24-month earn-out period based on various performance metrics.

The Binding Term Sheet provides that the parties will use their best efforts to enter into one or more definitive agreements that incorporate all of the terms of the Binding Term Sheet and that pursuant to the definitive agreements the parties will consummate the transaction upon completion of Lyvecom's audit for the years ended December 31, 2024 and December 31, 2023 and the satisfaction of the other conditions to closing to be set forth herein.

If the transaction is not consummated by June 30, 2025, then either the Company or Lyvecom have the right to terminate the Binding Term Sheet by written notice to the other; provided, that if the reason the transaction has not been consummated is because Lyvecom shall have failed to deliver its audited financial statements to the Company on or before May 30, 2025, then Lyvecom will reimburse the audit fees incurred by the Company in respect of such audit, which reimbursement may be made by providing a 100% credit to the Company in the amount of the audit fees against the monthly fees otherwise payable by the Company to Lyvecom pursuant to an existing services agreement for interactive video content between the parties. The existing services agreement is terminated upon the closing of the transaction.

In connection with the transaction, the Binding Term Sheet provides that the Company will enter into a two-year employment agreement with Maxwell Drut serve as MARKET.live's Chief Technology Officer. Pursuant to the employment agreement, Mr. Drut will receive an annual base salary of \$250 and with a bonus target of 25% of his base salary upon achievement of objectives as may be determined by the Company's board of directors.

### *Repayment of Note Payable*

On March 7, 2025, the Company fully repaid the SBA loan balance, including accrued interest, amounting to \$115.

## INDEX TO EXHIBITS

Exhibit Number	Description*	Where Located				
		Form	File Number	Exhibit Number	Filing Date	Filed Herewith
3.1	Articles of Incorporation as filed with the Secretary of State of the State of Nevada on November 27, 2012	S-1	333- 187782	3.1	04/08/2013	
3.2	Amended and Restated Bylaws of Verb Technology Company, Inc.	8-K	001- 38834	3.12	11/01/2019	
3.3	Certificate of Change as filed with the Secretary of State of the State of Nevada on October 6, 2014	8-K	001- 38834	3.3	10/22/2014	
3.4	Articles of Merger as filed with the Secretary of State of the State of Nevada on October 6, 2014	8-K	001- 38834	3.4	10/22/2014	
3.5	Articles of Merger as filed with the Secretary of State of the State of Nevada on April 4, 2017	8-K	001- 38834	3.5	04/24/2017	
3.6	Certificate of Correction as filed with the Secretary of State of the State of Nevada on April 17, 2017	8-K	001- 38834	3.6	04/24/2017	
3.7	Certificate of Change as filed with the Secretary of State of the State of Nevada on February 1, 2019	10-K	001- 38834	3.7	02/07/2019	
3.8	Articles of Merger as filed with the Secretary of State of the State of Nevada on January 31, 2019	10-K	001- 38834	3.8	02/07/2019	
3.9	Certificate of Correction as filed with the Secretary of State of the State of Nevada on February 22, 2019	S-1/A	333- 226840	3.9	03/14/2019	
3.10	Articles of Merger of Sound Concepts, Inc. with and into NF Merger Sub, Inc. as filed with the Utah Division of Corporations and Commercial Code on April 12, 2019	10-Q	001- 38834	3.10	05/15/2019	
3.11	Statement of Merger of Verb Direct, Inc. with and into NF Acquisition Company, LLC as filed with the Utah Division of Corporations and Commercial Code on April 12, 2019	10-Q	001- 38834	3.11	05/15/2019	
3.12	Certificate of Withdrawal of Certificate of Designation of Series A Convertible Preferred Stock as filed with the Secretary of State of the State of Nevada on August 10, 2018	S-1	333- 226840	4.28	08/14/2018	
3.13	Certificate of Designation of Rights, Preferences, and Restrictions of Series A Convertible Preferred Stock as filed with the Secretary of State of the State of Nevada on August 12, 2019	10-Q	001- 38334	3.12	08/14/2019	

Exhibit Number	Description*	Where Located				
		Form	File Number	Exhibit Number	Filing Date	Filed Herewith
3.14	Certificate of Designation of Series B Preferred Stock, dated February 17, 2023	8-K	001-38834	3.1	02/24/2023	
3.15	Certificate of Amendment to the Articles of Incorporation dated April 17, 2023	8-K	001-38834	3.1	04/18/2023	
3.16	Certificate of Designation of Series C Preferred Stock	8-K	001-38834	3.1	01/04/2024	
3.17	Certificate of Amendment to the Articles of Incorporation dated September 27, 2024	8-K	001-38834	3.1	09/27/2024	
4.1	Common Stock Purchase Warrant dated January 11, 2018 issued to EMA Financial, LLC	8-K	001-38834	10.3	01/26/2018	
4.2	Form of Investor Common Stock Purchase Warrant	S-1/A	333-226840	4.34	04/02/2019	
4.3	Form of Underwriter's Common Stock Purchase Warrant	S-1/A	333-226840	4.35	04/02/2019	
4.4	Form of Common Stock Purchase Warrant in favor of A.G.P./Alliance Global Partners	S-1/A	333-226840	4.36	04/02/2019	
4.5	Form of Common Stock Purchase Warrant	10-Q	001-38834	4.37	08/14/2019	
4.6#	Verb Technology Company, Inc. 2019 Omnibus Incentive Plan	S-8	333-235684	4.13	12/23/2019	
4.7	Form of Common Stock Purchase Warrant (granted by the Company in February 2020 and March 2020)	8-K	001-38834	4.38	02/25/2020	
4.8	Common Stock Purchase Warrant dated August 5, 2020 in favor of Iroquois Capital Investment Group LLC	S-3	333-243438	4.18	08/10/2020	
4.9	Common Stock Purchase Warrant dated August 5, 2020 in favor of Iroquois Master Fund Ltd.	S-3	333-243438	4.19	08/10/2020	
4.10	Common Stock Purchase Warrant dated August 6, 2020 in favor of Kingsbrook Opportunities Master Fund LP	S-3	333-243438	4.20	08/10/2020	
4.11	Common Stock Purchase Warrant dated July 10, 2019 in favor of Meridian Newcastle Group, Inc.	S-3	333-243438	4.21	08/10/2020	
4.12	Common Stock Purchase Warrant dated July 10, 2019 in favor of Meridian Newcastle Group, Inc.	S-3	333-243438	4.22	08/10/2020	

Exhibit Number	Description*	Where Located				
		Form	File Number	Exhibit Number	Filing Date	Filed Herewith
4.13	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	10-K/A	001-38834	4.17	06/04/2020	
4.14	Form of Common Stock Purchase Warrant	8-K	001-38834	4.1	4/22/2022	
4.15	Form of Common Stock Purchase Warrant	8-K	001-38834	4.1	10/25/2022	
10.1#	2014 Stock Option Plan	8-K	001-38834	10.1	10/22/2014	
10.2#	Executive Employment Agreement dated December 20, 2019 by and between the Company and Rory J. Cutaia	10-K	001-38834	10.2	05/14/2020	
10.3	Agreement and Plan of Merger, dated November 8, 2018, by and among the Company, Sound Concepts, Inc., NF Merger Sub, Inc., NF Acquisition Company, LLC, the shareholders of Sound Concepts, Inc., and the shareholders' representative	8-K	001-38834	10.1	11/14/2018	
10.4	Letter Agreement dated November 8, 2018, by and among the Company, Sound Concepts, Inc., NF Merger Sub, Inc., NF Acquisition Company, LLC, the shareholders of Sound Concepts, Inc., and the shareholders' representative	8-K	001-38834	10.2	11/14/2018	
10.5	Letter Agreement dated November 12, 2018, by and among the Company, Sound Concepts, Inc., NF Merger Sub, Inc., NF Acquisition Company, LLC, the shareholders of Sound Concepts, Inc., and the shareholders' representative	8-K	001-38834	10.3	11/14/2018	
10.6	Partner Application Distribution Agreement dated February 4, 2019, by and between the Company and Salesforce.com, Inc.	10-K	001-38834	10.43	02/07/2019	
10.7	Lease Agreement dated February 5, 2019 by and between the Company and NPBeach Marina LLC	S-1/A	333-226840	10.45	02/19/2019	
10.8	Warrant Agent Agreement dated April 4, 2019 by and between the Company and VStock Transfer, LLC	8-K	001-38834	10.1	04/05/2019	
10.9	First Amendment to Lease dated June 2, 2019 by and between the Company and NPBeach Marina LLC	10-Q	001-38834	10.54	08/14/2019	
10.10	Extension Letter from the Company to NPBeach Marina LLC dated March 26, 2019	10-Q	001-38834	10.55	08/14/2019	

Exhibit Number	Description*	Where Located				
		Form	File Number	Exhibit Number	Filing Date	Filed Herewith
10.11	Securities Purchase Agreement dated August 14, 2019 between the Company and certain purchasers identified therein	10-Q	001-38834	10.56	08/14/2019	
10.12	Form of Omnibus Waiver and Acknowledgment Agreement, entered into as of February 7, 2020, by and between the Company and certain purchasers of the Company's Series A convertible Preferred Stock and grantees of the Company's common stock purchase warrants in August 2019	8-K	001-38834	10.58	02/25/2020	
10.13	Form of alternative Omnibus Waiver And Acknowledgement Agreement, entered into as of February 7, 2020, by and between the Company and certain purchasers of the Company's Series A convertible Preferred Stock and grantees of the Company's common stock purchase warrants in August 2019	8-K	001-38834	10.58a	02/25/2020	
10.14#	Form of Indemnity Agreement between the Company and each of its Executive Officers and Directors	10-K/A	001-38834	10.43	06/04/2020	
10.15	Membership Interest Purchase Agreement, dated September 4, 2020, by and among Verb Acquisition Co., LLC, Ascend Certification, LLC, the sellers party thereto and Steve Deverall, as the seller representative	8-K	001-38834	10.1	09/10/2020	
10.16	Exchange Agreement, dated September 4, 2020, by and among Verb Acquisition Co., LLC, Verb Technology Company, Inc. and the holders of Class B Units party thereto	8-K	001-38834	10.4	09/10/2020	
10.17	Form of Contribution and Exchange Agreement, dated September 4, 2020, by and between Verb Acquisition Co., LLC and the investors party thereto	8-K	001-38834	10.5	09/10/2020	
10.18	Amended and Restated Operating Agreement of Verb Acquisition Co., LLC, dated September 4, 2020, by and among Verb Acquisition Co., LLC and the members party thereto	8-K	001-38834	10.6	09/10/2020	
10.19	At-the-Market Issuance Sales Agreement, dated November 16, 2021, between the Company and Truist Securities, Inc.	8-K	001-38834	1.1	11/16/2021	
10.20	Common Stock Purchase Agreement, dated January 12, 2022, between the Company and Tumim Stone Capital LLC	8-K	001-38834	10.1	1/13/2022	

Exhibit Number	Description*	Where Located				
		Form	File Number	Exhibit Number	Filing Date	Filed Herewith
10.21	Securities Purchase Agreement, dated January 12, 2022, amongst the Company and certain institutional investors identified therein	8-K	001-38834	10.2	1/13/2022	
10.22	Form of Securities Purchase Agreement	8-K	001-38834	10.1	4/22/2022	
10.23	Form of Securities Purchase Agreement	8-K	001-38834	10.1	10/28/2022	
10.24	Note Purchase Agreement, dated November 7, 2022, between Verb Technology Company, Inc. and Streeterville Capital, LLC	10-Q	001-38834	10.1	11/14/22	
10.25	Promissory Note, dated November 7, 2022, issued by Verb Technology Company, Inc.	10-Q	001-38834	10.2	11/14/22	
10.26	Underwriting Agreement, dated January 24, 2023, by and between the Company and Aegis Capital Corp	8-K	001-38834	1.1	01/26/2023	
10.27	Subscription and Investment Representation Agreement, dated February 17, 2023, by and between the Company and purchaser signatory thereto	8-K	001-38834	10.1	02/17/2023	
10.28#	2019 Stock Incentive Plan (amended September 2, 2020 and ratified by Stockholders October 16, 2020)	DEF 14A	001-38834		09/11/2020	
10.29#	Amendment to 2019 Stock Incentive Compensation Plan	DEF 14A	001-38834		2/28/2023	
10.30	Asset Purchase Agreement dated June 13, 2023, between Verb Technology Company, Inc. and SW Direct Sales, LLC.	8-K	001-38834	10.1	06/20/2023	
10.31	Note Purchase Agreement dated October 11, 2023, between Verb Technology Company, Inc. and Streeterville Capital, LLC	8-K	001-38834	10.1	10/17/2023	
10.32	Promissory Note dated October 11, 2023, issued by Verb Technology Company, Inc.	8-K	001-38834	10.2	10/17/2023	
10.33	ATM Sales Agreement by and between Verb Technology Company, Inc. and Ascendant Capital Markets, LLC, dated December 15, 2023	8-K	001-38834	1.1	12/15/2023	
10.34	Securities Purchase Agreement, dated December 29, 2023, by and between the Company and Streeterville Capital, LLC	8-K	001-38834	10.1	01/04/2024	

Exhibit Number	Description*	Where Located				
		Form	File Number	Exhibit Number	Filing Date	Filed Herewith
10.35	Form of Subscription Agreement	1-A	024-12400	4.1	02/14/2024	
10.36	Amendment to At-The-Market Issuance Sales Agreement, dated March 19, 2024, with Ascendant Capital Markets, LLC.	8-K	001-38834	10.1	03/19/2024	
10.37	Amendment to At-The-Market Issuance Sales Agreement, dated March 29, 2024, with Ascendant Capital Markets, LLC.	8-K	001-38834	10.1	03/29/2024	
10.38	Amendment to At-The-Market Issuance Sales Agreement, dated May 10, 2024, with Ascendant Capital Markets, LLC.	8-K	001-38834	10.1	05/10/2024	
10.39#	Corporate Action, Change of Control, and Extraordinary Performance Agreement with Rory J. Cutaia dated October 31, 2024	10-Q	001-38834	10.1	11/05/2024	
10.40#	Corporate Action, Change of Control, and Extraordinary Performance Agreement with James Geiskopf dated October 31, 2024	10-Q	001-38834	10.2	11/05/2024	
10.41	Binding Term Sheet by and among Verb Technology Company, Inc., Lyvecom, Inc. and the shareholders of Lyvecom, Inc. dated March 4, 2025	8-K	001-38834	10.1	03/04/2025	
14.1	Code of Ethics and Business Conduct for Directors, Senior Officers and Employees of Corporation	8-K	001-38834	14.1	10/22/2014	
21.1	Subsidiaries of the Registrant	10-K	001-38834	21.1	05/14/2020	
19.1	Insider Trading Policy, effective 2021					X
23.1	Consent of Independent Registered Public Accounting Firm					X
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934					X
31.2	Certification of Principal Financial Officer and Principal Accounting Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934					X
32.1**	Certification of Principal Executive Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code					

<b>Exhibit Number</b>	<b>Description*</b>	<b>Where Located</b>				
		<b>Form</b>	<b>File Number</b>	<b>Exhibit Number</b>	<b>Filing Date</b>	<b>Filed Herewith</b>
32.2**	Certification of Principal Financial Officer and Principal Accounting Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code					
97	Clawback Policy, effective November 15, 2023	10-K	001-38834	97	04/01/2024	
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase					X

(#) A contract, compensatory plan or arrangement to which a director or executive officer is a party or in which one or more directors or executive officers are eligible to participate.

(\*) Certain of the agreements filed as exhibits contain representations and warranties made by the parties thereto. The assertions embodied in such representations and warranties are not necessarily assertions of fact, but a mechanism for the parties to allocate risk. Accordingly, investors should not rely on the representations and warranties as characterizations of the actual state of facts or for any other purpose at the time they were made or otherwise.

(\*\*) The certifications attached as Exhibit 32 accompany this Annual Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the registrant for purposes of Section 18 of the Exchange Act and are not to be incorporated by reference into any of the registrant’s filings under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in any such filing.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### **Verb Technology Company, Inc.**

By: /s/ Rory J. Cutaia  
Rory J. Cutaia  
President, Chief Executive Officer, Secretary,  
and Director  
(Principal Executive Officer)

Date: March 24, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Rory J. Cutaia  
Rory J. Cutaia  
President, Chief Executive Officer, Secretary,  
and Director

By: /s/ Bill J. Rivard  
Bill J. Rivard  
Interim Chief Financial Officer

Date: March 24, 2025

By: /s/ James P. Geiskopf  
James P. Geiskopf  
Director

Date: March 24, 2025

By: /s/ Kenneth S. Cragun  
Kenneth S. Cragun  
Director

Date: March 24, 2025

By: /s/ Edmund C. Moy  
Edmund Moy  
Director

Date: March 24, 2025

