

April 17, 2023



VERB Reports Record-Breaking FY 2022 SaaS Revenue

Greatest Amount of SaaS Revenue Generated In Any Year in the Company's History

- *Full-year SaaS recurring revenue up 12% over previous year*
- *SaaS recurring revenue as a percentage of total revenue for the year ended December 31, 2022, was 81%, up from 65% for the previous year*
- *SaaS recurring revenue accounts for 93% of total digital revenue – up from 84% in 2021*
- *Reduction in Cost of Revenue represents a 27% improvement over previous year and 29% improvement over same period last year*
- *R & D expenses reduced by 58% over previous year and a 69% reduction over same period last year*
- *General & Administrative Expenses down 18% from the same period last year; and 33% from the previous quarter*
- *Operational cost reductions and efficiencies continuing aggressively through 2023*
- *Modified EBITDA¹ improved by 28%*

NEWPORT BEACH, Calif. and SALT LAKE CITY, April 17, 2023 (GLOBE NEWSWIRE) -- [Verb Technology Company, Inc. \(Nasdaq: VERB\)](#) ("VERB" or the "Company"), the leader in interactive video-based sales-enablement applications, including [MARKET.live](#), its livestream social shopping platform, today filed its Form 10-K reporting financial and operating results for the full year and the quarter ending December 31, 2022.

Summary Financial Results

For the Year Ended December 31, 2022

- **Total SaaS recurring revenue** was \$7.7 million, an increase of 12% from the previous year and the highest amount of SaaS recurring revenue generated any year in the history of the Company, represents continued strong demand for the Company's new suite of sales enablement applications
- **SaaS recurring revenue as a percentage** of Total Digital revenue was 93%, compared with 84% for the previous year
- **Total Digital revenue** was \$8.3 million, a modest increase over the previous year
- **Total Digital and Non-Digital combined revenue** of \$9.4 million is comprised of a 12% increase in SaaS recurring revenue, a 55% decrease in non-SaaS digital

revenue, and a 51% reduction in non-digital from the previous year as the Company continued to execute its strategic decision to wind down its low margin non-digital business silo

- **Cost of revenue** was \$3.3 million, an improvement of 27% from \$4.5 million for the previous year, reflecting the Company's focus on higher margin digital business
- **Gross profit** margin increased to 65% from previous year's 57%
- **Research and development expenses** of \$5.2 million, 58% lower than the previous year, represents a significant improvement as the Company continues to successfully execute its drive to profitability
- **SaaS Business General and Administrative expenses** reduced by \$2.4 million, represents an improvement of 9% over prior year. MARKET.live general and administrative expenses limited to less than \$2.0 million
- **Utah Office Expense** cut more than 60%, saving more than \$200K per annum
- **Year End Cash** position \$2.4 million, plus \$1.6 million in receivables and pre-paid expenses. Added \$6.6 million cash in January 2023 representing net proceeds of straight common equity offering with no warrants
- **Modified EBITDA**¹ improved by approximately \$7.5 million, or 28%, when compared with the previous year. Modified EBITDA is a non-GAAP measure. Please review note below for more information and greater specificity around our Modified EBITDA analysis

Three Months Ended December 31, 2021

- **Total SaaS recurring revenue** was \$1.8 million, just under record breaking quarter from same period last year
- **Total digital revenue** was \$1.9 million, a decrease of 12% from the same quarter last year, reflecting significantly higher non-SaaS digital revenue recorded in the same period last year
- **Total non-digital revenue** was \$0.2 million, down 57% from the same period last year, reflecting the Company's strategic decision to continue to wind down its low margin non-digital services
- **Cost of revenue** was \$0.8 million, an improvement of 29% over the same period last year the previous year, reflecting the Company's focus on higher margin digital business, successful execution of cost reductions initiatives, and improved operational efficiencies
- **Research and development expenses** were \$0.9 million, compared with \$2.7 million for the same period last year, reflecting a 69% reduction in costs
- **General and administrative expenses** were \$4.7 million, a decrease of 18% from the same period last year, and down 33% from the previous quarter

¹ Management considers our core operating performance to be that which our managers can affect in any particular period through their management of the resources that impact our underlying revenue and profit generating operations during that period. Non-GAAP adjustments to our results prepared in accordance with generally accepted accounting

principles (“GAAP”) are itemized below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis.

In addition to our results under GAAP, we present Modified EBITDA as a supplemental measure of our performance. We define Modified EBITDA as net income (loss), plus depreciation and amortization expense, share-based compensation expense, impairment loss, interest expense, change in fair value of derivative liability, other (income) expense, net debt extinguishment costs, MARKET.live startup costs, and other non-recurring charges. However, Modified EBITDA is not a recognized measurement under GAAP and should not be considered as an alternative to net income, income from operations, or any other performance measure derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of liquidity. In evaluating Modified EBITDA, you should be aware that in the future we may incur expenses that are similar to or different from the adjustments in this presentation. Our presentation of Modified EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In addition, while many companies calculate and track Modified EBITDA, you should be aware that other companies may calculate Modified EBITDA in a manner that differs from our calculation.

	Years Ended December 31,	
	2022	2021
Net loss	\$ (37,437)	\$ (34,486)
Adjustments		
Depreciation and amortization	2,529	1,677
Share-based compensation	4,455	5,668
Impairment loss	11,965	-
Interest expense	2,947	2,575
Change in fair value of derivative liability	(2,933)	(598)
Other income	(1,369)	(91)
Debt extinguishment, net	-	(1,112)
MARKET.live non-recurring startup costs*	802	-
Other non-recurring	126	-
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Total EBITDA adjustments	18,522	8,119
Modified EBITDA	\$ (18,915)	\$ (26,367)

* Includes general and administrative and R&D expenses that are directly related to the launch of our MARKET.live platform and are not expected to be recurring in future periods.

Conference Call Information

VERB management will hold a conference call today, April 17, 2023, at 6:00 p.m. Eastern time, to discuss 2022 results in greater detail. A telephonic replay of the conference call is available from 9:30 p.m. Eastern time today through May 16, 2023.

VERB Q4 and FY 2022 Earnings Call

Date: Monday, April 17, 2023

Time: 6:00 p.m. Eastern time (3:00 p.m. Pacific time)

To access by phone: Please call the conference telephone number 10-15 minutes prior to the start time. An operator will register your name and organization.

U.S. dial-in number: 1-877-407-4021

International number: 1-201-689-8472

Replay: Available after 9:30 p.m. Eastern time on the same day through Tuesday, May 16, 2023

Toll-free replay number: 1-844-512-2921

International replay number: 1-412-317-6671

Replay ID: 13737959

About VERB

Verb Technology Company, Inc. (Nasdaq: VERB), the market leader in interactive video-based sales applications, transforms how businesses attract and engage customers. The Company's MARKET.live platform is a multi-vendor, presenter, livestream social shopping destination at the forefront of the convergence of ecommerce and entertainment, where hundreds of retailers, brands, creators and influencers can monetize their base of fans and followers across social media channels. The Company's Software-as-a-Service, or SaaS, platform is based on its proprietary interactive video technology, is comprised of a suite of sales enablement business software products offered on a subscription basis. Its software applications are used by hundreds of thousands of people in over 100 countries and in more than 48 languages. VERB's clients include large sales-based enterprises as well as small business sales teams, including the sales and marketing departments of professional sports teams. With approximately 75 full-time employees, the Company is headquartered in Lehi, Utah, and it also maintains offices in Newport Beach, California.

For more information, please visit: www.verb.tech.

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FORWARD-LOOKING STATEMENTS

This communication contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties and include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "anticipate," "expect," "project," "plan," or words or phrases with similar meaning. Forward-looking statements contained in this press release relate to, among other things, the Company's projected financial performance and operating results, including SaaS Recurring Revenue, as well as statements regarding the Company's progress towards achieving its strategic objectives, including the successful integration and future performance of acquisitions. Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to the COVID-19 pandemic and related public health measures on our business, customers, markets and the worldwide economy; our plans to attract new customers, retain existing customers and

increase our annual revenue; the development and delivery of new products; our plans and expectations regarding software-as-a-service offerings; our ability to execute on, integrate, and realize the benefits of any acquisitions; fluctuations in our quarterly results of operations and other operating measures; increasing competition; general economic, market and business conditions. If any of these risks or uncertainties materialize, or if any of our assumptions prove incorrect, our actual results could differ materially from the results expressed or implied by these forward-looking statements. Investors are referred to our filings with the Securities and Exchange Commission, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement. All forward-looking statements in this press release are based on information available to us as of the date hereof, and we do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made, except as required by law.

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Source: Verb Technology Company, Inc.