

May 15, 2019



VERB Reports Consolidated, Unaudited and Pro Forma First Quarter Revenue of \$4 Million, an Increase of 44.5% Year-Over-Year and a 40% Increase In Digital Revenue Over Prior Quarter

Management to host conference call on Wednesday, May 15, 2019 at 4:30 p.m. ET

HOLLYWOOD, Calif. and SALT LAKE CITY, May 15, 2019 (GLOBE NEWSWIRE) -- [VERB Technology Company, Inc.](#) (NASDAQ: VERB) ("VERB" or the "Company"), a leader in business-focused interactive video sales and marketing applications and the pioneer of Augmented Sales Intelligence software, today reported its financial results for the first quarter ended March 31, 2019. The Company is also reporting its unaudited, pro forma, consolidated financial results for the first quarter ended March 31, 2019.

On April 11, 2019, VERB closed the acquisition of Utah-based Sound Concepts, a leading provider of sales and marketing tools and digital technology solutions in the direct sales and affiliate marketing sector. Because the closing of the Sound Concepts acquisition fell on April 11, 2019, subsequent to the end of the quarter, and because a majority of the Company's revenue in first quarter 2019 is related to business units that were integrated with Sound Concepts, management has opted to provide the additional financial information in this release and in a separate Form 8-K/A which the Company will file in order to provide a more complete picture of the Company's combined financial performance during the quarter ended March 31, 2019. While VERB's stand-alone financial results can be found in the recently filed Form 10-Q, revenue generated by the combined sales teams from VERB and Sound Concepts, selling services on the combined platform, was only accounted for in Sound Concepts' unaudited profit and loss statement of operations.

VERB and Sound Concepts Consolidated, Unaudited, Pro Forma, Income Statement as of March 31, 2019:

- Combined revenue totaled \$4 million, an increase of 44.5%, as compared to \$2.8 million for the same period of the year prior, and a 40% increase over previous quarter.
- Combined cost of revenue totaled \$2.2 million, an increase of 68.8%, as compared to \$1.3 million for the same period of the year prior.
- Combined gross profit totaled \$1.8 million, an increase of 22.6%, as compared to \$1.5 million for the same period of the year prior.
- The balance sheet, on a proforma basis, as of March 31, 2019 cash totaled \$2.5 million. Total assets were \$30.5 million, total liabilities were \$8.9 million and total

stockholders' equity was \$21.6 million.

VERB and Sound Concepts Consolidated, Unaudited, Pro Forma, Balance Sheet as of March 31, 2019:

- Cash of \$2.5 million
- Total assets of \$30.5 million
- Total liabilities of \$8.9 million
- Total shareholders' equity of \$21.6 million

Subsequent to March 31, 2019, the Company closed its previously announced underwritten public offering providing the Company gross proceeds of approximately \$20.5 million before deducting underwriting discounts and commissions and other estimated offering expenses payable by the Company.

On April 11, 2019, VERB closed its previously announced acquisition of Sound Concepts for \$25.0 million of value, payable through a combination of \$15.0 million in cash, and the issuance of an aggregate of 3.2 million restricted shares of VERB common stock, with a fair market value at closing of \$10.0 million. The cash payment was paid using a portion of the net proceeds that VERB received in its underwritten public offering.

At the closing of VERB's underwritten public offering, the Sound Concepts shareholders purchased an aggregate of \$4.0 million of the public offering units at the same price and upon the same terms and conditions as all of the other investors who purchased units in the public offering, such that the net cash outlay by VERB in connection with the Sound Concepts acquisition was approximately \$11.0 million not \$15.0 million.

As of today, VERB has 22,309,788 shares of common stock issued and outstanding, which includes the shares issued to the institutional investors in the underwritten public offering, as well as the shares issued to the former Sound Concepts principals as part of the acquisition consideration.

Of the total number of common shares issued and outstanding, approximately 8.2 million are owned or controlled by insiders, which equals 37%. Of that amount, Rory J. Cutaia, VERB's CEO, owns approximately 3.3 million shares or 15% of the outstanding shares.

Additionally, VERB's new institutional investors own 4.7 million shares or 21%. Accordingly, approximately 58% of VERB shares are owned or controlled by insiders, including the former Sound Concepts principals, and new institutional investors.

"2019 has thus far been the most transformative period in our Company's history, during which we successfully completed a \$20.5 million underwritten public offering with participation from over 40 institutional investors, closed the acquisition of Sound Concepts, and completed our NASDAQ listing," stated Rory J. Cutaia, VERB CEO. "And now we are pleased to report consolidated revenue growth for the first quarter 2019 of 44.5% over first quarter 2018. But I'm most proud of our 40% growth of digital revenue over Q4 2018, because this represents the results of our respective teams' work to combine our platform with that of Sound Concepts while integrating the tech, sales, and marketing teams who continued to drive sales while we simultaneously managed a lengthy, all-consuming public offering road show and NASDAQ listing. The synergies, cross-client marketing opportunities

and growth we expect our newly consolidated Company to achieve is only beginning. Today, VERB has emerged as a much larger company with over 100 employees, a stronger balance sheet, year-over-year and quarter-over-quarter revenue growth, and after only one quarter, an annual revenue run rate of over \$16 million.”

Conference Call and Webcast Information

The Company will host a conference call and webcast with the investment community on Wednesday, May 15th at 4:30 pm Eastern Time featuring remarks by Rory Cutaia, Founder, President, CEO and Chairman of the Board, as well as Jeff Clayborne, CFO.

Live Call: Toll Free: 1-877-407-4018
International: 1-201-689-8471

Webcast: <http://public.viavid.com/index.php?id=134280>

Replay: Toll Free: 1-844-512-2921
International: 1-412-317-6671
Conference ID: 13690169
(Available approximately two hours after the completion of the live call until 11:59 pm ET on May 29, 2019)

About VERB

VERB Technology Company, Inc. is rapidly emerging as the market leader in sales and marketing applications utilizing its proprietary interactive video data collection and analysis technology. Following its successful acquisition of Utah-based Sound Concepts, the leading provider of digital tech-based marketing and customer relationship management applications for the direct sales, network marketing and affiliate marketing industries, the newly combined company provides next-generation customer relationship management (“CRM”), lead generation, and video marketing software applications under the brand name TAGG. The Company’s proprietary and patent-pending technology produces real-time, measurable results with customers reporting greater than 600% increases in conversion rates. The Company’s software-as-a-service (SaaS) products are cloud-based, accessible on all mobile and desktop devices, and are available by subscription for individual and enterprise users. The Company’s technology is integrated into popular ERP, CRM, and marketing platforms, including Oracle NetSuite, Adobe Marketo, and integrations into Salesforce.com, Odoo, and Microsoft, among others are underway. To create and ‘tagg’ your own videos that you can share and post to social, [try taggLITE, available for FREE on our website.](#)

For more information, please visit: www.myverb.com.

Cautionary Note on Forward-Looking Statements

This press release may contain “forward-looking” information within the meaning of the Private Securities Litigation Reform Act of 1995. In accordance with the safe harbor provisions of this Act, statements contained herein that look forward in time that include everything other than historical information, involve risks and uncertainties that may affect the Company’s actual results. There can be no assurance that such statements will prove to be accurate and there are a number of important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by the Company, including, but not limited to, plans and objectives of management for future operations or products, the market acceptance or future success of our products, and our future financial performance. The Company cautions that these forward-looking statements are further qualified by other factors including, but not limited to, those set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and

other filings with the U.S. Securities and Exchange Commission (available at www.sec.gov). The Company undertakes no obligation to publicly update or revise any statements in this release, whether as a result of new information, future events, or otherwise.

Cautionary Note on Pro Forma Financial Statements

The unaudited summary pro forma financial information contained in this press release gives effect to the Company's acquisition of Sound Concepts, Inc., using the acquisition method of accounting for business combinations with the Company identified as the acquirer, and is based on the respective current and historical unaudited condensed financial statements of the Company and Sound Concepts for the periods referenced herein. This unaudited summary pro forma financial information is for illustrative purposes only and is not necessarily indicative of the operating results that would have been achieved if the acquisition had been completed at the beginning of the periods referenced herein, nor does it purport to project the results of operations of the combined entities for any future period or as of any future date. This unaudited summary pro forma financial information may not be useful in predicting the results of operations of the combined entities in the future. The actual results of operations may differ significantly from the unaudited summary pro forma financial information provided herein.

Contact

Please address media inquiries to: info@myverb.com
855.250.2300, extension 7

Please address investor inquiries to: investors@myverb.com
855.250.2300, extension 2

	Verb & Sound Concepts Combined Results			
	For the Three Months Ended		Change	
	<i>March 31,</i> <i>2019</i>	<i>March 31,</i> <i>2018</i>	\$	%
	(Unaudited)	(Unaudited)		
Net Sales	\$ 4,001,000	\$ 2,768,000	1,233,000	45%
Cost of revenue	2,218,000	1,314,000	904,000	69%
Gross margin	\$ 1,783,000	\$ 1,454,000	329,000	23%

	Verb & Sound Concepts Combined Results			
	For the Three Months Ended		Change	
	<i>March 31,</i> <i>2019</i>	<i>December 31,</i> <i>2018</i>	\$	%
	(Unaudited)	(Unaudited)		
Digital Sales	\$ 1,069,000	\$ 766,000	303,000	40%



Source: Verb Technology Company, Inc.