

November 12, 2024



Verb Demonstrates Markedly Improved Continuing Performance in Recent Q3 Form 10-Q Filing

LOS ALAMITOS, Calif. and LAS VEGAS, Nov. 12, 2024 (GLOBE NEWSWIRE) -- **Verb Technology Company, Inc. (Nasdaq: VERB)** ("VERB" or the "Company"), the company behind [MARKET.live](#), a leading livestream social shopping platform, and [GO FUND YOURSELF!](#), a TV show and innovative new platform disrupting the crowd funding industry, today announced that on November 5, 2024, the Company filed its Form 10-Q report for the quarter ending September 30, 2024 demonstrating substantial and continuing financial improvements.

In addition to the financial improvements, the report also highlights significant strategic initiatives and operational achievements.

Financial Highlights

The Company reported notable financial performance metrics for the quarter:

- **Balance Sheet:** \$15.8 million in cash, short-term investments, and pre-paid expenses
 - **Stockholders' Equity:** \$18.03 million
- **Debt Reduction:** With exception of an unsecured SBA loan of \$123 thousand, 3.75% interest rate, the Company has paid off all of its notes payable.
- **Total Revenue:** \$0.128 million, representing an increase of 341% over the same period last year, primarily due to revenue from the partnership with TikTok and other services packages within the MARKET.live business unit, and from its new Go Fund Yourself business unit.
- **Operating Loss from Continuing Operations:** \$(2.31) million, an improvement of \$1.1 million compared to the same period last year.
- **Net Loss from Continuing Operations:** \$(1.96) million, representing an improvement of \$1.58 million compared to the same period last year.
- **Net Loss:** \$(1.96) million, representing an improvement of \$1.74 million compared to the same period last year.
- **Net Loss to Common Stockholders:** \$(2.71) million, representing an improvement of \$0.993 million compared to the same period last year.
- **Loss per Share from Continuing Operations - Basic and Diluted** \$(3.82) million, representing an improvement from \$(130.64) million in the same period last year.
- **Loss per Share from Discontinued Operations - Basic and Diluted** \$0.00, representing an improvement from \$(6.20) million in the same period last year.
- **Clean Cap Table - Redeemed All Remaining Preferred Shares** On October 14, 2024, the Company redeemed the remaining 187 Series C Preferred Shares in exchange for 32,913 common shares to fully repay the amount accrued for preferred dividends. 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.

Business Highlights

The Company's third quarter business results demonstrate an acceleration in revenue generation compared to prior quarters.

- **Revenue Segments:** The Company's revenue for the nine months ended September 30, 2024 was \$172 thousand; 75% of which, or \$128 thousand, was generated in just the three months ended September 30, 2024, driven primarily by the Company's MARKET.live and Go Fund Yourself business units. MARKET.live generated \$103 thousand, while Go Fund Yourself contributed \$25 thousand.
- **New Product Launches:** The Company has been focusing on its MARKET.live platform, a multi-vendor, livestream social shopping destination. This platform allows brands, retailers, and creators to broadcast livestream shopping events on various social media channels.
- **Expanded TikTok Partnership:** The Company announced an expanded strategic partnership with TikTok. This partnership includes providing services to popular brands such as onboarding to TikTok Shop, establishing TikTok stores, maintaining the stores, and offering full creative, hosting, and production services.
- **Technology Integrations:** The Company completed development work on a new MARKET.live ecommerce capabilities that integrate deeper into popular social media platforms:
 - **TikTok Shop Integration:** The Company's MARKET.live platform has released an enhanced integration with TikTok Shop social media platform, allowing seamless shopping experiences for TikTok users without leaving the platform.
 - **META Integration:** The Company's MARKET.live platform has integrated with META, creating a seamless, native, friction-free checkout process for Facebook and Instagram users.
 - **Pinterest Integration:** The Company announced a technology integration with Pinterest, expanding the universe of social platforms accessible through MARKET.live.
- **GO FUND YOURSELF!** The Company announced a second business unit utilizing MARKET.live's interactive video technology capabilities called GO FUND YOURSELF!, a revolutionary 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. GO FUND YOURSELF! Generated \$25 thousand in its first month of operations.
- **Regained NASDAQ Compliance:** On October 23, 2024, the Company was notified by Nasdaq that the Company had regained compliance with the bid price requirement as set forth in Listing Rule 5550(a)(2), and that the Company is therefore in compliance with the Nasdaq Capital Market's listing requirements and will remain listed on Nasdaq.
- **Future Outlook:** The Company has evolved, leveraging its technology acumen by deploying its technology into three business units, MARKET.live, GO FUND YOURSELF!, and a third business unit currently operating in stealth mode while the Company refines the user experience and ramps up sales, each of which is experiencing rapid revenue growth.

Strategic Initiatives

The Company has undertaken a series of successful initiatives to improve its cash position, improve its balance sheet, ramp revenue, and diversify its operations. In so doing, the Company has virtually eliminated its debt, and secured a multi-year cash runway to ensure it minimizes dilution to its stockholders. The Company sold its SaaS assets for \$6.5 million, allowing it to concentrate on MARKET.live and its Go Fund Yourself business unit.

- The Company expanded its strategic relationship with TikTok, becoming a TikTok Shop Partner, which is expected to drive recurring fee revenue services.
- The Company announced a new interactive social crowdfunding platform, Go Fund Yourself, aimed at public and private companies seeking broad-based exposure for their crowd-funded offerings.
- The Company raised \$18.6 million from the sale of common stock offerings and issued shares to reduce outstanding debt.
- The Company redeemed 2,105 Series C Preferred Shares in exchange for 145,816 common shares to reduce dividend accruals.
- The Company implemented a 1-for-200 reverse stock split to regain compliance with Nasdaq listing requirements.
- The Company accrued \$240 thousand in preferred stock dividends payable and issued restricted stock units as part of its compensation strategy.

From the Company's 2024 Q3 Form 10-Q:

Our business is currently comprised of three distinct, yet complimentary business units, all three of which are currently operating and generating revenue, and one of which is currently operating in “stealth mode” as we continue to refine the user experience for that business unit as we continue to ramp sales. 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's recent technological integrations with META, 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. We recently announced a technology integration with Pinterest, and we will continue to expand the universe of social platforms our clients can access through our platform.

Last year we completed development work on a new MARKET.live capability that facilitated a deeper integration into the TikTok Shop social media platform, designed to expose MARKET.live shoppable programming to tens of millions of potential viewers/purchasers. This capability allows shoppers watching a MARKET.live stream on TikTok to stay on that site and check out through that site, eliminating the friction or reluctance of TikTok users to leave their TikTok feed in order to complete their purchase on MARKET.live. 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.

Earlier this 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.

The second business unit is GO FUND YOURSELF!, a revolutionary 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 a ground-breaking interactive TV show with MARKET.live's back-end capabilities allowing viewers to tap on their screen to facilitate an investment, in 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 real time through shoppable onscreen icons. 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.

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 \$6.5 million, \$4.75 million of which was paid in cash by the buyer at the closing of the transaction (the "Sale of the SaaS Assets"). Additional payments of \$1.75 million will be paid by the buyer if certain profitability and revenue targets are met within the two-year period following the closing as set forth more particularly in the asset purchase agreement. The sale of the SaaS Assets was undertaken to allow us to focus our resources on MARKET.live, and the business verticals that platform could support. We expect our burgeoning MARKET.live business unit will, over time, create greater shareholder value than we could have been created through the continued operation of our SaaS Assets.

As of September 30, 2024, the Company had cash of \$10.5 million and short-term investments of \$5.1 million.

Series C Preferred Shares Redeemed in Exchange for Common Shares

On December 29, 2023, the Company issued 3,000 Series C Preferred Shares to an institutional investor pursuant to a securities purchase agreement and certificate of designation previously filed. The Series C Preferred Shares carried a 10% annual dividend.

Subsequent to September 30, 2024, the Company redeemed 895 Series C Preferred Shares in exchange for 196,856 common shares to fully redeem the Series C Preferred Shares that were outstanding. 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 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.

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

	September 30, 2024	December 31, 2023
	(unaudited)	
ASSETS		
Current assets		
Cash	\$ 10,515	\$ 4,353
Short-term investments	5,077	-
Prepaid expenses and other current assets	233	331
Total current assets	<u>15,825</u>	<u>4,684</u>
Capitalized software development costs, net	3,242	3,990
ERC receivable	2,263	1,528
Property and equipment, net	192	43
Operating lease right-of-use assets	172	218
Intangible assets, net	184	117
Other assets	<u>259</u>	<u>259</u>
Total assets	\$ 22,137	\$ 10,839
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 956	\$ 1,408
Accrued expenses	2,252	2,324
Accrued payroll	360	420
Accrued officers' compensation	-	648
Notes payable, current	20	1,787
Accrued interest	-	533
Operating lease liabilities, current	75	67
Preferred dividend payable	240	-
Derivative liability	<u>-</u>	<u>1</u>
Total current liabilities	3,903	7,188
Long-term liabilities		
Notes payable, non-current	103	362
Operating lease liabilities, non-current	<u>102</u>	<u>164</u>
Total liabilities	<u>4,108</u>	<u>7,714</u>
Commitments and contingencies (Note 13)		
Stockholders' equity		
Series C Preferred Stock, \$0.0001 par value, 5,000 shares authorized, 895 and 3,000 shares issued and outstanding as of September 30, 2024 and December 31, 2023	895	2,980

Common stock, \$0.0001 par value, 400,000,000 shares authorized, 763,230 and 106,157 shares issued and outstanding as of September 30, 2024 and December 31, 2023

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Additional paid-in capital

200,788

175,766

Accumulated deficit

(183,655)

(175,622)

Total stockholders' equity

18,029

3,125

Total liabilities and stockholders' equity

\$ 22,137

\$ 10,839

See accompanying notes to the condensed consolidated financial statements

About VERB Technology Company

Verb Technology Company, Inc. (NASDAQ: VERB), is the innovative force behind interactive video-based social commerce. The Company's [MARKET.live](#) platform is a multi-vendor, livestream social shopping destination at the forefront of the convergence of ecommerce and entertainment, where brands, retailers, creators, and influencers engage their customers, clients, fans, and followers across multiple social media channels simultaneously. [GO FUND YOURSELF](#), is a revolutionary interactive social crowd funding platform for public and private companies seeking broad-based exposure across social media channels for their crowd-funded Regulation CF and Regulation A offerings. The platform combines a groundbreaking interactive TV show with MARKET.live's back-end capabilities allowing viewers to tap on their screen to facilitate an investment, in 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 real time through shoppable onscreen icons. The Company is headquartered in Las Vegas, NV and operates full-service production and creator studios in Los Alamitos, California and Philadelphia, PA.

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. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, those identified in our filings with the Securities and Exchange Commission (the "SEC"), including our annual, quarterly and current reports filed with the SEC and the risk factors included in our annual report on Form 10-K filed with the SEC on April 1, 2024. Any forward-looking statement made by us herein is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future

developments or otherwise.

Investor Relations:

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Source: Verb Technology Company, Inc.