

March 25, 2025



# VERB Publishes Management's Prepared Remarks During Fourth Quarter and Full Year 2024 Earnings Call

LAS VEGAS and LOS ALAMITOS, Calif., March 25, 2025 (GLOBE NEWSWIRE) -- [Verb Technology Company, Inc. \(Nasdaq: VERB\)](#) ("VERB" or the "Company"), *Transforming the Landscape of Social Commerce, Social Telehealth and Social Crowdfunding* with [MARKET.live](#); [VANITYPrescribed](#); [GoodGirlRx](#); and the [GO FUND YOURSELF TV Show](#), today filed its Form 10-K reporting financial and operating results for the full year and the quarter ending December 31, 2024 and held an earnings conference call at 1 p.m. ET to discuss these results. Prepared remarks during the conference call of Rory J. Cutaia, the Company's Chairman & CEO, are provided below.

## Company Participant

Rory J. Cutaia, CEO

## Operator:

Good afternoon and welcome to the full-year and fourth quarter 2024 Financial Results Conference Call for Verb Technology Company, Inc. At this time, all participants are in a listen-only mode. Please be advised, the call is being recorded at the Company's request.

On our call today is Rory J. Cutaia, Verb's Founder, Chairman and CEO

Before we begin, I'd like to remind everyone that statements made during this conference call will include forward-looking statements under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties that can cause actual results to differ materially. Forward-looking statements speak only as of the date they are made, except as required by law, as the underlying facts and circumstances may change. Verb Technology Company disclaims any obligations to update these forward-looking statements, as well as those contained in the Company's current and subsequent filings with the SEC.

I would now like to turn the call over to Rory J. Cutaia, CEO. Rory?

## Rory:

Thank you moderator, and thanks to everyone for joining us today for our fourth quarter and full-year 2024 financial results and business update conference call.

Well it sure feels good being back before you, speaking directly to you about our company, our business, our performance, and sharing our direct, transparent, honest thoughts and strategies for how we intend to drive shareholder value in this business now and into the future.

I'd like to begin with a brief discussion about our history and the challenging market conditions that influenced the formulation of the strategies we undertook to insulate ourselves from those conditions. I'm referring to insulating ourselves from those market conditions that became impediments to value creation in our former direct sales Software as a Service line of business, as well as those market conditions, particularly capital markets conditions, that affected, and are affecting many, many small and micro-cap exchange-listed companies even today.

Then I'd like to discuss the strategies that we employed and the changes we've made that underlie the impressive results we're now seeing in the business. I'll also touch on the strategies we employed that resulted in what I'm proud to state is a well cash-infused, extremely healthy debt-free balance sheet and a super clean cap table, the combination of which provide the all-important foundation for the impressive revenue growth we're now enjoying.

Ok – let's jump in. Historically, we were an R&D driven technology business, built around a SaaS platform, with a customer base that was comprised of, for the most part, direct sales companies, or as they are sometimes referred to: multi-level marketing companies. When we entered the market with our interactive video-based sales software, we set out to become the dominant player in this sector. What we saw at that time was the opportunity to address a market that included the large-scale sales teams, including tens of thousands of independent sales reps that these companies managed, all of whom needed a simple and effective, mobile-based sales tool.

Over time we learned valuable lessons. First, while we onboarded large numbers of new sales reps every month, the attrition rate among sales reps at these companies was extraordinarily high, making it difficult and costly to generate meaningful revenue growth. In addition, while we developed what we believe were extremely effective tools to help sales reps, even inexperienced sales reps generate and convert sales leads, outdated internal communications policies at these companies prohibited us from communicating these tools and how to use them directly to the fields of sales reps which may have curtailed much of the sales rep attrition, as the companies that managed these reps were often ineffective at doing so themselves. Finally, the ever-changing nature of the customer base we served, as well as the give-it-away below cost pricing models adopted by competitors who found themselves marginalized by our superior product offering, required continued, costly R&D expenditures, and continued returns to the capital markets.

These factors, coupled with what we perceived to be declining market multiples for SaaS businesses generally, drove our decision to sell that business unit and focus instead on our new, though not yet revenue-generating - Market.live, livestream shopping business. A bold move indeed, but one that has certainly proven now to have been in the best interests of our shareholders. This was the first prong of our multi-pronged strategy to restructure, reconstitute, and re-invent VERB.

The next prong of our strategy was to insulate ourselves from the predatory financing terms imposed universally on companies like ours who relied on access to the capital markets to fund continued R&D and other growth capital requirements. Almost every financing initiative we undertook was fraught with last minute re-trading of material deal terms, ridiculous warrant coverage terms and conditions, post-deal financing exclusivity arrangements, tying the Company to bad financings into the future when additional capital was needed – all of

which made us – and so many other companies in the same situation – perfect targets for short-selling – and for companies with any kind of trading volume, greed-driven illegal naked short-selling.

It wasn't hard to target companies that announced an upcoming financing as short-sellers could be confident that deal terms and corresponding share prices would be below whatever the then current trading price was. This capital markets environment eroded share prices across the board resulting in reverse splits required to maintain exchange listing requirements, and destroyed cap tables and balance sheets causing an unprecedented level of exchange de-listings. Ultimately, it was the individual retail investors, left without sufficiently aggressive regulatory intervention, who bore the brunt of this market activity and still do.

To avoid this awful outcome, we developed a unique strategy to utilize Reg A to structure our capitalize raise initiatives and avoid the predatory hedge-fund investors, allowing us to issue straight common shares, priced at-the-market, with no warrant coverage, and no investment banking fees. This financing vehicle, unique for publicly-traded companies, among other financing strategies, allowed us to pay-off all of our debt, redeem all of the previously issued preferred shares, completely restructure our balance sheet, padding it with cash, taking shareholder equity from almost \$2 million negative in June 2023 to more than \$16 million positive in December 2024, and giving us a cash runway, conservatively assuming zero revenue growth, well into 2028 and beyond.

The shareholder approved reverse split we did last year resulted in an extremely tight - less than 1 million share float – and essentially eliminated all of the warrant overhang from years-ago predatory financings. We're very proud of how well that series of initiatives was executed, completing that important second prong of our multi-pronged strategy to restructure, reconstitute, and re-invent VERB.

The next prong of our strategy was to diversify our revenue streams to insulate ourselves from changes in the market, including economic and regulatory changes, as well as changes within our own customer base and demand for our products and services. The challenge was to identify and develop independent, yet complementary revenue producing business units that could leverage the cost savings produced by a unified internal finance, sales, marketing, and technology department structure utilized by and across all business units.

Recognizing that the core of our business was our interactive social video commerce technology and know-how, our strategy was to exploit those capabilities by entering the exploding telehealth industry, leading to the development and launch of VANITY Prescribed, followed by GoodGirlRX in partnership with TV and social media celebrity Savannah Chrisley, and then the development and launch of GO FUND YOURSELF, our very exciting, fast-growing crowd funding marketing platform. To give a sense of the revenue potential for Go Fund Yourself, we launched it in Q3 with little to no marketing and recognized \$25 thousand in revenue – and then in Q4 we recognized \$233 thousand in revenue. And if any of the more recent developments come to fruition for the Show – 2025 may be an extraordinary year for Go Fund Yourself and VERB stockholders.

VANITY Prescribed was in development during Q3 and Q4, identifying suppliers, onboarding suppliers, then replacing suppliers, developing our online patient screening and prescription approval process, and shoring up our supply chain in anticipation of participating in the

extraordinary growth of the telehealth space following the introduction and rapid adoption of the new GLP-1 weight-loss drugs. Revenue, though now growing, was modest through that period and we're excited for a broad-based launch and marketing campaign that is about to get under way.

As to MARKET.live, at the end of Q3, we changed our focus and product offering by providing what we believe is an industry-leading end-to-end solution for brands seeking to adopt a social commerce strategy that they cannot manage in-house on a cost effective basis. That strategy has proven to be enormously successful producing exponential revenue growth. As reflected in our 2024 Form 10-K filed today, in Q1 we generated revenue of \$7 thousand, in Q2 we generated revenue of \$37 thousand, in Q3 we generated revenue of \$103 thousand, and in Q4 we generated revenue of \$490 thousand. An impressive and most welcomed trend by anyone's standards.

Combined 2024 revenue was \$895 thousand, an increase of \$832 thousand over 2023, representing revenue growth of 1,321% over that period. This performance is the greatest amount of revenue generated since the strategic sale of the Company's direct sales SaaS business unit in June 2023.

Looking at Q4 alone, we generated \$723 thousand, an increase of \$694 thousand over the same period last year, representing revenue growth of almost 2,400% over that period. And as compared to Q3 2024, revenue in Q4 increased by \$595 thousand, representing growth of almost 465% quarter-over-quarter.

While we historically do not provide going-forward guidance, we are comfortable sharing our expectation that Q1 2025 will surpass Q4 2024.

Finally, as to the last prong of our multi-pronged strategy to restructure, reconstitute, and re-invent VERB, we recognized that any business that fails to identify and develop an artificial intelligence strategy will be marginalized. With that in mind, we explored a number of different strategies, including developing our own A.I. capabilities in-house, which we smartly rejected. Instead, we scoured the market for a company with a developed, tested, proprietary A.I. solution uniquely tailored to video-based social commerce. Upon testing the A.I. and social commerce capabilities of LyveCom, a bleeding-edge, video-based social commerce start-up, we entered into a licensing agreement to incorporate their technology into our MARKET.live platform.

To our great surprise, we found that the integration of LyveCom's tech resulted in a massive operational cost reduction. In fact, we anticipate a direct operational cost reduction of approximately \$1 million per year. However, perhaps more importantly, we also recognized that the addition of LyveCom's technology created an entirely new, updated platform, feature rich with capabilities far beyond our current platform and certainly beyond that of many other social commerce platforms. So rather than simply license the technology and risk LyveCom being acquired by a competitor, limiting our access to the technology and future iterations of it, we decided to acquire it ourselves. It is our expectation that the acquisition will be highly accretive and produce meaningful value for VERB stockholders.

With the closing of the LyveCom acquisition, which remains on track and is expected to occur in the coming weeks, we will have effectively completed the transition of VERB from an unprofitable, cash-hungry business in a challenging market, to an extremely well-

capitalized, well diversified business, with proven, strong, fast-growing revenue generation capabilities, A.I.-ready, with a tight float, clean cap table and debt-free balance sheet, poised for meaningful continued growth.

In closing, I refer you to our Form 10-K filed today for greater details concerning our 2024 financial results as well as the press release distributed today summarizing those results for additional information I've not covered in my conference call today. I've chosen instead to use this time to provide context for those results and share our strategies and ongoing initiatives for continued growth and value-creation for VERB stockholders.

Finally, and as anyone who can read a balance can see, with under 1 million shares issued and outstanding as of December 31, 2024, and debt-free with more than \$13 million in cash and highly liquid securities – and assuming ZERO value given for our three revenue generating business units – I would be remiss if I didn't point out that our net cash value per common share is at least \$13.50, which we believe represents a very compelling opportunity, very compelling indeed.

I thank you for allowing me to address you all today and share with you our excitement and optimism for VERB shareholders now and into the future.

**Operator:** This concludes the conference call. You may now disconnect.

### **About VERB**

[Verb Technology Company, Inc.](#) (Nasdaq: VERB), is the innovative force behind interactive video-based social commerce. The Company operates three business units, each of which leverages its social commerce technology and video marketing expertise. The Company's [MARKET.live](#) platform is a multi-vendor, livestream social shopping destination at the forefront of the convergence of e-commerce 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 and TV show 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 ground-breaking interactive TV show with [MARKET.live's](#) back-end capabilities allowing viewers to tap, scan or click 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. [VANITYPrescribed.com](#) and [GoodGirlRx.com](#) are telehealth portals, intended to redefine telehealth by offering a seamless, digital-first experience that empowers individuals to take control of their healthcare needs. They were designed and developed to disrupt the traditional healthcare model by providing tailored healthcare solutions at affordable, fixed prices – without hidden fees, membership costs, or inflated pharmaceutical markups. [GoodGirlRx.com](#), a partnership with [Savannah Chrisley](#), a well-known lifestyle personality and advocate for health and wellness, offers customers access to convenient, no-hassle telehealth services and pharmaceuticals, including the new weight-loss drugs, with fixed pricing regardless of dosage, breaking away from the industry's traditional model of excessive pricing and pharmaceutical gatekeeping.

The Company is headquartered in Las Vegas, NV and operates full-service production and creator studios in Los Alamitos, California.

For more information, please visit: [www.verb.tech](http://www.verb.tech)

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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 today. 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.

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Source: Verb Technology Company, Inc.