

December 30, 2021



SCWorx Announces Settlements of Securities Class Action and Derivative Action Lawsuits

New York, NY, Dec. 30, 2021 (GLOBE NEWSWIRE) -- SCWorx Corp. (Nasdaq: WORX) today announced that it has entered into binding agreements to settle both the securities class action and derivative action lawsuits which were commenced in 2020.

The class action was consolidated under the caption *Yannes v. SCWorx Corp.* (1:20-cv-03349). The proposed settlement resolves all claims asserted against SCWorx and the other named defendants without any admission of liability or wrongdoing by the Company or any defendant. Under the terms of the class action agreement, (i) the insurers for the Company and Marc Schessel (former CEO) will make a cash payment to the class plaintiffs and (ii) the Company will issue \$600,000 worth of common stock to the class Plaintiffs, in exchange for which all parties will be released from all claims related to the securities class action litigation. The class action agreement provides that the parties will negotiate in good faith to enter into a definitive settlement agreement within thirty days. Once the Company issues the \$600,000 worth of stock, the Company believes it will have satisfied its obligations with respect to the payment of the \$750,000 accrued retention liability applicable to its D&O insurance policy. The final settlement agreement will be subject to court approval.

In addition, the Company and the Director Defendants (Marc Schessel, Steven Wallitt, Charles Miller and Robert Christie) entered into a binding agreement with the shareholder derivative plaintiffs to settle the derivative litigation in which SCWorx was a nominal defendant. Under the terms of this agreement, (i) the insurers for the Director Defendants will make a cash payment to legal counsel for the shareholder derivative Plaintiffs to cover their legal fees and (ii) the Company will adopt certain corporate governance reforms within 60 days of court approval of the settlement, in exchange for which all parties will be released from all claims related to the derivative class action litigation. This agreement provides that the parties will negotiate in good faith to enter into a definitive settlement agreement within thirty days, which agreement will be subject to court approval.

“One of my primary goals since becoming CEO of SCWorx has been to resolve the class and derivative actions and move forward with focusing on our core data management business,” said Tim Hannibal, Chief Executive Officer of SCWorx. “I would like to thank our Board, management team and legal counsel in helping to achieve these goals and put these issues behind us. We look forward to continuing to deliver our SaaS service offerings to healthcare providers as they struggle with the difficulties caused by Covid-19. Our service offerings help solve the challenges which hospitals experience within their supply chain and

deliver the analytics and visibility to achieve desired cost savings.”

About SCWorx Corp.

SCWorx has created an advanced attributed virtualized item data warehouse utilizing machine learning and artificial intelligence to offer a suite of software-as-a-service-based solutions for healthcare providers. The value proposition for customers revolves around the full integration of all solution modules with the company’s data platform for cost savings, operational efficiency and accurate benchmarking and reporting. The solution modules include Virtual Item Master, data cleanse and normalization, contract management and request for pricing (RFP) module, automated rebate management module, data interoperability (EMR, MMIS, finance) module, Automated Item Add Portal, Virtual General Ledger, and the data analytics module. SCWorx creates a single source for information for the healthcare provider’s data governance and analytics requirements.

Forward-Looking Statements

This press release contains “forward-looking statements” that involve substantial risks and uncertainties for purposes of the safe harbor provided by the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this press release regarding strategy, future operations, future contract renewals and terminations, future financial position, prospects, plans and objectives of management are forward-looking statements. You can identify many (but not all) such forward-looking statements by looking for words such as “assumes,” “approximates,” “believes,” “expects,” “anticipates,” “estimates,” “projects,” “seeks,” “intends,” “plans,” “could,” “would,” “may” or other similar expressions. You should not place undue reliance on these forward-looking statements. Such statements are based on management’s current expectations and involve risks and uncertainties. Actual results and performance could differ materially from those projected in the forward-looking statements as a result of many factors, including, without limitation, securing future contracts and orders, future product sourcing, supply disruptions, containing costs, the ability to project future cash utilization and reserves needed for contingent future liabilities and business operations, the availability of sufficient resources of the company to meet its business objectives and operational requirements and other important factors that are detailed in filings with the Securities and Exchange Commission made from time to time by SCWorx, including its Annual Report on Form 10-K for the year ended December 31, 2020, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. Matters described in forward-looking statements may also be affected by other known and unknown risks, trends, uncertainties and factors, many of which are beyond the company’s ability to control or predict. SCWorx undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Contacts:

ir@scworx.com

###

Source: SCWorx Corp.

Released December 30, 2021

Source: SCWorx Corp.