

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **September 30, 2024**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-38834

**Verb Technology Company, Inc.**

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of  
incorporation or organization)

90-1118043

(I.R.S. Employer  
Identification No.)

**3024 Sierra Juniper Court  
Las Vegas, Nevada**

(Address of principal executive offices)

**89138**

(Zip Code)

**(855) 250-2300**

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, \$0.0001 par value</b>	<b>VERB</b>	<b>The Nasdaq Stock Market LLC</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of November 1, 2024, there were 993,071 shares of common stock, \$0.0001 par value per share, outstanding.

**VERB TECHNOLOGY COMPANY, INC.**  
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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q for the three months ended September 30, 2024 (this “Quarterly Report”), includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which statements are subject to considerable risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not statements of historical facts and can be identified by words such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “will,” “would” or similar expressions and the negatives of those expressions. Forward-looking statements also include the assumptions underlying or relating to such statements.

Our forward-looking statements are based on our management’s current beliefs, assumptions and expectations about future events and trends, which affect or may affect our business, strategy, operations, financial performance or liquidity. Although we believe these forward-looking statements are based upon reasonable assumptions, they are subject to numerous known and unknown risks and uncertainties and are made in light of information currently available to us. Some of the risks and uncertainties that may impact our forward-looking statements include, but are not limited to, the following factors:

- our incursion of significant net losses and uncertainty whether we will achieve or maintain profitable operations;
- our ability to grow and compete in the future, and to execute our business strategy;
- our ability to maintain and expand our customer base and to convince our customers to increase the use of our services and/or platform;
- the competitive market in which we operate;
- our ability to increase the number of our strategic relationships or grow the revenues received from our current strategic relationships;
- our ability to develop enhancements and new features to our existing service or acceptable new services that keep pace with technological developments;
- our ability to successfully launch new product platforms, including MARKET.live, the rate of adoption of these platforms and the revenue generated from these platforms;
- our ability to deliver our services, as we depend on third party Internet providers;
- our ability to attract and retain qualified management personnel;
- our susceptibility to security breaches and other disruptions;
- our ability to maintain compliance with the listing requirements of the Nasdaq Capital Market; and
- the impact of, and our ability to operate our business and effectively manage our growth under evolving and uncertain global economic, political, and social trends, including legislation banning or otherwise hampering our strategic relationships such as TikTok, inflation, rising interest rates, and recessionary concerns.

The foregoing list may not include all of the factors that impact the forward-looking statements made in this Quarterly Report. Our actual financial condition and results could differ materially from those expressed or implied by our forward-looking statements as a result of various additional factors, including those discussed in the sections entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Risk Factors*” in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2023 (our “Annual Report”), as well as in the other reports we file with the Securities and Exchange Commission (the “SEC”). You should read this Quarterly Report, and the other documents we file with the SEC, with the understanding that our actual future results may be materially different from the results expressed or implied by our forward-looking statements.

We operate in an evolving environment. New risks and uncertainties emerge from time to time and it is not possible for our management to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual future results to be materially different from those expressed or implied by any forward-looking statements.

Forward-looking statements speak only as of the date they were made, and, except to the extent required by law or the rules of the Nasdaq Capital Market, we undertake no obligation to update or review any forward-looking statement because of new information, future events or other factors.

We qualify all of our forward-looking statements by these cautionary statements.

PART I — FINANCIAL INFORMATION

ITEM 1 – FINANCIAL STATEMENTS

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

	<u>September 30, 2024</u> (unaudited)	<u>December 31, 2023</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 10,515	\$ 4,353
Short-term investments	5,077	-
Prepaid expenses and other current assets	233	331
<b>Total current assets</b>	<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	259	259
<b>Total assets</b>	<u>\$ 22,137</u>	<u>\$ 10,839</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
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	-	1
<b>Total current liabilities</b>	<u>3,903</u>	<u>7,188</u>
<b>Long-term liabilities</b>		
Notes payable, non-current	103	362
Operating lease liabilities, non-current	102	164
<b>Total liabilities</b>	<u>4,108</u>	<u>7,714</u>
Commitments and contingencies (Note 13)		
<b>Stockholders' equity</b>		
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	1	1
Additional paid-in capital	200,788	175,766
Accumulated deficit	<u>(183,655)</u>	<u>(175,622)</u>
<b>Total stockholders' equity</b>	<u>18,029</u>	<u>3,125</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 22,137</u>	<u>\$ 10,839</u>

See accompanying notes to the condensed consolidated financial statements

**VERB TECHNOLOGY COMPANY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except share and per share data)  
(unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenue</b>	\$ 128	\$ 29	\$ 172	\$ 34
<b>Costs and expenses</b>				
Cost of revenue, exclusive of depreciation and amortization shown separately below	54	5	90	7
Depreciation and amortization	273	564	798	1,730
General and administrative	2,113	2,850	7,218	9,080
<b>Total costs and expenses</b>	<u>2,440</u>	<u>3,419</u>	<u>8,106</u>	<u>10,817</u>
Operating loss from continuing operations	(2,312)	(3,390)	(7,934)	(10,783)
<b>Other income (expense)</b>				
Interest income	193	-	361	-
Unrealized gain on short-term investments	109	-	109	-
Interest expense	(1)	(219)	(236)	(989)
Financing costs	-	-	(90)	(1,239)
Other income, net	46	64	648	844
Change in fair value of derivative liability	-	4	1	210
<b>Total other income (expense), net</b>	<u>347</u>	<u>(151)</u>	<u>793</u>	<u>(1,174)</u>
<b>Net loss from continuing operations</b>	<u>(1,965)</u>	<u>(3,541)</u>	<u>(7,141)</u>	<u>(11,957)</u>
Loss from discontinued operations, net of tax	-	(168)	-	(7,122)
<b>Net loss</b>	<u>(1,965)</u>	<u>(3,709)</u>	<u>(7,141)</u>	<u>(19,079)</u>
Series C Preferred Stock dividend payable	(99)	-	(240)	-
Deemed dividend due to redemption of Series C Preferred Stock	(652)	-	(652)	-
Deemed dividend due to warrant reset	-	-	-	(164)
<b>Net loss to common stockholders</b>	<u>\$ (2,716)</u>	<u>\$ (3,709)</u>	<u>\$ (8,033)</u>	<u>\$ (19,243)</u>
Loss per share from continuing operations - basic and diluted	<u>\$ (3.82)</u>	<u>\$ (130.64)</u>	<u>\$ (17.16)</u>	<u>\$ (516.80)</u>
Loss per share from discontinued operations - basic and diluted	<u>\$ 0.00</u>	<u>\$ (6.20)</u>	<u>\$ 0.00</u>	<u>\$ (303.66)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>710,106</u>	<u>27,104</u>	<u>468,252</u>	<u>23,454</u>

See accompanying notes to the condensed consolidated financial statements

**VERB TECHNOLOGY COMPANY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in thousands, except share and per share data)  
(unaudited)

For the nine months ended September 30, 2024

	Preferred Stock		Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount					
<b>Balance at December 31, 2023</b>	<b>3,000</b>	<b>\$ 2,980</b>	<b>106,157</b>	<b>\$ 1</b>	<b>\$ 175,766</b>	<b>\$ (175,622)</b>	<b>\$ 3,125</b>
Sale of common stock from public offerings	-	-	415,487	-	18,596	-	18,596
Fair value of vested restricted stock awards, stock options and warrants	-	-	197	-	822	-	822
Fair value of common shares issued as payment on notes payable	-	-	95,573	-	2,867	-	2,867
Series C Preferred Shares redeemed in exchange for common shares	(2,105)	(2,085)	145,816	-	2,737	(652)	-
Series C Preferred Stock dividend payable	-	-	-	-	-	(240)	(240)
Net loss	-	-	-	-	-	(7,141)	(7,141)
<b>Balance at September 30, 2024</b>	<b>895</b>	<b>\$ 895</b>	<b>763,230</b>	<b>\$ 1</b>	<b>\$ 200,788</b>	<b>\$ (183,655)</b>	<b>\$ 18,029</b>

For the nine months ended September 30, 2023

	Preferred Stock		Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount					
<b>Balance at December 31, 2022</b>	<b>-</b>	<b>\$ -</b>	<b>14,590</b>	<b>\$ 1</b>	<b>\$ 158,629</b>	<b>\$ (153,464)</b>	<b>\$ 5,166</b>
Sale of common stock from public offering	-	-	5,033	-	6,628	-	6,628
Fair value of vested restricted stock awards, stock options and warrants	-	-	1,002	-	1,932	-	1,932
Deemed dividend due to warrant reset	-	-	-	-	164	(164)	-
Issuance of shares for fractional adjustments related to Reverse Stock Split	-	-	156	-	-	-	-
Fair value of common shares issued for services	-	-	641	-	200	-	200
Fair value of common shares issued to settle accrued expenses and litigation	-	-	1,383	-	346	-	346
Fair value of common shares issued as payment on notes payable	-	-	16,539	-	4,092	-	4,092
Net loss	-	-	-	-	-	(19,079)	(19,079)
<b>Balance at September 30, 2023</b>	<b>-</b>	<b>\$ -</b>	<b>39,344</b>	<b>\$ 1</b>	<b>\$ 171,991</b>	<b>\$ (172,707)</b>	<b>\$ (715)</b>

See accompanying notes to the condensed consolidated financial statements

VERB TECHNOLOGY COMPANY, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)  
(unaudited)

	Nine Months Ended September 30,	
	2024	2023
<b>Operating Activities:</b>		
Net loss	\$ (7,141)	\$ (19,079)
Loss from discontinued operations, net of tax	-	7,122
<b>Adjustments to reconcile net loss used in operating activities, net of discontinued operations:</b>		
Depreciation and amortization	798	1,730
Share-based compensation	958	1,985
Amortization of debt discount	99	238
Amortization of debt issuance costs	73	182
Change in fair value of derivative liability	(1)	(210)
Finance costs	90	1,239
Unrealized gain on short-term investments	(109)	-
Gain on lease termination	-	(263)
<b>Effect of changes in assets and liabilities, net of discontinued operations:</b>		
Prepaid expenses and other current assets	(39)	52
Operating lease right-of-use assets	46	170
Other assets	-	13
ERC receivable	(735)	-
Accounts payable, accrued expenses, and accrued interest	(887)	265
Operating lease liabilities	(53)	(63)
Net cash used in operating activities attributable to continuing operations	(6,901)	(6,619)
Net cash used in operating activities attributable to discontinued operations	-	(1,855)
<b>Investing Activities:</b>		
Capitalized software development costs	-	(239)
Purchases of short-term investments	(5,103)	-
Proceeds from sales of short-term investments	135	-
Purchases of property and equipment	(182)	(22)
Purchases of intangible assets	(84)	(14)
Net cash used in investing activities attributable to continuing operations	(5,234)	(275)
Net cash provided by investing activities attributable to discontinued operations	-	4,750
<b>Financing Activities:</b>		
Proceeds from sale of common stock offerings	18,596	6,628
Payments for accrued offering costs related to common stock offerings	(105)	-
Payments for accrued offering costs related to preferred stock offering	(180)	-
Payment of convertible note payable – related party	-	(40)
Payment of notes payable	(14)	(383)
Payment of convertible notes payable	-	(1,350)
Net cash provided by financing activities attributable to continuing operations	18,297	4,855
Net cash used in financing activities attributable to discontinued operations	-	(2,367)
Net change in cash	6,162	(1,511)
Cash - beginning of period	4,353	2,429
Cash - end of period	<u>\$ 10,515</u>	<u>\$ 918</u>

See accompanying notes to the condensed consolidated financial statements



**VERB TECHNOLOGY COMPANY, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**For the Three and Nine Months Ended September 30, 2024 and 2023**  
**(in thousands, except share and per share data)**  
**(unaudited)**

**1. DESCRIPTION OF BUSINESS**

*Our Business*

References in this document to the “Company,” “Verb,” “we,” “us,” or “our” are intended to mean Verb Technology Company, Inc., individually, or as the context requires, collectively with its subsidiaries on a consolidated basis.

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, the Company was 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 \$6,500, \$4,750 of which was paid in cash by the buyer at the closing of the transaction (the “Sale of the SaaS Assets”). Additional payments of \$1,750 will be paid to us 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 \$10,515 and short-term investments of \$5,077.

### ***Economic Disruption***

Our business is dependent in part on general economic conditions. Many jurisdictions in which our customers are located and our products are sold have experienced and could continue to experience unfavorable general economic conditions, such as inflation, increased interest rates and recessionary concerns, which could negatively affect demand for our products. Under difficult economic conditions, customers may seek to cease spending on our current products or fail to adopt our new products, which could negatively affect our financial performance. We cannot predict the timing or magnitude of an economic slowdown or the timing or strength of any economic recovery. These and other economic factors could have a material adverse effect on our business, financial condition, and results of operations.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SUPPLEMENTAL DISCLOSURES**

### ***Basis of Presentation***

The accompanying condensed consolidated financial statements are unaudited. These unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on April 1, 2024 (the “2023 Annual Report”). The consolidated balance sheet as of December 31, 2023 included herein was derived from the audited consolidated financial statements as of that date.

On October 8, 2024, we implemented a 1-for-200 reverse stock split (the “Reverse Stock Split”) of our common stock, \$0.0001 par value per share (the “Common Stock”). Our Common Stock commenced trading on a post Reverse Stock Split basis on October 9, 2024. As a result of the Reverse Stock Split, every two hundred (200) shares of our pre-Reverse Stock Split Common Stock were combined and reclassified into one share of our Common Stock. The number of shares of Common Stock subject to outstanding options, warrants, and convertible securities were also reduced by a factor of two hundred and the exercise price of such securities increased by a factor of two hundred, as of October 8, 2024. All historical share and per-share amounts reflected throughout our condensed consolidated financial statements and other financial information in this Quarterly Report have been adjusted to reflect the Reverse Stock Split. The par value per share of our Common Stock was not affected by the Reverse Stock Split.

As discussed above, among the terms of the Sale of the SaaS Assets was that additional payments of \$1,750 will be paid to us by the buyer if certain profitability and revenue targets are met within the two-year period following the closing. The contingent payments were not recorded at the closing date of the sale and will be recognized as the cash is received and the contingency resolved pursuant to ASC 450-30.

Accordingly, the Company’s consolidated financial statements are being presented pursuant to ASC 360-10-45-9 which requires that a disposal group be classified as held for sale in the period in which all of the held for sale criteria are met. In addition to held for sale accounting, the Company had also met the criterion pursuant to ASC 205-20, *Discontinued Operations*, as a strategic shift from operating and managing a SaaS business to operating and managing a live streaming shopping platform has occurred because of the sale. The Company’s consolidated results of operations and statements of cash flows have been reclassified to reflect the presentation of discontinued operations. See Note 6 for details of the assets and liabilities related to the SaaS sale and discontinued operations.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to fairly present the Company’s financial position and results of operations for the interim periods reflected. Except as noted, all adjustments contained herein are of a normal recurring nature. Results of operations for the fiscal periods presented herein are not necessarily indicative of fiscal year-end results.

### ***Principles of Consolidation***

The consolidated financial statements have been prepared in accordance with GAAP and include the accounts of Verb, Verb Acquisition Co., LLC , and verbMarketplace, LLC. All intercompany accounts have been eliminated in the consolidation.

### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported periods. Significant estimates include assumptions made in analysis of assumptions made in purchase price allocations, impairment testing of long-term assets, realization of deferred tax assets, determining fair value of derivative liabilities, and valuation of equity instruments issued for services. Some of those assumptions can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions or conditions.

### ***Investments***

In accordance with ASC 320, *Investments – Debt Securities*, the Company accounts for its investments as trading securities consisting of U.S. Treasury securities and corporate bonds that are reported at fair value on the Company's condensed consolidated balance sheet at September 30, 2024. Unrealized gains and losses on these investments are included in other income (expense), net within the Company's condensed consolidated statements of operations for the three and nine months ended September 30, 2024.

The Company's investments in trading securities are classified as current based on the intent of management, the nature of the investments and their availability for use in current operations. See Note 3 – Investments and Fair Value Measurements for further details of the Company's investments at September 30, 2024.

### ***Segment Information***

Effective July 1, 2024, the Company operates as two reportable segments, MARKET.live and Go Fund Yourself. We identify our segments in accordance with ASC 280, *Segment Reporting*, and in the manner in which our Chief Executive Officer, as our chief operating decision maker ("CODM"), allocates resources and assesses financial performance. See Note 14 for disclosures of Segment Information.

### ***Revenue Recognition***

The Company recognizes revenue in accordance with Financial Accounting Standard Board's ("FASB") ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). Revenue through June 13, 2023 was derived primarily from providing application services through the SaaS application, digital marketing and sales support services. During that period, the Company also derived revenue from the sale of customized print products and training materials, branded apparel, and digital tools, as demanded by its customers. As a result of the sale of the SaaS business, revenue that was recorded historically from the SaaS business has been reclassified as part of discontinued operations. See Note 6 for revenue disclosures related to the SaaS business.

MARKET.live revenue is derived from contract-based recurring fee revenue services that include, among other things, assistance in onboarding clients 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. Clients are referred to us through our existing partnership with TikTok Shop as well as from several brand agencies with which we maintain affiliate relationships.

GO FUND YOURSELF! derives 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.

A performance obligation is a promise in a contract to transfer a distinct product. Performance obligations promised in a contract are identified based on the goods that will be transferred that are both capable of being distinct and are distinct in the context of the contract, whereby the transfer of the goods is separately identifiable from other promises in the contract. Performance obligations include establishing and maintaining customer online stores, providing access to the Company's e-commerce platform and customer service support.

Customers do not have the contractual right to take possession of the Company's software. Revenue is recognized in an amount that reflects the contractual consideration that the Company receives in exchange for its services.

Revenue is recognized on a net basis from maintaining e-commerce platforms and online orders, as the Company is engaged primarily in an agency relationship with its customers and earns defined amounts based on the individual contractual terms for the customer and the Company does not take possession of the customers' inventory or any credit risks relating to the products sold.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net sales in the consolidated statements of operations. Revenues during the three and nine months ended September 30, 2024 and 2023, were substantially all generated from clients and customers located within the United States of America.

### ***Cost of Revenue***

Cost of revenue primarily consists of processing fees and independent contractors associated with the MARKET.live platform and independent contractors for shows related to Go Fund Yourself.

### ***Capitalized Software Development Costs***

The Company capitalizes internal and external costs directly associated with developing internal-use software, and hosting arrangements that include an internal-use software license, during the application development stage of its projects. The Company's internal-use software is reported at cost less accumulated amortization. Amortization begins once the project has been completed and is ready for its intended use.

Due to changes in management's assessment of its capitalized software development asset, the Company revised the asset's remaining useful life effective January 1, 2024 and will amortize the asset on a straight-line basis over a period of four years. Software maintenance activities or minor upgrades are recorded as expense in the period performed.

Amortization expense related to capitalized software development costs is recorded in depreciation and amortization in the condensed consolidated statements of operations.

### ***Preferred Stock***

The Company applies the accounting standards for distinguishing liabilities from equity when determining the classification and measurement of its preferred stock. Preferred shares subject to mandatory redemption are classified as liability instruments and are measured at fair value. Conditionally redeemable preferred shares (including preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, preferred shares are classified as part of stockholders' equity. Accordingly, the Series C Preferred Stock offering on December 29, 2023 is classified as part of stockholders' equity as of September 30, 2024 and December 31, 2023.

### ***Fair Value of Financial Instruments***

The Company follows the guidance of FASB ASC 820 and ASC 825 for disclosure and measurement of the fair value of its financial instruments. FASB ASC 820 establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The three (3) levels of fair value hierarchy defined by ASC 820 are described below:

- Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3: Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, and accounts payable and accrued expenses approximate their fair value due to their short-term nature. The carrying amount of notes payable approximates the fair value due to the fact that the interest rates on these obligations are based on prevailing market interest rates. The Company uses Level 2 inputs for its valuation methodology for the derivative liabilities, see Note 3 for Investments and Fair Value Measurements and Note 8 for Derivative Liability.

### ***Derivative Financial Instruments***

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

The Company uses Level 2 inputs for its valuation methodology for the derivative liabilities as their fair values were determined by using a Binomial pricing model. The Company's derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as adjusted to fair value of derivatives.

### ***Share-Based Compensation***

The Company issues stock options and warrants, shares of common stock and restricted stock units as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation in accordance with FASB ASC 718, *Compensation – Stock Compensation*. Share-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period. The fair value of restricted stock units is determined based on the number of shares granted and the quoted price of our common stock and is recognized as expense over the service period. Forfeitures are accounted for as they occur. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for services.

### ***Net Loss Per Share***

Basic net loss per share is computed by using the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed giving effect to all dilutive potential shares of common stock that were outstanding during the period. Dilutive potential shares of common stock consist of incremental shares of common stock issuable upon exercise of stock options. No dilutive potential shares of common stock were included in the computation of diluted net loss per share because their impact was anti-dilutive.

As of September 30, 2024, and 2023, the Company had total outstanding options of 9,038 and 10,284, respectively, and warrants of 3,545 and 4,598, respectively, and outstanding restricted stock awards of 556 and 778, respectively, and convertible notes issued to a related party that were convertible into 0 and 106 shares at \$8,240.00 per share, respectively, which were excluded from the computation of net loss per share because they are anti-dilutive.

At the close of business on April 5, 2024, the Company's unexercised publicly traded warrants under the symbol VERBW expired pursuant to their original terms and as such Nasdaq suspended trading the 879 remaining warrants and the trading symbol VERBW was delisted from Nasdaq.

### ***Concentration of Credit and Other Risks***

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable. Cash is deposited with a limited number of financial institutions. The balances held at any one financial institution at times may be in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits of up to \$250.

The Company's concentration of credit risk includes its concentrations from key customers and vendors. The details of these significant customers and vendors are presented in the following table for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30,	
	2024	2023
<b>The Company's largest customers are presented below as a percentage of the aggregate</b>		
Revenues	Two customers accounted for 41% of revenues	No customers individually over 10%
<b>The Company's largest vendors are presented below as a percentage of the aggregate</b>		
Purchases	One vendor accounted for 18% of its purchases individually and in the aggregate	One vendor accounted for 28% of its purchases individually and in the aggregate

#### Supplemental Cash Flow Information

	Nine Months Ended September 30,	
	2024	2023
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest	\$ 4	\$ 242
Cash paid for income taxes	\$ 1	\$ 2
<b>Supplemental disclosure of non-cash investing and financing activities attributable to continuing operations:</b>		
Fair value of common shares issued as payment on notes payable	\$ 2,777	\$ 4,092
Fair value of common shares issued to redeem Series C preferred shares	2,737	-
Fair value of common shares issued to settle accrued expenses	-	346
Derecognition of operating lease right-of-use assets	-	1,186
Derecognition of operating lease liabilities	-	1,870
Derecognition of other assets and liabilities related to lease termination	-	421
Recognition of operating lease right-of-use asset and related lease liability	-	245
<b>Supplemental disclosure of non-cash investing and financing activities attributable to discontinued operations:</b>		
Discount recognized from advances on future receipts	\$ -	\$ 558

#### Recent Accounting Pronouncements

##### Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Credit Losses - Measurement of Credit Losses on Financial Instruments* ("ASC 326"). The standard significantly changes how entities will measure credit losses for most financial assets, including accounts and notes receivables. The standard will replace today's "incurred loss" approach with an "expected loss" model, under which companies will recognize allowances based on expected rather than incurred losses. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The adoption of this standard did not have any material impact on the Company's financial statements.

##### Recent Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (FASB) issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (ASU 2023-07), which requires an enhanced disclosure of significant segment expenses on an annual and interim basis. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. Upon adoption, the guidance should be applied retrospectively to all prior periods presented in the financial statements. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission (the "SEC") did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

### 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Company invests its surplus funds in excess of operational and capital requirements in a diversified portfolio of marketable securities, with the objectives of delivering competitive returns while maintaining a high degree of liquidity.

A summary of our short-term investments as of September 30, 2024 and December 31, 2023, are as follows (in thousands):

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
U.S. treasury securities	\$ 3,873	\$ -
Marketable debt securities	1,204	-
Short-term investments	<u>\$ 5,077</u>	<u>\$ -</u>

#### Marketable securities

Marketable securities as of September 30, 2024 consisted of the following:

(in thousands)	<u>Cost of Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
<b>Marketable debt securities</b>				
U.S. treasury securities	\$ 3,789	\$ 84	\$ -	\$ 3,873
Corporate bonds	1,179	25	-	1,204
Total marketable debt securities	<u>\$ 4,968</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 5,077</u>

#### Fair Value Measurements

Our financial instruments include cash, prepaid expenses, accounts payable, and accrued liabilities. The fair value of cash, prepaid expenses, accounts payable and accrued liabilities approximate their carrying values due to their short-term nature, which are all considered Level 1. The fair value of long-term debt approximates its carrying value.

Our financial instruments measured at fair value on a recurring basis consisted of U.S. treasury securities, corporate bonds and derivatives (see Note 8). U.S. treasury securities are classified within Level 1 of the fair value hierarchy as they are valued based on quoted market price in an active market. Corporate bonds are valued based on quoted prices in markets that are less active and are generally classified within Level 2 of the fair value hierarchy. We did not hold Level 1 or Level 2 financial instruments as of December 31, 2023.

Financial instruments valued based on unobservable inputs which reflect the reporting entity's own assumptions or data that market participants would use in valuing an instrument are generally classified within Level 3 of the fair value hierarchy. We did not hold Level 3 financial instruments as of September 30, 2024, and December 31, 2023.

Financial instruments measured at fair value on a recurring basis as of September 30, 2024 are classified based on the valuation technique in the table below:

(in thousands)	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Marketable debt securities</b>				
U.S. treasury securities	\$ 3,873	\$ -	\$ -	\$ 3,873
Corporate bonds	-	1,204	-	1,204
Total marketable debt securities	<u>\$ 3,873</u>	<u>\$ 1,204</u>	<u>\$ -</u>	<u>\$ 5,077</u>

### 4. CAPITALIZED SOFTWARE DEVELOPMENT COSTS

In 2020, the Company began developing MARKET.live, a livestream ecommerce platform, and has capitalized \$7,131 of internal and external development costs as of September 30, 2024 and December 31, 2023, respectively. In October 2021, the Company entered into a 10-year license and services agreement with a third party (the "Primary Contractor") to develop on a work-for-hire basis certain components of MARKET.live. The Primary Contractor's fees for developing such components, including the license fee, is \$5,750. The Primary Contractor was paid an additional \$500 bonus in April 2022 for services rendered pursuant to the license and service agreement.

For the three and nine months ended September 30, 2024 and 2023, the Company amortized \$249 and \$538, respectively and \$748 and \$1,615, respectively.

Capitalized software development costs, net consisted of the following:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Beginning balance	\$ 3,990	\$ 6,176
Additions	-	23
Amortization	(748)	(2,209)
Ending balance	<u>\$ 3,242</u>	<u>\$ 3,990</u>

The expected future amortization expense for capitalized software development costs as of September 30, 2024, is as follows:

<b>Year ending</b>	<b>Amortization</b>	
2024 remaining	\$	250
2025		998
2026		997
2027		997
2028 and thereafter		-
Total amortization	\$	<u>3,242</u>



## 5. OPERATING LEASES

The components of lease expense and supplemental cash flow information related to leases for the period are as follows:

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Lease cost</b>		
Operating lease cost (included in general and administrative expenses in the Company's statement of operations)	\$ 102	\$ 227
<b>Other information</b>		
Cash paid for amounts included in the measurement of lease liabilities	\$ 68	\$ 121
Weighted average remaining lease term – operating leases (in years)	2.00	3.00
Weighted average discount rate – operating leases	9.0%	9.0%

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Operating leases</b>		
Right-of-use assets	\$ 172	\$ 218
Short-term operating lease liabilities	\$ 75	\$ 67
Long-term operating lease liabilities	102	164
Total operating lease liabilities	\$ 177	\$ 231

<b>Year ending</b>	<b>Operating Leases</b>	
2024 remaining	\$	24
2025		96
2026		75
2027		-
2028 and thereafter		-
Total lease payments		195
Less: Imputed interest/present value discount		(18)
Present value of lease liabilities	\$	177

## 6. DISCONTINUED OPERATIONS

On June 13, 2023, the Company entered into a definitive agreement to sell all of its SaaS operating assets and liabilities for \$6,500, including \$4,750 of cash due upon closing. The operations of the SaaS business have been presented within discontinued operations. Upon completion of the sale of assets, in which the buyer assumed all liabilities related to the SaaS business, the Company recorded an impairment of \$5,441 within loss from discontinued operations as the carrying amount of the net assets exceeded the sale price, less selling costs.

The following information presents the net revenues and net loss of the SaaS business for the three and nine months ended September 30, 2024 and 2023:

	<b>Three Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Net revenues	\$ -	\$ -
Net loss	\$ -	\$ (168)
	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Net revenues	\$ -	\$ 3,814
Net loss	\$ -	\$ (7,122)

## 7. NOTES PAYABLE

The Company has the following outstanding notes payable as of September 30, 2024 and December 31, 2023:

Note	Issuance Date	Maturity Date	Interest Rate	Original Borrowing	Balance at September 30, 2024	Balance at December 31, 2023
Note payable (A)	May 15, 2020	May 15, 2050	3.75%	\$ 150	\$ 123	\$ 137
Promissory note payable (B)	November 7, 2022	May 7, 2024	9.0%	5,470	-	1,179
Promissory note payable (C)	October 11, 2023	April 11, 2025	9.0%	1,005	-	1,005
Debt discount					-	(99)
Debt issuance costs					-	(73)
Total notes payable					123	2,149
Non-current					(103)	(362)
Current					\$ 20	\$ 1,787

(A) On May 15, 2020, the Company executed an unsecured loan with the SBA under the Economic Injury Disaster Loan program in the amount of \$150. Installment payments, including principal and interest, began on October 26, 2022. As of September 30, 2024 and December 31, 2023, the outstanding principal and accrued interest balance due under the note was \$123 and \$137, respectively.

(B) On November 7, 2022, the Company entered into a note purchase agreement (the "November Note Purchase Agreement") and promissory note with an institutional investor (the "November Note Holder") providing for the sale and issuance of an unsecured, non-convertible promissory note in the original principal amount of \$5,470, which has an original issue discount of \$470, resulting in gross proceeds to the Company of approximately \$5,000 (the "November Note," and such financing, the "November Note Offering"). The November Note matures eighteen months following the date of issuance. Commencing six months from the date of issuance, the Company is required to make monthly cash redemption payments in an amount not to exceed \$600. The November Note may be repaid in whole or in part prior to the maturity date for a 10% premium. The November Note requires the Company to use up to 20% of the gross proceeds raised from future equity or debt financings, or the sale of any subsidiary or material asset, to prepay the November Note, subject to a \$2,000 cap on the aggregate prepayment amount. Until all obligations under the November Note have been paid in full, the Company is not permitted to grant a security interest in any of its assets, or to issue securities convertible into shares of common stock, subject in each case to certain exceptions. verbMarketplace, LLC entered into a guaranty, dated November 7, 2022, in connection with the November Note Offering, pursuant to which it guaranteed the obligations of the Company under the November Note in exchange for receiving a portion of the loan proceeds.

In connection with the November Note Offering, the Company incurred \$335 of debt issuance costs. The debt issuance costs and the debt discount of \$450 were being amortized over the term of the November Notes using the effective interest rate method. As of December 31, 2023, the amount of unamortized debt discount and debt issuance costs was \$99 and \$73, respectively. During the nine months ended September 30, 2024, the Company amortized the remaining amount of \$99 of debt discount and \$73 of debt issuance costs.

During the nine months ended September 30, 2024, the Company issued 57,422 shares of its common stock pursuant to an exchange agreement in exchange for a reduction of \$1,720 on the outstanding balance of the November Notes. The shares issued for the share exchange agreement were valued based upon the Nasdaq at-the-market price and is being consistently applied for each share exchange. As a result, there was no gain or loss on the transaction.

On March 18, 2024, the Company paid the November Notes in full.

- (C) On October 11, 2023, the Company entered into a note purchase agreement with an institutional investor pursuant to which the investor purchased the Note in the aggregate principal amount of \$1,005. The Note bears interest at 9.0% per annum compounded daily. The maturity date of the Note is 18 months from the date of its issuance.

During the nine months ended September 30, 2024, the Company issued 38,151 shares of its common stock pursuant to an exchange agreement in exchange for a reduction of \$1,057 on the outstanding balance of the Note. The shares issued under the share exchange agreement were valued based upon the Nasdaq at-the-market price and is being consistently applied for each share exchange. The shares issued for the final share exchange agreement on May 3, 2024 were valued at a 10% discount resulting in a loss on this particular transaction of \$90. This amount has been recorded as a finance cost in the Company's condensed consolidated statement of operations for the nine months ended September 30, 2024.

On May 3, 2024, the Note was repaid in full.

The following table provides a breakdown of interest expense:

	<b>Three Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Interest expense – amortization of debt discount	\$ -	\$ 75
Interest expense – amortization of debt issuance costs	-	55
Interest expense – other	1	89
<b>Total interest expense</b>	<b>\$ 1</b>	<b>\$ 219</b>

Total interest expense for notes payable to related parties was \$0 and \$23 for the three months ended September 30, 2024 and 2023, respectively. The Company paid \$0 and \$8 in interest to related parties for the three months ended September 30, 2024 and 2023, respectively.

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Interest expense – amortization of debt discount	\$ 99	\$ 238
Interest expense – amortization of debt issuance costs	73	182
Interest expense	64	569
<b>Total interest expense</b>	<b>\$ 236</b>	<b>\$ 989</b>

Total interest expense for notes payable to related parties was \$0 and \$69 for the nine months ended September 30, 2024 and 2023, respectively. The Company paid \$0 and \$8 in interest to related parties for the nine months ended September 30, 2024 and 2023, respectively.

## 8. DERIVATIVE LIABILITY

Under authoritative guidance used by the FASB on determining whether an instrument (or embedded feature) is indexed to an entity's own stock, instruments that do not have fixed settlement provisions are deemed to be derivative instruments. In prior years, the Company granted certain warrants that included a fundamental transaction provision that could give rise to an obligation to pay cash to the warrant holder. As a result, the fundamental transaction clause of these warrants are accounted for as a derivative liability in accordance with ASC 815 and are being re-measured every reporting period with the change in value reported in the statement of operations.

The derivative liabilities were valued using a Binomial pricing model with the following average assumptions:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Stock Price	\$ 9.60	\$ 34.00
Exercise Price	\$ 1,600.00	\$ 1,600.00
Expected Life	0.39	1.08
Volatility	106%	202%
Dividend Yield	0%	0%
Risk-Free Interest Rate	4.65%	4.79%
<b>Total Fair Value</b>	<b>\$ -</b>	<b>\$ 1</b>

The expected life of the warrants was based on the remaining contractual term of the instruments. The Company uses the historical volatility of its common stock to estimate the future volatility for its common stock. The expected dividend yield was based on the fact that the Company has not paid dividends in the past and does not expect to pay dividends in the future. The risk-free interest rate was based on rates established by the Federal Reserve Bank.

During the nine months ended September 30, 2024 and 2023, the Company recorded income of \$1 and \$210, respectively, to account for the changes in the fair value of these derivative liabilities during the period. At September 30, 2024, the fair value of the derivative liability was \$0.

## 9. CAPITAL STOCK

### Common Stock

The Company's common stock activity for the nine months ended September 30, 2024 is as follows:

#### *Shares Issued as Part of ATM Offerings*

During December 2023, the Company entered into a sales agreement with Ascendant Capital Markets LLC ("Ascendant Sales Agreement") to sell shares of its common stock pursuant to a prospectus supplement to the Company's Registration Statement on Form S-3 (File No. 333-264038). For the nine months ended September 30, 2024, the Company has issued 278,501 shares of the Company's common stock pursuant to the Ascendant Sales Agreement and received net proceeds of \$12,130, net of offering costs of \$136.

#### *Regulation A Public Offering*

During the nine months ended September 30, 2024, the Company issued 136,986 shares of its common stock and received net proceeds of \$6,466, net of offering costs of \$109, resulting from a Form 1-A public offering of its common stock pursuant to Regulation A.

The shares that were offered and sold at-the-market under Nasdaq rules and pursuant to the Company's Form 1-A, initially filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on February 14, 2024 and qualified on March 11, 2024.

The Company filed a second Form 1-A on May 30, 2024, which was qualified on June 11, 2024. The Company did not sell any securities pursuant to the second Form 1-A. The second Form 1-A was withdrawn on September 3, 2024.

#### *Shares Issued as Payment on Notes Payable*

During the nine months ended September 30, 2024, the Company issued 57,422 shares of its common stock to Streeterville in exchange for a reduction of \$1,720 on the outstanding balance of the November Notes.

During the nine months ended September 30, 2024, the Company issued 38,151 shares of its common stock pursuant to an exchange agreement in exchange for a reduction of \$1,057 on the outstanding balance of the Note.

#### *Shares Issued for Services*

During the nine months ended September 30, 2024, the Company issued 23 shares of common stock to its CEO, Rory Cutaia, associated with the vesting of Restricted Stock Units.

During the nine months ended September 30, 2024, the Company issued 171 shares of common stock to its Interim Chief Financial Officer associated with the vesting of Restricted Stock Units.

#### *Series C Preferred Shares Redeemed in Exchange for Common Shares*

During the nine months ended September 30, 2024, the Company redeemed 2,105 Series C Preferred Shares in exchange for 145,816 common shares in order to reduce the amount of dividend to be accrued. The Company recorded a deemed dividend of \$652 to Series C Preferred Shareholders during the nine months ended September 30, 2024.

See Note 15 – Subsequent Events.

### Preferred Stock

The Company's preferred stock activity for the nine months ended September 30, 2024 was as follows:

### *Series C*

On December 28, 2023, the Company filed a certificate of designation of preferences and rights (the “Certificate of Designation”) of Series C Preferred Stock (the “Series C Preferred Stock”), with the Secretary of State of Nevada, designating 5,000 shares of preferred stock, par value \$0.0001 of the Company, as Series C Preferred Stock. Each share of Series C Preferred Stock shall have a stated face value of \$1,300.00 (“Stated Value”). The Series C Preferred Stock is not convertible into common shares of capital stock of the Company and as such is non-dilutive to current stockholders.

Each share of Series C Preferred Stock shall accrue a rate of return on the Stated Value at the rate of 10% per year, compounded annually to the extent not paid as set forth in the Certificate of Designation, and to be determined pro rata for any fractional year periods (the “Preferred Return”). The Preferred Return shall accrue on each share of Series C Preferred Stock from the date of its issuance and shall be payable or otherwise settled as set forth in the Certificate of Designation.

Commencing on the 1 year anniversary of the issuance date of each share of Series C Preferred Stock, each such share of Series C Preferred Stock shall accrue an automatic quarterly dividend, based on three quarters of 91 days each and the last quarter of 92 days (or 93 days for leap years), which shall be calculated on the Stated Value of such share of Series C Preferred Stock, and which shall be payable in additional shares of Series C Preferred Stock, based on the Stated Value, or in cash as set forth in the Certificate of Designation (each, as applicable, the “Quarterly Dividend”). For the period beginning on the 1 year anniversary of the issuance date of a share of Series C Preferred Stock to the 2 year anniversary of the issuance date of a share of Series C Preferred Stock, the Quarterly Dividend shall be 2.5% per quarter, and for all periods following the 2 year anniversary of the issuance date of a share of Series C Preferred Stock, the Quarterly Dividend shall be 5% per quarter.

Subject to the terms and conditions set forth in the Certificate of Designation, at any time the Company may elect, in the sole discretion of the Board of Directors, to redeem all, but not less than all, of the Series C Preferred Stock then issued and outstanding from all of the Series C Preferred Stock Holders (a “Corporation Optional Redemption”) by paying to the applicable Series C Preferred Stock Holders an amount in cash equal to the Series C Preferred Liquidation Amount (as defined in the Certificate of Designation) then applicable to such shares of Series C Preferred Stock being redeemed in the Corporation Optional Conversion (the “Redemption Price”).

The Series C Preferred Stock confers no voting rights on holders, except with respect to matters that materially and adversely affect the voting powers, rights or preferences of the Series C Preferred Stock or as otherwise required by applicable law.

On December 29, 2023, the Company entered into a Securities Purchase Agreement with Streeterville, pursuant to which the Company sold and Streeterville purchased 3,000 shares of the Company’s newly designated non-convertible Series C Preferred Stock (the “Series C Shares”) for a total purchase price of \$3,000. The Shares have a 10% stated annual dividend, no voting rights and has a face value of \$1,300 per share. The sale of the Series C Shares was consummated on December 29, 2023.

During the nine months ended September 30, 2024, the Company redeemed 2,105 Series C Preferred Shares in exchange for 145,816 common shares in order to reduce the amount of dividend to be accrued. 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. The Company recorded a deemed dividend of \$652 to Series C Preferred Shareholders to account for the difference between the initial investment of \$1,000 per Series C Preferred Share and the Stated Value of \$1,300 per Series C Preferred Share, the Redemption Price.

During the nine months ended September 30, 2024, the Company accrued \$240 in preferred stock dividend payable.

See Note 15 – Subsequent Events.

## 10. RESTRICTED STOCK UNITS

A summary of restricted stock unit activity for the nine months ended September 30, 2024 is presented below.

	<u>Shares</u>	<u>Weighted-Average Grant Date Fair Value</u>
Non-vested at January 1, 2024	767	\$ 1,176.00
Granted	-	-
Vested/deemed vested	(197)	1,499.74
Forfeited	(14)	8,480.00
Non-vested at September 30, 2024	<u>556</u>	<u>\$ 867.17</u>

The total fair value of restricted stock units that vested or deemed vested during the nine months ended September 30, 2024 was \$295. The total stock compensation expense recognized relating to the vesting of restricted stock units for the three and nine months ended September 30, 2024 amounted to \$84 and \$293, respectively. As of September 30, 2024, the amount of unvested compensation related to issuances of restricted stock units was \$292 which will be recognized as an expense in future periods as the shares vest.

## 11. STOCK OPTIONS

A summary of option activity for the nine months ended September 30, 2024 is presented below.

	<u>Options</u>	<u>Weighted-Average Exercise Price</u>	<u>Weighted-Average Remaining Contractual Life (Years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at January 1, 2024	10,435	\$ 240.14	4.60	\$ -
Granted	-	-	-	-
Forfeited	(1,397)	306.75	-	-
Exercised	-	-	-	-
Outstanding at September 30, 2024	<u>9,038</u>	<u>\$ 229.83</u>	<u>3.85</u>	<u>\$ -</u>
Vested September 30, 2024	4,900	\$ 243.74	3.85	\$ -
Exercisable at September 30, 2024	4,900	\$ 243.74	3.85	\$ -

At September 30, 2024, the intrinsic value of the outstanding options was \$0.

The total stock compensation expense recognized relating to the vesting of stock options for the three and nine months ended September 30, 2024 amounted to \$100 and \$529. As of September 30, 2024, the total unrecognized share-based compensation expense was \$904, which is expected to be recognized as part of operating expense through September 2027.

The fair value of share option award is estimated using the Black-Scholes option pricing method based on the following weighted-average assumptions:

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Risk-free interest rate	4.62%	4.29%
Average expected term	5 years	5 years
Expected volatility	139.2%	136.2%
Expected dividend yield	-	-

The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of measurement corresponding with the expected term of the share option award; the expected term represents the weighted-average period of time that share option awards granted are expected to be outstanding giving consideration to vesting schedules and historical participant exercise behavior; the expected volatility is based upon historical volatility of the Company's common stock; and the expected dividend yield is based on the fact that the Company has not paid dividends in the past and does not expect to pay dividends in the future.

## 12. STOCK WARRANTS

The Company has the following warrants outstanding as of September 30, 2024, all of which are exercisable:

	<b>Warrants</b>	<b>Weighted-Average Exercise Price</b>	<b>Weighted-Average Remaining Contractual Life (Years)</b>	<b>Aggregate Intrinsic Value</b>
Outstanding at January 1, 2024	4,598	\$ 6,752.00	3.10	\$ -
Granted	-	-	-	-
Forfeited	(1,053)	24,098.44	-	-
Exercised	-	-	-	-
Outstanding at September 30, 2024, all vested	<u>3,545</u>	<u>\$ 1,769.64</u>	<u>3.18</u>	<u>\$ -</u>

At September 30, 2024 the intrinsic value of the outstanding warrants was \$0.

On January 24, 2023, the Company entered into an underwriting agreement with Aegis relating to the January 2023 offering, issuance and sale of 4,506 shares of the Company's common stock at a public offering price of \$1,600.00 per share. As a result of this transaction, certain warrants which previously had an exercise price of \$2,720.00 per share, had the exercise price reduced to \$1,600.00 per share, which resulted in the Company recognizing a deemed dividend of \$164.

At the close of business on April 5, 2024, the Company's unexercised publicly traded warrants under the symbol VERBW expired pursuant to their original terms and as such Nasdaq suspended trading the 879 remaining warrants and the trading symbol VERBW was delisted from Nasdaq.

### 13. COMMITMENTS AND CONTINGENCIES

#### Litigation

The Company is currently in a dispute with a former employee of its predecessor bBooth, Inc. who has interposed a breach of contract claim in which he alleges that in 2015 he was entitled to approximately \$300 in unpaid bonus compensation. This former employee filed his complaint in the Superior Court of California for the County of Los Angeles on November 20, 2019, styled Meyerson v. Verb Technology Company, Inc., et al. (Case No. 19STCV41816). The Company disputed the former employee's claims and interposed several affirmative defenses, including that the claims are contradicted by documentary evidence, barred by the applicable statute of limitations, and barred by a written, executed release. On February 9, 2021, the former employee's counsel filed a motion for summary judgment, or in the alternative, summary adjudication against the Company. On October 13, 2021, the California court issued an order (i) denying the former employee's motion for summary judgment on his claims against the Company, but (ii) granting the former employee's motion to dismiss the Company's affirmative defenses, which ruling the Company contends was in error. Under the rules, the Company is precluded from appealing the dismissal of its affirmative defenses until after a trial. On August 29, 2023, after a bench trial at which the Company was precluded from introducing evidence of its affirmative defenses, the court found in favor of Plaintiff Meyerson; and judgment was entered in Meyerson's favor in the amount of \$584 which included interest. Meyerson's counsel thereafter submitted an untimely request for attorney's fees and costs which the Company has opposed. After due consideration, the Court awarded Meyerson's counsel only approximately \$8 in counsel fees. After the trial, the Company filed a timely appeal from the judgment (Meyerson v. Verb Technology Company, Inc. (2023 2nd Appellate District) Case No.: B334777, seeking among other things, that the trial court's finding be vacated and that the Company's affirmative defenses be reinstated. As of this date, the appeal has yet to be heard. In the interim, the Company bonded the judgement preventing any enforcement or collection of the judgement while the appeal is pending. The Company has accrued the liability at September 30, 2024 and believes the accrual is adequate pending the outcome of the appeal process.

The Company knows of no material proceedings in which any of its directors, officers, or affiliates, or any registered or beneficial stockholder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

The Company believes it has adequately reserved for all litigation within its financial statements.

#### Board of Directors

The Company has committed an aggregate of \$598 in board fees to its three independent board members over the term of their appointment for services to be rendered. This amount includes a one-time performance-based bonus payment to a board member that is non-recurring. The Company's CEO does not receive compensation for serving on the Board of Directors.

Board fees are accrued and paid monthly. The members will serve on the board until the annual meeting for the year in which their term expires or until their successors have been elected and qualified.

Total board fees expensed during the nine months ended September 30, 2024 was \$501.

### 14. SEGMENT REPORTING

The Company currently operates two reportable segments, MARKET.live and Go Fund Yourself. The Company also operates a third business unit, currently operating in stealth mode, which for the period ending September 30, 2024, the Company does not deem to be a reportable segment.

The following tables summarize the Company's reportable segment information and unallocated corporate expenses (in thousands):

(in thousands)	Three months ended September 30, 2024				Three months ended September 30, 2023			
	Reportable Segments				Reportable Segments			
	MARKET.live	Go Fund Yourself	Corporate	Consolidated	MARKET.live	Go Fund Yourself	Corporate	Consolidated
Revenues	\$ 103	\$ 25	\$ -	\$ 128	\$ 29	\$ -	\$ -	\$ 29
<b>Costs and expenses:</b>								
Cost of revenue, exclusive of depreciation and amortization shown separately below	35	19	-	54	5	-	-	5
Depreciation and amortization	250	3	20	273	539	-	25	564
General and administrative	847	204	1,062	2,113	636	-	2,214	2,850
Total costs and expenses	1,132	226	1,082	2,440	1,180	-	2,239	3,419
<b>Operating loss</b>	<b>\$ (1,029)</b>	<b>\$ (201)</b>	<b>\$ (1,082)</b>	<b>\$ (2,312)</b>	<b>\$ (1,151)</b>	<b>\$ -</b>	<b>\$ (2,239)</b>	<b>\$ (3,390)</b>

(in thousands)	Nine months ended September 30, 2024				Nine months ended September 30, 2023			
	Reportable Segments				Reportable Segments			
	MARKET.live	Go Fund Yourself	Corporate	Consolidated	MARKET.live	Go Fund Yourself	Corporate	Consolidated
Revenues	\$ 147	\$ 25	\$ -	\$ 172	\$ 34	\$ -	\$ -	\$ 34
<b>Costs and expenses:</b>								
Cost of revenue, exclusive of depreciation and amortization shown separately below	71	19	-	90	7	-	-	7
Depreciation and amortization	749	3	46	798	1,616	-	114	1,730
General and administrative	2,865	222	4,131	7,218	1,963	-	7,117	9,080
Total costs and expenses	3,685	244	4,177	8,106	3,586	-	7,231	10,817



<b>Operating loss</b>	<u>\$</u> <u>(3,538)</u>	<u>\$</u> <u>(219)</u>	<u>\$</u> <u>(4,177)</u>	<u>\$</u> <u>(7,934)</u>	<u>\$</u> <u>(3,552)</u>	<u>\$</u> <u>-</u>	<u>\$</u> <u>(7,231)</u>	<u>\$</u> <u>(10,783)</u>
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## 15. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 5, 2024, the date these financial statements are available to be issued. The Company believes there were no material events or transactions discovered during this evaluation that requires recognition or disclosure in the financial statements other than the items discussed below.

### *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.

### *Nasdaq Compliance and Reverse Stock Split*

On August 2, 2024, the Company filed a preliminary proxy statement on Schedule 14A in connection with the Company's annual meeting of stockholders scheduled for September 26, 2024 (the "September 26, 2024 annual meeting"). On August 6, 2024, the Company filed an amended proxy statement on Schedule PRER14A indicating that in the event the Company does not regain compliance with the Bid Price Rule on or before September 26, 2024, then at the annual meeting, the Company intends to seek the approval of its stockholders to implement a reverse stock split in the range within a range of one-for-five (1-for-5) to a maximum of a one-for-two hundred (1-for-200).

On August 6, 2024, the Company received notice from the Staff indicating that the bid price for the Company's common stock had closed below \$0.10 per share for the 10-consecutive trading day period ended August 5, 2024 and, accordingly, the Company is subject to the provisions contemplated under Nasdaq Listing Rule 5810(c)(3)(A)(iii) (the "Low Priced Stock Rule") and its securities were subject to delisting from Nasdaq unless the Company timely requested a hearing before the Nasdaq Hearings Panel (the "Panel").

On August 12, 2024, the Company timely requested a hearing before the Panel, which request automatically stayed any further action by Nasdaq until the hearing was held and the expiration of any extension period that may have been granted by the Panel. The Company's common stock continued to trade on Nasdaq under the symbol "VERB" pending completion of the hearing process.

On August 28, 2024, the Panel determined to grant the Company a temporary exception until October 21, 2024, to effect a reverse stock split of its common stock and thereafter regain compliance with The Nasdaq Stock Market LLC's Listing Rule 5550(a)(2). On October 2, 2024, the Panel amended the exception granted to the Company to provide that the Company has until October 22, 2024, to effect a reverse stock split to regain compliance with Nasdaq Listing Rule 5550(a)(2).

At the September 26, 2024 annual meeting, the Company's stockholders voted to approve a reverse stock split within a range of one-for-five (1-for-5) to a maximum of a one-for-two hundred (1-for-200). Given the then price of the Company's shares and the limited time frames established by the Panel, on October 8, 2024 the Board implemented a 1 for 200 reverse stock split (the "Reverse Stock Split") and on October 9, 2024 the Company's shares began trading on post-split basis.

On October 23, 2024, after the elapse of ten trading days, the Company received a letter from the Nasdaq Stock Market stating that the Company had regained compliance with the minimum bid price requirement of \$1.00 per share for continued listing on the Nasdaq Stock Market, as set forth in Nasdaq Listing Rule 5550(a)(2). As is customary, the Company will be subject to a mandatory panel monitor for a period of one year from October 23, 2024. If, within that one-year monitoring period, the Nasdaq Listing Qualifications staff (the "Staff") finds the Company is again out of compliance with the minimum bid price requirement, notwithstanding Nasdaq Listing Rule 5810(c)(2), then the Staff will issue a delist determination letter and the Company will have an opportunity to request a new hearing with the initial Nasdaq Panel or a newly convened hearing panel if the initial Panel is unavailable.

## ***Corporate Action, Change of Control, and Extraordinary Performance Agreements***

As of the date of this Form 10-Q, the Company's shares have traded and are continuing to trade at a price that results in a market cap that is significantly less than the Company's current net cash position. Accordingly, the Company's Board of Directors has determined that the Company is vulnerable to hostile takeover action and that any such action at this time is not in the best interests of its stockholders. The Company does not currently have any poison pill type provisions and due to previous reverse stock splits and other capital markets activities, the Company's management and board members currently own an insignificant number of shares and as such would be ineffective in voting such shares to thwart any hostile takeover actions. Until such time as the Board determines whether it is necessary or advisable to adopt a poison pill provision or other anti-takeover measure, on October 31, 2024 the Board determined to approve the entry into Corporate Action, Change of Control, and Extraordinary Performance Agreements (the "Agreement") with Rory J. Cutaia, Founder, Chairman and CEO of the Company, and James Geiskopf, Lead Director, (the "Awardees") pursuant to which the Company will issue fully vested restricted stock units ("RSU") subject to certain triggering events (the "Triggering Events"), as described below. Each RSU represents the right to be issued one share of common stock (the shares upon vesting, are subject to the restrictions as set forth in the Agreement, under the Company's 2019 Omnibus Incentive Plan, or the RSU award agreement).

The Triggering Events include, among other things, the following:

### 1. Acceleration Upon a Corporate Transaction or Change of Control

- a. "Corporate Transaction" means any person or Group (as defined in the Agreement) acquires an ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirteen percent (13%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is required to file a Schedule 13D (Beneficial Ownership Report (for >5% ownership with intent to influence)) with the U.S. Securities and Exchange Commission within 10 days of such acquisition. In the event of either a Corporate Transaction or a Change of Control, on or prior to December 31, 2025, the Awardee shall be entitled to fully vested 80,000 Restricted Stock Units for each Measurement Date (as defined in the Agreement) that cannot be reached due to the Change of Control. For example, for clarity, if the Corporate Transaction or Change of Control closes on July 15, 2025, then the Awardee shall be entitled to 160,000 Restricted Stock Units (2 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee and the Company shall grant and deliver the accelerated Restricted Stock Units Awards to Awardee on or prior to such closing of the Corporate Transaction or Change of Control.
- b. "Change of Control" means and includes each of the following:
  - i. any one person, or group of owners of another corporation who, acting together through a merger, consolidation, purchase, acquisition of stock or the like (a "Group"), acquires ownership of Shares of the Company that, together with the Shares held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the Shares of the Company (or other voting securities of the Company then outstanding). However, if such person or Group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the Shares (or other voting securities of the Company then outstanding) before this transfer of the Company's Shares (or other voting securities of the Company then outstanding), the acquisition of additional Shares (or other voting securities of the Company then outstanding) by the same person or Group shall not be considered to cause a Change of Control of the Company; or
  - ii. any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirty percent (30%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is not merely acquiring additional control of the Company; or
  - iii. a majority of members of the Company's Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board prior to the date of the appointment or election (the "Incumbent Board"), but excluding, for purposes of determining whether a majority of the Incumbent Board has endorsed any candidate for election to the Board, any individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or Group other than the Company's Board; or
  - iv. any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or Group) all or substantially all of the assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total fair market value of all assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, "gross fair market value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

The Triggering Events also include partial issuances of RSU's to the Awardees through the achievement of extraordinary performance-based quarterly revenue milestones as determined by the Board (the "Revenue Milestones"), and as measured on specific dates, each a "Measurement Date" defined as December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025, and December 31, 2025, and the Awardees providing continuous services through the achievement of such milestones. Pursuant to the Agreement, each Awardee may be entitled to receive between 40,000 and 80,000 RSU's upon achieving the following Revenue Milestones (i) between \$500,000 and \$900,000 as of December 31, 2024, (ii) between \$1.1M and \$1.5M as of March 31, 2025, (iii) between \$1.7M and \$2.1M as of June 30, 2025, (iv) between \$2.3M and \$2.7M as of September 30, 2025, and (v) \$2.9M and \$3.3M as of December 31, 2025. The achievement of each of the applicable quarterly Revenue Milestones on each Measurement Date will be reasonably determined by the Company's Board of Directors.

The foregoing description of the above Agreement is qualified in its entirety by reference to the Agreement, copies of which are attached hereto as Exhibit 10.1 and Exhibit 10.2 and incorporated herein by reference.

## ITEM 2 – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Forward-Looking Statements

*The following discussion and analysis of the results of operations and financial condition of our company for the three- and nine-month periods ended September 30, 2024 and 2023 should be read in conjunction with the financial statements and related notes and the other financial information that are included elsewhere in this Quarterly Report on Form 10-Q. This discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations, and intentions. Forward-looking statements are statements not based on historical fact and which relate to future operations, strategies, financial results, or other developments. Forward-looking statements are based upon estimates, forecasts, and assumptions that are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to business decisions, are subject to change. These uncertainties and contingencies can cause actual results to differ materially from those expressed in any forward-looking statements made by us, or on our behalf. We disclaim any obligation to update forward-looking statements. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. We use words such as “anticipate,” “estimate,” “plan,” “project,” “continuing,” “ongoing,” “expect,” “believe,” “intend,” “may,” “will,” “should,” “could,” and similar expressions to identify forward-looking statements.*

*References in this document to the “Company,” “Verb,” “we,” “us,” or “our” are intended to mean Verb Technology Company, Inc., individually, or as the context requires, collectively with its subsidiaries on a consolidated basis, unless otherwise specified.*

### Overview

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 \$6,500, \$4,750 of which was paid in cash by the buyer at the closing of the transaction (the "Sale of the SaaS Assets"). Additional payments of \$1,750 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 \$10,515 and short-term investments of \$5,077.

Customers do not have the contractual right to take possession of the Company's software. Revenue is recognized in an amount that reflects the contractual consideration that the Company receives in exchange for its services. The Company does not take possession of the customers' inventory or any credit risks relating to the products sold.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net sales in the consolidated statements of operations. Revenues during the three and nine months ended September 30, 2024 and 2023, were substantially all generated from clients and customers located within the United States of America.

## Results of Operations

For the Three Months Ended September 30, 2024 as Compared to the Three Months Ended September 30, 2023

The following is a comparison of our results of operations for the three months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		
	2024	2023	Change
<b>Revenue</b>	<u>\$ 128</u>	<u>\$ 29</u>	<u>\$ 99</u>
<b>Costs and expenses</b>			
Cost of revenue, exclusive of depreciation and amortization shown separately below	54	5	49
Depreciation and amortization	273	564	(291)
General and administrative	2,113	2,850	(737)
Total costs and expenses	<u>2,440</u>	<u>3,419</u>	<u>(979)</u>
Operating loss from continuing operations	(2,312)	(3,390)	1,078
<b>Other income (expense), net</b>			
Interest income	193	-	193
Unrealized gain on short-term investments	109	-	109
Interest expense	(1)	(219)	218
Financing costs	-	-	-
Other income, net	46	64	(18)
Change in fair value of derivative liability	-	4	(4)
Total other income (expense), net	<u>347</u>	<u>(151)</u>	<u>498</u>
<b>Net loss from continuing operations</b>	<u>\$ (1,965)</u>	<u>\$ (3,541)</u>	<u>\$ 1,576</u>

## Revenue

Revenue was \$128 for the three months ended September 30, 2024, as compared to \$29 for the three months ended September 30, 2023. The revenue of \$99, representing an increase of 341% over the same period last year is primarily attributable to revenue received through the Company's partnership with TikTok and the TikTok related and other services packages within the Company's MARKET.live business unit, and from the Company's Go Fund Yourself business unit.

## Operating Expenses

Depreciation and amortization expenses were \$273 for the three months ended September 30, 2024, as compared to \$564 for the three months ended September 30, 2023. The decrease is due to a revision in the amortization of software development costs resulting from extending the life of the asset on January 1, 2024.

General and administrative expenses including stock compensation expense were \$2,113 for the three months ended September 30, 2024, as compared to \$2,850 for the three months ended September 30, 2023. The decrease of \$737 or 26%, in general and administrative expenses including stock compensation expense is primarily due to a decrease in stock compensation expense and legal fees.

## Other Income, net

Other income, net, for the three months ended September 30, 2024 was \$347, which was primarily attributable to interest income.

## For the Nine Months Ended September 30, 2024 as Compared to the Nine Months Ended September 30, 2023

The following is a comparison of our results of operations for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,		
	2024	2023	Change
<b>Revenue</b>	<u>\$ 172</u>	<u>\$ 34</u>	<u>\$ 138</u>
<b>Costs and expenses</b>			
Cost of revenue, exclusive of depreciation and amortization shown separately below	90	7	83
Depreciation and amortization	798	1,730	(932)
General and administrative	7,218	9,080	(1,862)
Total costs and expenses	<u>8,106</u>	<u>10,817</u>	<u>(2,711)</u>
Operating loss from continuing operations	(7,934)	(10,783)	2,849
<b>Other income (expense), net</b>			
Interest income	361	-	361
Unrealized gain on short-term investments	109	-	109
Interest expense	(236)	(989)	753
Financing costs	(90)	(1,239)	1,149
Other income, net	648	844	(196)
Change in fair value of derivative liability	1	210	(209)
Total other income (expense), net	<u>793</u>	<u>(1,174)</u>	<u>1,967</u>
<b>Net loss from continuing operations</b>	<u>\$ (7,141)</u>	<u>\$ (11,957)</u>	<u>\$ 4,816</u>

## Revenue

Revenue was \$172 for the nine months ended September 30, 2024, as compared to \$34 for the nine months ended September 30, 2023. The revenue of \$138, representing an increase of 406%, is primarily attributable to revenue received through the Company's partnership with TikTok and the TikTok related and other services packages within the Company's MARKET.live business unit, and from the Company's Go Fund Yourself business unit.

## Operating Expenses

Depreciation and amortization expenses were \$798 for the nine months ended September 30, 2024, as compared to \$1,730 for the nine months ended September 30, 2023. The decrease is due to a revision in the amortization of software development costs resulting from extending the life of the asset on January 1, 2024.

General and administrative expenses including stock compensation expense were \$7,218 for the nine months ended September 30, 2024, as compared to \$9,080 for the nine months ended September 30, 2023. The decrease of \$1,862 or 21% in general and administrative expenses including stock compensation expense is primarily due to a decrease in stock compensation expense and a decrease in legal fees.

## Other Income, net

Other income, net, for the nine months ended September 30, 2024 was \$793, which was primarily attributable to other income, net of \$648 and interest income, net of \$234, both offset by financing costs of \$90.

## Use of Non-GAAP Measures – Modified EBITDA

In addition to our results under generally accepted accounting principles ("GAAP"), we present Modified EBITDA as a supplemental measure of our performance. 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. We define Modified EBITDA as net income (loss), plus depreciation and amortization, share-based compensation, interest (income) expense, unrealized gain on short-term investments, financing costs, change in fair value of derivative liability, other (income) expense, loss from discontinued operations, net of tax, and other non-recurring charges.

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 affect our underlying revenue and profit generating operations that period. Non-GAAP adjustments to our results prepared in accordance with GAAP are itemized below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Modified EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of 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 thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net loss</b>	<b>\$ (1,965)</b>	<b>\$ (3,709)</b>	<b>\$ (7,141)</b>	<b>\$ (19,079)</b>
<b>Adjustments:</b>				
Depreciation and amortization	273	564	798	1,730
Share-based compensation	220	583	958	1,985
Other income, net	(46)	(64)	(648)	(844)
Financing costs	-	-	90	1,239
Interest income	(193)	-	(361)	-
Unrealized gain on short-term investments	(109)	-	(109)	-
Interest expense	1	219	236	989
Change in fair value of derivative liability	-	(4)	(1)	(210)
Loss from discontinued operations, net of tax	-	168	-	7,122
Other non-recurring costs (a)	-	400	97	585
Total EBITDA adjustments	146	1,866	1,060	12,596
<b>Modified EBITDA</b>	<b>\$ (1,819)</b>	<b>\$ (1,843)</b>	<b>\$ (6,081)</b>	<b>\$ (6,483)</b>



(a) Represents litigation and severance costs.

We present Modified EBITDA because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we use Modified EBITDA in developing our internal budgets, forecasts and strategic plan; in analyzing the effectiveness of our business strategies in evaluating potential acquisitions; and in making compensation decisions and in communications with our board of directors concerning our financial performance. Modified EBITDA has limitations as an analytical tool, which includes, among others, the following:

- Modified EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- Modified EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Modified EBITDA does not reflect future interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; and
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Modified EBITDA does not reflect any cash requirements for such replacements.

## Liquidity and Capital Resources

### Overview

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

The following is a summary of our cash flows from operating, investing, and financing activities for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,	
	2024	2023
Cash used in operating activities – continuing operations	\$ (6,901)	\$ (6,619)
Cash used in operating activities – discontinued operations	-	(1,855)
Cash used in investing activities – continuing operations	(5,234)	(275)
Cash provided by investing activities – discontinued operations	-	4,750
Cash provided by financing activities – continuing operations	18,297	4,855
Cash used in financing activities – discontinued operations	-	(2,367)
Increase (decrease) in cash	\$ 6,162	\$ (1,511)

### ***Cash Flows – Operating***

For the nine months ended September 30, 2024, our cash used in operating activities from continuing operations amounted to \$6,901, compared to cash used in operating activities from continuing operations for the nine months ended September 30, 2023 of \$6,619.

### ***Cash Flows – Investing***

For the nine months ended September 30, 2024, our cash flows used in investing activities amounted to \$5,234, primarily due to our purchases of short-term investments.

### ***Cash Flows – Financing***

For the nine months ended September 30, 2024, our cash flows provided by financing activities amounted to \$18,297, which represented \$18,596 of net proceeds from the issuance of shares of our common stock, offset primarily by \$180 in offering costs paid in January 2024 related to our preferred stock offering in December 2023 and other offering costs paid of \$105 related to our common stock offerings.

### **Notes Payable**

We have the following outstanding note payable as of September 30, 2024 (in thousands):

<u>Note</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Borrowing</u>	<u>Balance at September 30, 2024</u>
Note payable (A)	May 15, 2020	May 15, 2050	3.75%	\$ 150	\$ 123
Non-current					(103)
Current					\$ 20

(A) On May 15, 2020, we executed an unsecured loan with the U.S. Small Business Administration (SBA) under the Economic Injury Disaster Loan program in the amount of \$150. Monthly payments, including principal and interest, began October 26, 2022. As of September 30, 2024, the outstanding balance of the note amounted to \$123.

## Critical Accounting Policies and Estimates

Our financial statements have been prepared in accordance with GAAP, which require that we make certain assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenue and expenses during each reporting period.

### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Significant estimates include assumptions made for assumptions made in valuing assets acquired in business combinations, impairment testing of long-lived assets, the valuation allowance for deferred tax assets, assumptions used in valuing derivative liabilities, assumptions used in valuing share-based compensation, and accruals for contingent liabilities. Amounts could materially change in the future.

### *Investments*

In accordance with ASC 320, *Investments – Debt Securities*, the Company accounts for its investments as trading securities consisting of U.S. Treasury securities and corporate bonds that are reported at fair value on the Company's condensed consolidated balance sheet at September 30, 2024. Unrealized gains and losses on these investments are included in other income (expense), net within the Company's condensed consolidated statements of operations.

The Company's investments in trading securities are classified as current based on the intent of management, the nature of the investments and their availability for use in current operations.

### *Capitalized Software Development Costs*

The Company capitalizes internal and external costs directly associated with developing internal-use software, and hosting arrangements that include an internal-use software license, during the application development stage of its projects. The Company's internal-use software is reported at cost less accumulated amortization. Amortization begins once the project has been completed and is ready for its intended use.

Due to changes in management's assessment of its capitalized software development asset, the Company revised the asset's remaining useful life effective January 1, 2024 and will amortize the asset on a straight-line basis over a period of four years. Software maintenance activities or minor upgrades are recorded as expense in the period performed.

Amortization expense related to capitalized software development costs is recorded in depreciation and amortization in the condensed consolidated statements of operations.

### *Segment Information*

Effective July 1, 2024, the Company operates as two reportable segments, MARKET.live and Go Fund Yourself. We identify our segments in accordance with ASC 280, *Segment Reporting*, and in the manner in which our Chief Executive Officer, as our chief operating decision maker ("CODM"), allocates resources and assesses financial performance.

### *Revenue Recognition*

The Company recognizes revenue in accordance with Financial Accounting Standard Board's ("FASB") ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which includes (1) identifying the contract(s) or agreement(s) with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied.

MARKET.live revenue is derived from contract-based recurring fee revenue services that include, among other things, assistance in onboarding clients 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. Clients are referred to us through our existing partnership with TikTok Shop as well as from several brand agencies with which we maintain affiliate relationships.

GO FUND YOURSELF! derives 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.

A performance obligation is a promise in a contract to transfer a distinct product. Performance obligations promised in a contract are identified based on the goods that will be transferred that are both capable of being distinct and are distinct in the context of the contract, whereby the transfer of the goods is separately identifiable from other promises in the contract. Performance obligations include establishing and maintaining customer online stores, providing access to the Company's e-commerce platform and customer service support.

The Company's revenue is generated primarily from services it provides as referenced above in the Revenue Recognition section. Customers do not have the contractual right to take possession of the Company's software. Revenue is recognized in an amount that reflects the contractual consideration that the Company receives in exchange for its services.

Revenue is recognized on a net basis from maintaining e-commerce platforms and online orders, as the Company is engaged primarily in an agency relationship with its customers and earns defined amounts based on the individual contractual terms for the customer and the Company does not take possession of the customers' inventory or any credit risks relating to the products sold.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net sales in the consolidated statements of operations.

### ***Derivative Financial Instruments***

We evaluate our financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

We use Level 2 inputs for our valuation methodology for the derivative liabilities as their fair values were determined by using a Binomial pricing model. Our derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in the results of operations as adjustments to fair value of derivatives.

### ***Share-Based Compensation***

The Company issues stock options and warrants, shares of common stock and restricted stock units as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation in accordance with FASB ASC 718, *Compensation – Stock Compensation*. Share-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period. The fair value of restricted stock units is determined based on the number of shares granted and the quoted price of our common stock and is recognized as expense over the service period. Forfeitures are accounted for as they occur. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for services.

### ***Intangible Assets***

We have certain intangible assets that were initially recorded at their fair value at the time of acquisition. The finite-lived intangible assets consist of developed technology and customer contracts. Indefinite-lived intangible assets consist of domain names. Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful life of five years.

We review all finite lived intangible assets for impairment when circumstances indicate that their carrying values may not be recoverable. If the carrying value of an asset group is not recoverable, we recognize an impairment loss for the excess carrying value over the fair value in our consolidated statements of operations.

### **Recently Issued Accounting Pronouncements**

For a summary of our recent accounting policies, refer to Note 2 - Summary of Significant Accounting Policies, of our unaudited condensed consolidated financial statements included under Item 1 – Financial Statements in this Form 10-Q.

### **ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

## ITEM 4 - CONTROLS AND PROCEDURES

### *Evaluation of Disclosure Controls and Procedures*

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

We carried out an evaluation under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2024. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2024.

### *Changes in Internal Control Over Financial Reporting*

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### *Inherent Limitations on the Effectiveness of Controls*

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, no evaluation of internal control over financial reporting can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been or will be detected.

These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

## PART II - OTHER INFORMATION

### ITEM 1 - LEGAL PROCEEDINGS

For information regarding legal proceedings, refer to Note 12 - Commitments and Contingencies of the Notes to our Condensed Consolidated Financial Statements, which is incorporated herein by reference.

### ITEM 1A. RISK FACTORS

Our business, results of operations, and financial condition are subject to various risks. These risks are described elsewhere in this Quarterly Report on Form 10-Q and our other filings with the SEC, including the 2023 Form 10-K filed on April 1, 2024. The risk factors identified in our 2023 Form 10-K have not changed in any material respect.

### ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

### ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4 - MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5 - OTHER INFORMATION

#### Rule 10b5-1 Trading Arrangement

During the three months ended September 30, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

#### *Corporate Action, Change of Control, and Extraordinary Performance Agreements*

As of the date of this Form 10-Q, the Company’s shares have traded and are continuing to trade at a price that results in a market cap that is significantly less than the Company’s current net cash position. Accordingly, the Company’s Board of Directors has determined that the Company is vulnerable to hostile takeover action and that any such action at this time is not in the best interests of its stockholders. The Company does not currently have any poison pill type provisions and due to previous reverse stock splits and other capital markets activities, the Company’s management and board members currently own an insignificant number of shares and as such would be ineffective in voting such shares to thwart any hostile takeover actions. Until such time as the Board determines whether it is necessary or advisable to adopt a poison pill provision or other anti-takeover measure, on October 31, 2024 the Board determined to approve the entry into Corporate Action, Change of Control, and Extraordinary Performance Agreements (the “Agreement”) with Rory J. Cutaia, Founder, Chairman and CEO of the Company, and James Geiskopf, Lead Director, (the “Awardees”) pursuant to which the Company will issue fully vested restricted stock units (“RSU”) subject to certain triggering events (the “Triggering Events”), as described below. Each RSU represents the right to be issued one share of common stock (the shares upon vesting, are subject to the restrictions as set forth in the Agreement, under the Company’s 2019 Omnibus Incentive Plan, or the RSU award agreement).

The Triggering Events include, among other things, the following:

1. Acceleration Upon a Corporate Transaction or Change of Control

a. “Corporate Transaction” means any person or Group (as defined in the Agreement) acquires an ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirteen percent (13%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is required to file a Schedule 13D (Beneficial Ownership Report (for >5% ownership with intent to influence)) with the U.S. Securities and Exchange Commission within 10 days of such acquisition. In the event of either a Corporate Transaction or a Change of Control, on or prior to December 31, 2025, the Awardee shall be entitled to fully vested 80,000 Restricted Stock Units for each Measurement Date (as defined in the Agreement) that cannot be reached due to the Change of Control. For example, for clarity, if the Corporate Transaction or Change of Control closes on July 15, 2025, then the Awardee shall be entitled to 160,000 Restricted Stock Units (2 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee and the Company shall grant and deliver the accelerated Restricted Stock Units Awards to Awardee on or prior to such closing of the Corporate Transaction or Change of Control.

b. “Change of Control” means and includes each of the following:

i. any one person, or group of owners of another corporation who, acting together through a merger, consolidation, purchase, acquisition of stock or the like (a “Group”), acquires ownership of Shares of the Company that, together with the Shares held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the Shares of the Company (or other voting securities of the Company then outstanding). However, if such person or Group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the Shares (or other voting securities of the Company then outstanding) before this transfer of the Company’s Shares (or other voting securities of the Company then outstanding), the acquisition of additional Shares (or other voting securities of the Company then outstanding) by the same person or Group shall not be considered to cause a Change of Control of the Company; or

ii. any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirty percent (30%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is not merely acquiring additional control of the Company; or

iii. a majority of members of the Company’s Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company’s Board prior to the date of the appointment or election (the “Incumbent Board”), but excluding, for purposes of determining whether a majority of the Incumbent Board has endorsed any candidate for election to the Board, any individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or Group other than the Company’s Board; or

iv. any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or Group) all or substantially all of the assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total fair market value of all assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, “gross fair market value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

The Triggering Events also include partial issuances of RSU’s to the Awardees through the achievement of extraordinary performance-based quarterly revenue milestones as determined by the Board (the “Revenue Milestones”), and as measured on specific dates, each a “Measurement Date” defined as December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025, and December 31, 2025, and the Awardees providing continuous services through the achievement of such milestones. Pursuant to the Agreement, each Awardee may be entitled to receive between 40,000 and 80,000 RSU’s upon achieving the following Revenue Milestones (i) between \$500,000 and \$900,000 as of December 31, 2024, (ii) between \$1.1M and \$1.5M as of March 31, 2025, (iii) between \$1.7M and \$2.1M as of June 30, 2025, (iv) between \$2.3M and \$2.7M as of September 30, 2025, and (v) \$2.9M and \$3.3M as of December 31, 2025. The achievement of each of the applicable quarterly Revenue Milestones on each Measurement Date will be reasonably determined by the Company’s Board of Directors.

The foregoing description of the above Agreement is qualified in its entirety by reference to the Agreement, copies of which are attached hereto as Exhibit 10.1 and Exhibit 10.2 and incorporated herein by reference.

## **ITEM 6 - EXHIBITS**

Reference is made to the exhibits listed on the Index to Exhibits.

## INDEX TO EXHIBITS

Exhibit Number	Description
3.1	<a href="#">Certificate of Amendment to the Articles of Incorporation dated September 27, 2024 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 27, 2024).</a>
10.1*	<a href="#">Corporate Action, Change of Control, and Extraordinary Performance Agreement with Rory J. Cutaia dated October 31, 2024.</a>
10.2*	<a href="#">Corporate Action, Change of Control, and Extraordinary Performance Agreement with James Geiskopf dated October 31, 2024.</a>
31.1*	<a href="#">Certification Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2*	<a href="#">Certification Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1**	<a href="#">Certification of Principal Executive Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code</a>
32.2**	<a href="#">Certification of Principal Financial Officer and Principal Accounting Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code</a>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith.

\*\* The certifications attached as Exhibit 32.1 and 32.2 that accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the registrant for purposes of Section 18 of the Exchange Act and are not to be incorporated by reference into any of the registrant's filings under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in any such filing.



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**VERB TECHNOLOGY COMPANY, INC.**

Date: November 5, 2024

By: /s/ Rory J. Cutaia  
Rory J. Cutaia  
President, Chief Executive Officer,  
Secretary, Treasurer and Director  
(Principal Executive Officer)

Date: November 5, 2024

By: /s/ Bill J. Rivard  
Bill J. Rivard  
Interim Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

**CORPORATE ACTION, CHANGE OF CONTROL, AND EXTRAORDINARY PERFORMANCE AGREEMENT**

THIS AGREEMENT (the "Agreement") is entered into as of October 31, 2024 (the "Effective Date"), by Verb Technology Company, Inc. (the "Company") and Rory J. Cutaia (the "Awardee"). Awardee is the Founder, Chairman, and CEO of the Company.

**1. PURPOSE AND INTENT**

(a) Purpose. The Company establishes this Agreement to institute a process to respond to hostile or activist shareholder action where there is a stated "intent to influence" as that term is defined by the Securities and Exchange Commission ("SEC") and to provide the Awardee with incentive bonus compensation for the achievement of extraordinary performance-based quarterly revenue milestones and the Awardee providing continuous services through the achievement of such milestones.

(b) Intent. This Agreement is not intended to constitute an agreement under a tax qualified plan under Code Section 401(a) or a retirement program subject to ERISA. No amount paid under this Agreement may be rolled over or transferred to a tax qualified plan or individual retirement account.

**2. DEFINITIONS**

Any capitalized term that is used but not otherwise defined in this Section or this Agreement shall have the meaning assigned to such term in the Incentive Plan (as defined below).

(a) "Cause" means:

(i) gross negligence or willful misfeasance demonstrated by the Awardee in the performance of his duties;

(ii) refusal by Awardee to perform ethical and lawful duties assigned by the Board of Directors that are consistent with the Awardee's title and role within the Company as set forth herein, that continues uncured for thirty (30) days following receipt of written notice from a majority of the Board of Directors;

(iii) Awardee is found by a court of competent jurisdiction to have engaged in any act of fraud or embezzlement that adversely affects the Company;

(iv) Awardee breaching in any material respects any material terms of this Agreement, which such breach is not cured within thirty (30) days after receipt of written notice from the Board of Directors; or (v) Awardee's conviction after trial and appeal of a felony involving fraud or moral turpitude or entering into a plea of guilty or nolo contendere (or its equivalent) to such a felony.

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(b) “Change of Control” means, and includes each of the following:

(i) any one person, or group of owners of another corporation who, acting together through a merger, consolidation, purchase, acquisition of stock or the like (a “Group”), acquires ownership of Shares of the Company that, together with the Shares held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the Shares of the Company (or other voting securities of the Company then outstanding). However, if such person or Group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the Shares (or other voting securities of the Company then outstanding) before this transfer of the Company’s Shares (or other voting securities of the Company then outstanding), the acquisition of additional Shares (or other voting securities of the Company then outstanding) by the same person or Group shall not be considered to cause a Change of Control of the Company; or

(ii) any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirty percent (30%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is not merely acquiring additional control of the Company; or

(iii) a majority of members of the Company’s Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company’s Board prior to the date of the appointment or election (the “Incumbent Board”), but excluding, for purposes of determining whether a majority of the Incumbent Board has endorsed any candidate for election to the Board, any individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or Group other than the Company’s Board; or

(iv) any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or Group) all or substantially all of the assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total fair market value of all assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, “gross fair market value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. A transfer of assets by the Company will not result in a Change of Control if the assets are transferred to:

(1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;

(2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company immediately after the transfer of assets;

(3) a person or Group that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company; or

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(4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned directly or indirectly, by a person described in subparagraph (c)(i), above; or

(v) stockholders of the Company approve a plan for complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, if any payment or distribution event applicable to an Award is subject to the requirements of Section 409A(a)(2)(A) of the Code, the determination of the occurrence of a Change of Control shall be governed by applicable provisions of Section 409A(a)(2)(A) of the Code and regulations and rulings issued thereunder for purposes of determining whether such payment or distribution may then occur.

(c) “Code” means the Internal Revenue Code of 1986, as amended.

(d) “Corporate Transaction” means any person or Group (as described above) acquires an ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirteen percent (13%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is required to file a Schedule 13D (Beneficial Ownership Report (for >5% ownership with intent to influence)) with the U.S. Securities and Exchange Commission within 10 days of such acquisition.

(e) “Disability” means:

i. “Disability” as defined in any employment, consulting, or similar agreement to which the Awardee is a party, or

ii. if there is no such agreement or it does not define “Disability,” (A) permanent and total disability as determined under the Company’s long-term disability plan applicable to the Awardee or (B) if there is no such plan applicable to the Awardee, “Disability” shall mean the Awardee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months, as determined by the Company.

(f) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(g) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(h) “Incentive Plan” means the Company’s 2019 Omnibus Incentive Plan, as may be amended from time to time.

(i) “Measurement Date” means and including each of the following dates: December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025, and December 31, 2025.

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(j) “Revenue” means the total income the Company earns from its business operations that is calculated before deducting any expenses, taxes, or costs associated with producing goods or delivering services.

(k) “Share” means a share of common stock, \$0.0001 par value per share, of the Company, as adjusted in accordance with Section 15 of the Incentive Plan.

### **3. GRANT OF RESTRICTED STOCK UNITS AWARDS**

The Awardee will receive fully vested Restricted Stock Unit Awards, based on the Company’s achievement of specified performance milestones on each Measurement Date (each performance milestones, a “Revenue Milestone” or in the aggregate “Revenue Milestones”). Each Restricted Stock Unit represents the right of the Awardee to be issued one Share (share upon vesting, subject to the restrictions set forth in this Agreement, under the Incentive Plan, or the Restricted Stock Unit Award Agreement).

### **4. REVENUE MILESTONES VESTING SCHEDULE**

(a) Subject to the provisions in this Agreement and subject to the terms of the Incentive Plan, the Company will grant the Awardee fully vested Restricted Stock Units according to the following vesting schedule, based on Revenue Milestones achieved on each Measurement Date:

<b>MEASUREMENT DATE: DECEMBER 31, 2024</b>	
Revenue Milestones	Number of Fully Vested Restricted Stock Units
Under \$500,000	0
\$500,000 but less than \$700,000	40,000
\$700,000 but less than \$900,000	60,000
\$900,000 or more	80,000

<b>MEASUREMENT DATE: MARCH 31, 2025</b>	
Revenue Milestones	Number of Fully Vested Restricted Stock Units
Under \$1,100,000	0
\$1,100,000 but less than \$1,300,000	40,000
\$1,300,000 but less than \$1,500,000	60,000
\$1,500,000 or more	80,000

<b>MEASUREMENT DATE: JUNE 30, 2025</b>	
Revenue Milestones	Number of Fully Vested Restricted Stock Units
Under \$1,700,000	0
\$1,700,000 but less than \$1,900,000	40,000
\$1,900,000 but less than \$2,100,000	60,000
\$2,100,000 or more	80,000

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**MEASUREMENT DATE: SEPTEMBER 30, 2025**

Revenue Milestones	Number of Fully Vested Restricted Stock Units
Under \$2,300,000	0
\$2,300,000 but less than \$2,500,000	40,000
\$2,500,000 but less than \$2,700,000	60,000
\$2,700,000 or more	80,000

**MEASUREMENT DATE: DECEMBER 31, 2025**

Revenue Milestones	Number of Fully Vested Restricted Stock Units
Under \$2,900,000	0
\$2,900,000 but less than \$3,100,000	40,000
\$3,100,000 but less than \$3,300,000	60,000
\$3,300,000 or more	80,000

The achievement of each of the applicable Revenue Milestones on each of the Measurement Date will be reasonably determined by the Company's Board of Directors.

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(b) Distribution and Vesting Date. Within 10 days after each Measurement Date, the Board of Directors shall reasonably determine if such previous Revenue Milestone was achieved. If achieved, then based on the level of Revenue Milestone achieved on such Measurement Date, the Board of Directors shall immediately approve and issue a Restricted Stock Unit Award reflecting the number of Restricted Stock Units the Awardee has earned on such Measurement Date and such Restricted Stock Unit Award shall be granted and shall immediately vest upon such grant as follows:

(i) shall be granted only at the next available window of opportunity outside of any SEC or Company-imposed blackout period, in compliance with all applicable securities laws and the Company's trading policies; and

(ii) notwithstanding anything to the contrary in this Agreement, if at the time of any Measurement Date, such Awardee is an "affiliate" as defined under SEC Rule 144, such that the Awardee is limited by Rule 144 in the number of shares the Awardee may sell in any three-month period, then the Company shall limit the grant to the maximum amount of Shares otherwise available to the Awardee, so that the number of shares the Awardee may need to sell to pay the Awardee's income tax liability associated with the grant of such shares, does not exceed the number of shares the Awardee is permitted to sell in the applicable three-month period. Any shares otherwise available to the Awardee that were not granted due to the foregoing Rule 144 restrictions as specifically applied to the Awardee, shall be granted to the Awardee at the next available time in the future when such Awardee is either not an affiliate under Rule 144 or otherwise not subject to the foregoing restrictions. The Company shall notify the Awardee of any changes in the granting schedule in a timely manner.

(c) Continuous Service. Subject to the terms of this Agreement and the Restricted Stock Unit Award Agreement, provided that the Awardee remains in Continuous Service (as defined in the Restricted Stock Unit Award Agreement), through the applicable Measurement Dates, the Awardee shall be entitled to receive the vesting of the Restricted Stock Units as set forth in the vesting schedule.

(d) Agreement Termination Date. This Agreement shall continue until the earlier of

(i) Five (5) years from the Effective Date; or

(ii) Termination date of Awardee's Continuous Services with the Company.

(e) Acceleration Before Measurement Date.

(i) Termination with Cause. If the Awardee's Continuous Services is terminated by the Company before a Measurement Date for Cause, the Awardee will forfeit all unvested Restricted Stock Units under this Agreement to the extent not previously vested or granted to Awardee.

(ii) Termination without Cause or Termination For Good Reason. If the Company terminates Awardee's Continuous Service on or prior to December 31, 2025, without Cause or Awardee is terminated based on a Termination For Good Reason (as defined in the Executive Employment Agreement effective January 1, 2024 ("Employment Agreement")), the Awardee shall be entitled to fully vested 80,000 Restricted Stock Units for each Measurement Date that cannot be reached due to such termination without Cause by the Company. For example, for clarity, if the Awardee was terminated without Cause on June 15, 2025, then the Awardee shall be entitled to 240,000 Restricted Stock Units (3 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee and the Company shall grant and issue the accelerated Restricted Stock Units Award to Awardee on or prior to such termination.

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(f) Acceleration Upon a Corporate Transaction or Change of Control. In the event of either a Corporate Transaction or a Change of Control, on or prior to December 31, 2025, the Awardee shall be entitled to fully vested 80,000 Restricted Stock Units for each Measurement Date that cannot be reached due to the Change of Control. For example, for clarity, if the Corporate Transaction or Change of Control closes on July 15, 2025, then the Awardee shall be entitled to 160,000 Restricted Stock Units (2 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee and the Company shall grant and deliver the accelerated Restricted Stock Units Awards to Awardee on or prior to such closing of the Corporate Transaction or Change of Control.

(g) Termination for Death or Disability. If Awardee's Continuous Services are terminated with the Company on account of death or Disability on or prior to December 31, 2025, for purposes of this Agreement, the Awardee will receive fully vested 80,000 Restricted Stock Units for each Measurement Date that cannot be reached due to such death or Disability. For example, for clarity, if the Awardee's death or Disability occurred on August 15, 2025, then Awardee shall be entitled to 160,000 Restricted Stock Units (2 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee (or Awardee's beneficiaries or heirs) and the Company shall grant and deliver the accelerated Restricted Stock Units Awards to Awardee (or Awardee's beneficiaries or heirs) within 10 days of Awardee's death or Disability.

#### **5. CHANGE IN CONTROL EXCISE TAX GROSS UP**

Anything in this Agreement to the contrary notwithstanding, if it is determined that any payment under this Agreement to the Awardee ("Payment") would, if paid, be subject to the excise tax (the "Excise Tax") imposed by Code Section 4999, and no exemption to such excise tax applies, the Company shall pay the Awardee an additional payment (the "Gross Up Payment") to pay any and all taxes on the Gross Up Payment and any and all taxes on the Payment subject to the Excise Tax on the benefits to which the Awardee is entitled without the Gross Up Payment. The purpose of the Gross Up Payment is to put the Awardee in the same after-tax position that Awardee would have been in had there been no Excise Tax.

#### **6. ADJUSTMENTS**

If any change is made to the outstanding Shares or the capital structure of the Company, if required, the Restricted Stock Units shall be adjusted or terminated in any manner as contemplated by the Incentive Plan.

#### **7. RESTRICTED STOCK UNITS SUBJECT TO INCENTIVE PLAN**

This Restricted Stock Units granted under the terms of this Agreement are subject to the terms of the Incentive Plan. The terms and provisions of the Incentive Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Incentive Plan, the applicable terms and provisions of this Agreement will govern and prevail.

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## **8. INALIENABILITY OF BENEFITS**

Neither Awardee, nor creditors of Awardee, shall have any right to assign, pledge, hypothecate, anticipate or in any way create a lien upon Awardee's interest created under this Agreement. All Restricted Stock Unit Awards to be made to Awardee shall be made only upon their personal receipt or endorsement, and no interest under this Agreement shall be subject to assignment or transfer or otherwise be alienable, either by voluntary or involuntary act or by operation of law or equity, or subject to attachment, execution, garnishment, sequestration, levy or other seizure under any legal, equitable or other process, or be liable in any way for the debts or defaults of Awardee.

## **9. BINDING NATURE OF AGREEMENT**

This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of any and all interested parties, present and future.

## **10. UNFUNDED AGREEMENT AND PLAN**

This Agreement is intended to create an unfunded arrangement and does not defer the receipt of income to termination of employment or beyond and is therefore not subject to the requirements of ERISA.

## **11. DISPUTE RESOLUTION**

Any dispute under this Agreement shall be resolved by arbitration, with the arbitrator selection and procedures governed by the rules of the American Arbitration Association then in effect. Such arbitration shall be conducted in accordance with the Federal Arbitration Act (9 U.S.C. 1, *et seq.*). The decision of the arbitrator shall be final and binding upon the parties, subject to normal judicial review of arbitrator decisions as provided by law.

## **12. VALIDITY**

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

## **13. NO RIGHT TO CONTINUED SERVICE**

Neither the Incentive Plan nor this Agreement shall confer upon the Awardee any right to be retained in any position, as an employee, consultant, or director of the Company. Further, nothing in the Incentive Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Awardee's Continuous Service at any time, with or without Cause, subject to the acceleration provisions of this Agreement.

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**14. AMENDMENT AND TERMINATION**

Any amendment, modification, change, or termination of this Agreement must be done so in writing and signed by both parties.

**15. CODE SECTION 409A**

If any payments under this Agreement are subject to the provisions of Code Section 409A, it is intended that the Agreement will comply fully with and meet all the requirements of Code Section 409A. The Awardee acknowledges that there may be adverse tax consequences upon the grant or vesting of the Restricted Stock Units or disposition of the underlying Shares and that the Awardee has been advised to consult a tax advisor prior to such grant, vesting, or disposition. It is intended that Restricted Stock Units are either exempt from the requirements of Section 409A of the Code or will satisfy the requirements of Section 409A of the Code so that compensation payable under this Agreement (and applicable earnings) shall not be included in income under Section 409A of the Code. Notwithstanding anything else in the Agreement, if the Company determines the Awardee to be one of the Company’s “specified employees” under Section 409A of the Code at the time of such separation from service in accordance with the identification date specified in the 409A Guidance and the amount hereunder is “deferred compensation” subject to Section 409A, then any distribution that otherwise would be made to the Awardee with respect to this Agreement as a result of such separation from service shall not be made until the date that is six months after such separation from service or, if earlier, the date of the death of the Awardee. However, the Company shall not have any obligation to take any action to prevent the assessment of any additional tax or penalty on any person for any equity award under Section 409A of the Code. If this Agreement is subject to Section 409A of the Code and the 409A Guidance, this Agreement will incorporate and satisfy the written documentation requirement of Section 409A of the Code and the 409A Guidance either directly or by reference to other documents. Notwithstanding the foregoing, the Company shall not have any liability to the Awardee for taxes or penalties under Section 409A of the Code, and the Company shall not have any obligation to indemnify the Awardee for any taxes or penalties under Section 409A of the Code

**16. GOVERNING LAW**

The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Nevada.

**17. COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

**18. ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement between Awardee and the Company concerning the subject matter discussed in this Agreement and supersedes all prior agreements, promises, covenants, arrangements, communications, and representations or warranties, whether written or oral, by any officer, employee, or representative of the Company. Any prior agreements or understandings that are contrary with respect to the subject matter set forth in this Agreement are hereby overridden and the terms of this Agreement shall apply.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

**VERB TECHNOLOGY COMPANY, INC.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXECUTIVE**

\_\_\_\_\_  
Rory J. Cutaia

**CORPORATE ACTION, CHANGE OF CONTROL, AND EXTRAORDINARY PERFORMANCE AGREEMENT**

THIS AGREEMENT (the “Agreement”) is entered into as of October 31, 2024 (the “Effective Date”), by Verb Technology Company, Inc. (the “Company”) and James Geiskopf (the “Awardee”). Awardee is the Lead Director of the Company.

**1. PURPOSE AND INTENT**

(a) Purpose. The Company establishes this Agreement to institute a process to respond to hostile or activist shareholder action where there is a stated “intent to influence” as that term is defined by the Securities and Exchange Commission (“SEC”) and to provide the Awardee with incentive bonus compensation for the achievement of extraordinary performance-based quarterly revenue milestones and the Awardee providing continuous services through the achievement of such milestones. Nothing contained herein shall be construed as to affect Awardee’s role as an independent director of the Company or impose any duties or obligations beyond that of a lead director. As a lead director, awardee’s role has been and will continue to be that of oversight as well as an advisor and resource to management in its continued execution of Board approved strategies, plans, goals, and objectives.

(b) Intent. This Agreement is not intended to constitute an agreement under a tax qualified plan under Code Section 401(a) or a retirement program subject to ERISA. No amount paid under this Agreement may be rolled over or transferred to a tax qualified plan or individual retirement account.

**2. DEFINITIONS**

Any capitalized term that is used but not otherwise defined in this Section or this Agreement shall have the meaning assigned to such term in the Incentive Plan (as defined below).

(a) “Cause” means:

(i) gross negligence or willful misfeasance demonstrated by the Awardee in the performance of his duties;

(ii) refusal by Awardee to perform ethical and lawful duties assigned by the Board of Directors that are consistent with the Awardee’s title and role within the Company as set forth herein, that continues uncured for thirty (30) days following receipt of written notice from a majority of the Board of Directors;

(iii) Awardee is found by a court of competent jurisdiction to have engaged in any act of fraud or embezzlement that adversely affects the Company;

(iv) Awardee breaching in any material respects any material terms of this Agreement, which such breach is not cured within thirty (30) days after receipt of written notice from the Board of Directors; or (v) Awardee’s conviction after trial and appeal of a felony involving fraud or moral turpitude or entering into a plea of guilty or nolo contendere (or its equivalent) to such a felony.

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(b) “Change of Control” means, and includes each of the following:

(i) any one person, or group of owners of another corporation who, acting together through a merger, consolidation, purchase, acquisition of stock or the like (a “Group”), acquires ownership of Shares of the Company that, together with the Shares held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the Shares of the Company (or other voting securities of the Company then outstanding). However, if such person or Group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the Shares (or other voting securities of the Company then outstanding) before this transfer of the Company’s Shares (or other voting securities of the Company then outstanding), the acquisition of additional Shares (or other voting securities of the Company then outstanding) by the same person or Group shall not be considered to cause a Change of Control of the Company; or

(ii) any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirty percent (30%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is not merely acquiring additional control of the Company; or

(iii) a majority of members of the Company’s Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company’s Board prior to the date of the appointment or election (the “Incumbent Board”), but excluding, for purposes of determining whether a majority of the Incumbent Board has endorsed any candidate for election to the Board, any individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or Group other than the Company’s Board; or

(iv) any one person or Group acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or Group) all or substantially all of the assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total fair market value of all assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, “gross fair market value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. A transfer of assets by the Company will not result in a Change of Control if the assets are transferred to:

(1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;

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(2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company immediately after the transfer of assets;

(3) a person or Group that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company; or

(4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned directly or indirectly, by a person described in subparagraph (c)(i), above; or

(v) stockholders of the Company approve a plan for complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, if any payment or distribution event applicable to an Award is subject to the requirements of Section 409A(a)(2)(A) of the Code, the determination of the occurrence of a Change of Control shall be governed by applicable provisions of Section 409A(a)(2)(A) of the Code and regulations and rulings issued thereunder for purposes of determining whether such payment or distribution may then occur.

(c) “Code” means the Internal Revenue Code of 1986, as amended.

(d) “Corporate Transaction” means any person or Group (as described above) acquires an ownership of Shares (or other voting securities of the Company then outstanding) of the Company possessing thirteen percent (13%) or more of the total voting power of the Shares (or other voting securities then outstanding) of the Company where such person or Group is required to file a Schedule 13D (Beneficial Ownership Report (for >5% ownership with intent to influence)) with the U.S. Securities and Exchange Commission within 10 days of such acquisition.

(e) “Disability” means:

i. “Disability” as defined in any employment, consulting, or similar agreement to which the Awardee is a party, or

ii. if there is no such agreement or it does not define “Disability,” (A) permanent and total disability as determined under the Company’s long-term disability plan applicable to the Awardee or (B) if there is no such plan applicable to the Awardee, “Disability” shall mean the Awardee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months, as determined by the Company.

(f) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(g) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

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(h) “Incentive Plan” means the Company’s 2019 Omnibus Incentive Plan, as may be amended from time to time.

(i) “Measurement Date” means and including each of the following dates: December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025, and December 31, 2025.

(j) “Revenue” means the total income the Company earns from its business operations that is calculated before deducting any expenses, taxes, or costs associated with producing goods or delivering services.

(k) “Share” means a share of common stock, \$0.0001 par value per share, of the Company, as adjusted in accordance with Section 15 of the Incentive Plan.

### **3. GRANT OF RESTRICTED STOCK UNITS AWARDS**

The Awardee will receive fully vested Restricted Stock Unit Awards, based on the Company’s achievement of specified performance milestones on each Measurement Date (each performance milestones, a “Revenue Milestone” or in the aggregate “Revenue Milestones”). Each Restricted Stock Unit represents the right of the Awardee to be issued one Share (share upon vesting, subject to the restrictions set forth in this Agreement, under the Incentive Plan, or the Restricted Stock Unit Award Agreement).

### **4. REVENUE MILESTONES VESTING SCHEDULE**

(a) Subject to the provisions in this Agreement and subject to the terms of the Incentive Plan, the Company will grant the Awardee fully vested Restricted Stock Units according to the following vesting schedule, based on Revenue Milestones achieved on each Measurement Date:

<b>MEASUREMENT DATE: DECEMBER 31, 2024</b>	
<b>Revenue Milestones</b>	<b>Number of Fully Vested Restricted Stock Units</b>
Under \$500,000	0
\$500,000 but less than \$700,000	40,000
\$700,000 but less than \$900,000	60,000
\$900,000 or more	80,000

  

<b>MEASUREMENT DATE: MARCH 31, 2025</b>	
<b>Revenue Milestones</b>	<b>Number of Fully Vested Restricted Stock Units</b>
Under \$1,100,000	0
\$1,100,000 but less than \$1,300,000	40,000
\$1,300,000 but less than \$1,500,000	60,000
\$1,500,000 or more	80,000

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**MEASUREMENT DATE: JUNE 30, 2025**

Revenue Milestones	Number of Fully Vested Restricted Stock Units
Under \$1,700,000	0
\$1,700,000 but less than \$1,900,000	40,000
\$1,900,000 but less than \$2,100,000	60,000
\$2,100,000 or more	80,000

**MEASUREMENT DATE: SEPTEMBER 30, 2025**

Revenue Milestones	Number of Fully Vested Restricted Stock Units
Under \$2,300,000	0
\$2,300,000 but less than \$2,500,000	40,000
\$2,500,000 but less than \$2,700,000	60,000
\$2,700,000 or more	80,000

**MEASUREMENT DATE: DECEMBER 31, 2025**

Revenue Milestones	Number of Fully Vested Restricted Stock Units
Under \$2,900,000	0
\$2,900,000 but less than \$3,100,000	40,000
\$3,100,000 but less than \$3,300,000	60,000
\$3,300,000 or more	80,000

The achievement of each of the applicable Revenue Milestones on each of the Measurement Date will be reasonably determined by the Company's Board of Directors.

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(b) Distribution and Vesting Date. Within 10 days after each Measurement Date, the Board of Directors shall reasonably determine if such previous Revenue Milestone was achieved. If achieved, then based on the level of Revenue Milestone achieved on such Measurement Date, the Board of Directors shall immediately approve and issue a Restricted Stock Unit Award reflecting the number of Restricted Stock Units the Awardee has earned on such Measurement Date and such Restricted Stock Unit Award shall be granted and shall immediately vest upon such grant as follows:

(i) shall be granted only at the next available window of opportunity outside of any SEC or Company-imposed blackout period, in compliance with all applicable securities laws and the Company's trading policies; and

(ii) notwithstanding anything to the contrary in this Agreement, if at the time of any Measurement Date, such Awardee is an "affiliate" as defined under SEC Rule 144, such that the Awardee is limited by Rule 144 in the number of shares the Awardee may sell in any three-month period, then the Company shall limit the grant to the maximum amount of Shares otherwise available to the Awardee, so that the number of shares the Awardee may need to sell to pay the Awardee's income tax liability associated with the grant of such shares, does not exceed the number of shares the Awardee is permitted to sell in the applicable three-month period. Any shares otherwise available to the Awardee that were not granted due to the foregoing Rule 144 restrictions as specifically applied to the Awardee, shall be granted to the Awardee at the next available time in the future when such Awardee is either not an affiliate under Rule 144 or otherwise not subject to the foregoing restrictions. The Company shall notify the Awardee of any changes in the granting schedule in a timely manner.

(b) Continuous Service. Subject to the terms of this Agreement and the Restricted Stock Unit Award Agreement, provided that the Awardee remains in Continuous Service (as defined in the Restricted Stock Unit Award Agreement), through the applicable Measurement Dates, the Awardee shall be entitled to receive the vesting of the Restricted Stock Units as set forth in the vesting schedule.

(c) Agreement Termination Date. This Agreement shall continue until the earlier of

(i) Five (5) years from the Effective Date; or

(ii) Termination date of Awardee's Continuous Services with the Company.

(d) Acceleration Before Measurement Date.

(i) Termination with Cause. If the Awardee's Continuous Services is terminated by the Company before a Measurement Date for Cause, the Awardee will forfeit all unvested Restricted Stock Units under this Agreement to the extent not previously vested or granted to Awardee.

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(ii) Termination without Cause. If the Company terminates Awardee's Continuous Service on or prior to December 31, 2025, either without Cause or the Chief Executive Officer of the Company is terminated or resigns as an employee for any reason on or prior to December 31, 2025, the Awardee shall be entitled to fully vested 80,000 Restricted Stock Units for each Measurement Date that cannot be reached due to such termination. For example, for clarity, if the Awardee was terminated either without Cause or the Chief Executive Officer is terminated by the Company, on or prior to June 15, 2025, then the Awardee shall be entitled to 240,000 Restricted Stock Units (3 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee and the Company shall grant and issue the accelerated Restricted Stock Units Award to Awardee on or prior to such termination.

(iii) Acceleration Upon a Corporate Transaction or Change of Control. In the event of either a Corporate Transaction or a Change of Control, on or prior to December 31, 2025, the Awardee shall be entitled to fully vested 80,000 Restricted Stock Units for each Measurement Date that cannot be reached due to the Change of Control. For example, for clarity, if the Corporate Transaction or Change of Control closes on July 15, 2025, then the Awardee shall be entitled to 160,000 Restricted Stock Units (2 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee and the Company shall grant and deliver the accelerated Restricted Stock Units Awards to Awardee on or prior to such closing of the Corporate Transaction or Change of Control.

(iv) Termination for Death or Disability. If Awardee's Continuous Services are terminated with the Company on account of death or Disability on or prior to December 31, 2025, for purposes of this Agreement, the Awardee will receive fully vested 80,000 Restricted Stock Units for each Measurement Date that cannot be reached due to such death or Disability. For example, for clarity, if the Awardee's death or Disability occurred on August 15, 2025, then Awardee shall be entitled to 160,000 Restricted Stock Units (2 Measurement Dates x 80,000). Such accelerated Restricted Stock Units shall be fully vested to the Awardee (or Awardee's beneficiaries or heirs) and the Company shall grant and deliver the accelerated Restricted Stock Units Awards to Awardee (or Awardee's beneficiaries or heirs) within 10 days of Awardee's death or Disability.

#### **5. CHANGE IN CONTROL EXCISE TAX GROSS UP**

Anything in this Agreement to the contrary notwithstanding, if it is determined that any payment under this Agreement to the Awardee ("Payment") would, if paid, be subject to the excise tax (the "Excise Tax") imposed by Code Section 4999, and no exemption to such excise tax applies, the Company shall pay the Awardee an additional payment (the "Gross Up Payment") to pay any and all taxes on the Gross Up Payment and any and all taxes on the Payment subject to the Excise Tax on the benefits to which the Awardee is entitled without the Gross Up Payment. The purpose of the Gross Up Payment is to put the Awardee in the same after-tax position that Awardee would have been in had there been no Excise Tax.

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## **6. ADJUSTMENTS**

If any change is made to the outstanding Shares or the capital structure of the Company, if required, the Restricted Stock Units shall be adjusted or terminated in any manner as contemplated by the Incentive Plan.

## **7. RESTRICTED STOCK UNITS SUBJECT TO INCENTIVE PLAN**

This Restricted Stock Units granted under the terms of this Agreement are subject to the terms of the Incentive Plan. The terms and provisions of the Incentive Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Incentive Plan, the applicable terms and provisions of this Agreement will govern and prevail.

## **8. INALIENABILITY OF BENEFITS**

Neither Awardee, nor creditors of Awardee, shall have any right to assign, pledge, hypothecate, anticipate or in any way create a lien upon Awardee's interest created under this Agreement. All Restricted Stock Unit Awards to be made to Awardee shall be made only upon their personal receipt or endorsement, and no interest under this Agreement shall be subject to assignment or transfer or otherwise be alienable, either by voluntary or involuntary act or by operation of law or equity, or subject to attachment, execution, garnishment, sequestration, levy or other seizure under any legal, equitable or other process, or be liable in any way for the debts or defaults of Awardee.

## **9. BINDING NATURE OF AGREEMENT**

This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of any and all interested parties, present and future.

## **10. UNFUNDED AGREEMENT AND PLAN**

This Agreement is intended to create an unfunded arrangement and does not defer the receipt of income to termination of employment or beyond and is therefore not subject to the requirements of ERISA.

## **11. DISPUTE RESOLUTION**

Any dispute under this Agreement shall be resolved by arbitration, with the arbitrator selection and procedures governed by the rules of the American Arbitration Association then in effect. Such arbitration shall be conducted in accordance with the Federal Arbitration Act (9 U.S.C. 1, *et seq.*). The decision of the arbitrator shall be final and binding upon the parties, subject to normal judicial review of arbitrator decisions as provided by law.

## **12. VALIDITY**

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

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**13. NO RIGHT TO CONTINUED SERVICE**

Neither the Incentive Plan nor this Agreement shall confer upon the Awardee any right to be retained in any position, as an employee, consultant, or director of the Company. Further, nothing in the Incentive Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Awardee's Continuous Service at any time, with or without Cause, subject to the acceleration provisions of this Agreement.

**14. AMENDMENT AND TERMINATION**

Any amendment, modification, change, or termination of this Agreement must be done so in writing and signed by both parties.

**15. CODE SECTION 409A**

If any payments under this Agreement are subject to the provisions of Code Section 409A, it is intended that the Agreement will comply fully with and meet all the requirements of Code Section 409A. The Awardee acknowledges that there may be adverse tax consequences upon the grant or vesting of the Restricted Stock Units or disposition of the underlying Shares and that the Awardee has been advised to consult a tax advisor prior to such grant, vesting, or disposition. It is intended that Restricted Stock Units are either exempt from the requirements of Section 409A of the Code or will satisfy the requirements of Section 409A of the Code so that compensation payable under this Agreement (and applicable earnings) shall not be included in income under Section 409A of the Code. Notwithstanding anything else in the Agreement, if the Company determines the Awardee to be one of the Company's "specified employees" under Section 409A of the Code at the time of such separation from service in accordance with the identification date specified in the 409A Guidance and the amount hereunder is "deferred compensation" subject to Section 409A, then any distribution that otherwise would be made to the Awardee with respect to this Agreement as a result of such separation from service shall not be made until the date that is six months after such separation from service or, if earlier, the date of the death of the Awardee. However, the Company shall not have any obligation to take any action to prevent the assessment of any additional tax or penalty on any person for any equity award under Section 409A of the Code. If this Agreement is subject to Section 409A of the Code and the 409A Guidance, this Agreement will incorporate and satisfy the written documentation requirement of Section 409A of the Code and the 409A Guidance either directly or by reference to other documents. Notwithstanding the foregoing, the Company shall not have any liability to the Awardee for taxes or penalties under Section 409A of the Code, and the Company shall not have any obligation to indemnify the Awardee for any taxes or penalties under Section 409A of the Code.

**16. GOVERNING LAW**

The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Nevada.

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**17. COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

**18. ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement between Awardee and the Company concerning the subject matter discussed in this Agreement and supersedes all prior agreements, promises, covenants, arrangements, communications, and representations or warranties, whether written or oral, by any officer, employee, or representative of the Company. Any prior agreements or understandings that are contrary with respect to the subject matter set forth in this Agreement are hereby overridden and the terms of this Agreement shall apply.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

**VERB TECHNOLOGY COMPANY, INC.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**AWARDEE**

\_\_\_\_\_  
James Geiskopf

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**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rory J. Cutaia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Verb Technology Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 5, 2024

*/s/ Rory Cutaia*

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Rory Cutaia  
President, Chief Executive Officer, Secretary, Treasurer, Director, and Principal  
Executive Officer

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**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bill J. Rivard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Verb Technology Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 5, 2024

*/s/ Bill J. Rivard*

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Bill J. Rivard  
Interim Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer

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**CERTIFICATION PURSUANT TO  
SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE**

**The undersigned, Rory J. Cutaia, hereby certifies, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, that**

1. The Quarterly Report on Form 10-Q of Verb Technology Company, Inc. for the quarterly period ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Verb Technology Company, Inc. as of the dates and for the periods presented.

November 5, 2024

*/s/ Rory Cutaia*

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Rory J. Cutaia

President, Chief Executive Officer, Secretary, Treasurer,  
Director, and Principal Executive Officer

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**CERTIFICATION PURSUANT TO  
SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE**

**The undersigned, Bill J. Rivard, hereby certifies, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, that**

1. The Quarterly Report on Form 10-Q of Verb Technology Company, Inc. for the quarterly period ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and
2. The information contained in the Quarterly Report on Form on 10-Q fairly presents, in all material respects, the financial condition and results of operations of Verb Technology Company, Inc. as of the dates and for the periods presented.

November 5, 2024

*/s/ Bill J. Rivard*

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Bill J. Rivard

Interim Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer

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