



Verb Technology Company, Inc.

Reports Q1 results. Verb Market livestream shopping making significant progress. Lowering P/T to \$4.50.

COMPANY UPDATE

Rating: **BUY**

Ticker: VERB

Price: \$0.13

Target: \$4.50
(from \$5.00)

Reports Q1 results: Verb recently (on May 10) reported its fiscal Q1 2024 (ending March) results. We note that in June 2023, the company sold its SaaS software business which had been the bulk of its business. The SaaS business has been reclassified as discontinued operations so our historical results and prior estimates will not be comparable with the company's.

Q1 still in transition: Revenue was \$0, compared to our estimates of \$0 million. EPS was \$(0.11), compared to our estimate of \$(0.02). There was no Q1 guidance or consensus. The results reflect its current early business transition to MARKET.live.

SaaS business sold: In June 2023, the company divested all of its operating "SaaS business" for \$6.5 million.

No guidance: The company did not provide forward guidance.

Adjusting estimates: We are adjusting our 2024 estimates for revenue to \$0.6 million, from \$1.0 million, and for EPS to \$(0.13) from \$(0.09).

Focus on MARKET.live: MARKET.live is a multivendor social shopping platform for retailers, brands, manufacturers, creators, influencers and entrepreneurs who seek to participate in an open market-style eco-system environment. MARKET.live is akin to a virtual shopping mall, a centralized online destination where shoppers could explore hundreds, and over time thousands, of shoppable stores for their favorite brands, influencers, creators and celebrities, all of whom can host livestream shopping events from their virtual stores that can be seen by all shoppers at the virtual mall. Every store operator can host livestream events, even simultaneously, and over time there will be thousands of such events, across numerous product and service categories, being hosted by people from all over the world, always on – 24/7 - where shoppers could communicate directly with the hosts in real time to comment or ask questions about products through an on-screen chat visible to all.

MARKET.live business model: Sales through Verb's ecommerce platform on MARKET.live generates a fee that ranges from 10% to 20% of gross sales, with an average of ~15%. In the past two months, the company has rolled out new features and products and have acquired many new retailers and vendors.

TikTok and retail partners: The company recently entered into a partnership with TikTok Shop to which MARKET.live has become a service provider for TikTok Shop and is officially designated as a TikTok Shop Partner (TSP). VERB's MARKET.live also recently added another 100 retail brands to its platform and had a successful TikTok Shop Partnership event (on April 25, 2024).

Balance sheet: In Q1, Verb had \$14 million in cash and \$1 million in debt. In Q1, the company raised ~\$13 million selling stock. We believe it has enough cash through 2025.

Positive high risks versus rewards: We believe the demand for its marketplace software and services will grow fueled by continued large growth in video e-commerce. We believe the ~billion dollars market potentials presents high rewards for the risks.

Valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to \$4.50 from \$5.00, based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with its high growth prospects and large upside opportunities.

Company Description

Based in Las Vegas, NV, Verb Technology's MARKET.live platform is a multi-vendor, multi-presenter, livestream social shopping destination at the convergence of ecommerce and entertainment.

United States
Technology

May 12, 2024

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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.11 – 3.30
Shares Outstanding (million):	105
Market cap (\$million):	\$14
EV (\$million):	\$1
Debt (\$million):	\$1
Cash (\$million):	\$14
Avg. Daily Trading Vol. (\$million):	\$3
Float (million shares):	79
Short Interest (million shares):	2
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Mar	0.0A	0.0E	0.0E	
Q2 Jun	0.0E		0.0E	0.1E
Q3 Sep	0.0E	0.2E	0.1E	0.3E
Q4 Dec	<u>0.6E</u>	<u>0.8E</u>	<u>1.6E</u>	
Total	0.6E	1.0E	1.8E	2.1E
EV/Revs	2x		1x	

Earnings per Share (pro forma)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Mar	(0.11)A	(0.02)E	(0.03)E	(0.01)E
Q2 Jun	(0.03)E	(0.02)E	(0.03)E	(0.01)E
Q3 Sep	(0.03)E	(0.02)E	(0.03)E	
Q4 Dec	<u>(0.02)E</u>		<u>(0.02)E</u>	<u>(0.04)E</u>
Total	(0.13)E	(0.09)E	(0.09)E	(0.08)E
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 13.

Exhibit 1: Verb's Sale of its SaaS Software Business (June 2023)

VERB SELLS ITS DIRECT SALES BUSINESS ASSETS TO FOCUS ON ITS MARKET.LIVE LIVESTREAM SHOPPING BUSINESS

JUNE 20, 2023 9:00AM EDT

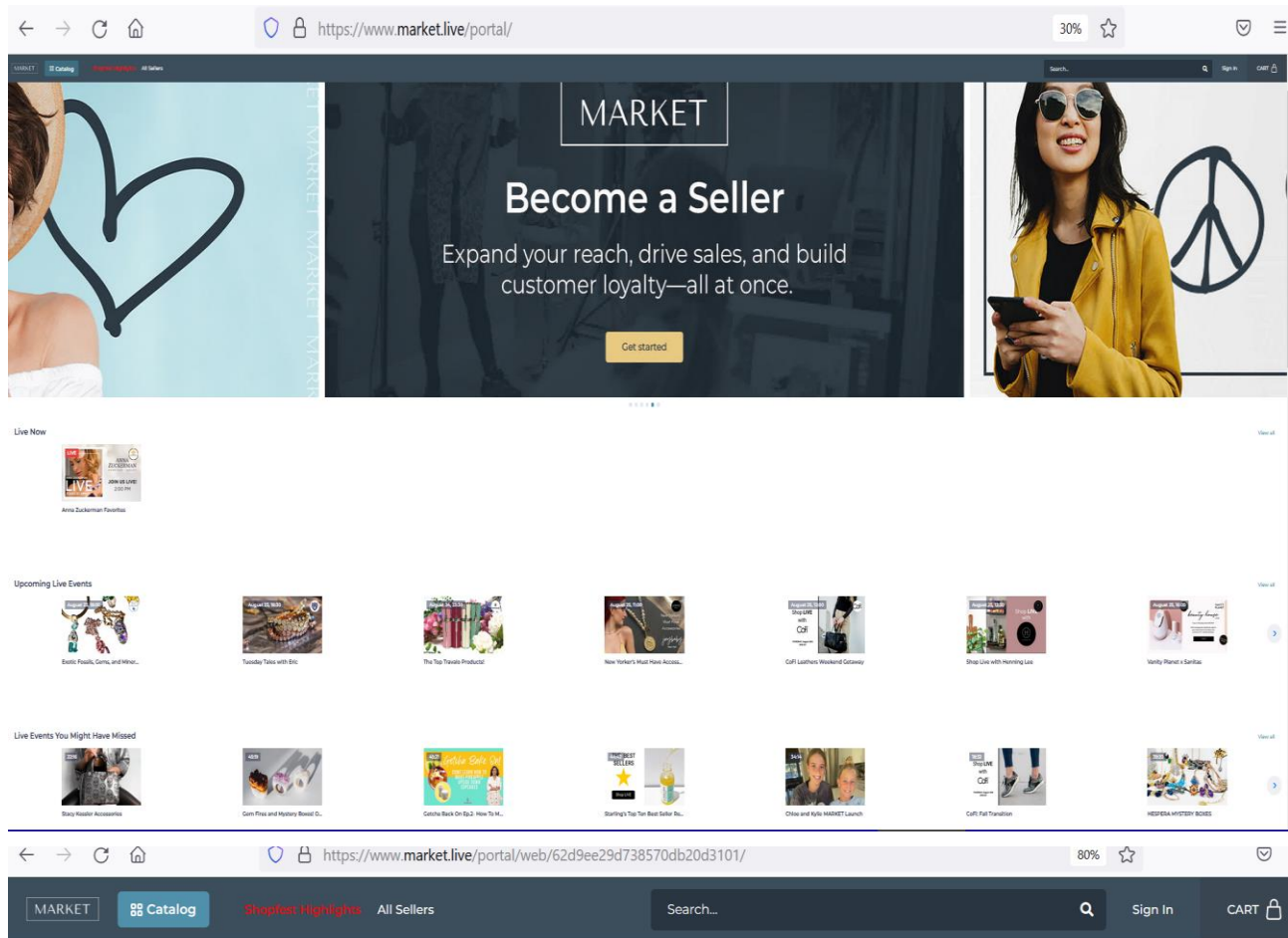
[Download as PDF](#)

NEWPORT BEACH, Calif. and LEHI, UT, June 20, 2023 (GLOBE NEWSWIRE) -- [Verb Technology Company, Inc. \(Nasdaq: VERB\)](#) (“**VERB**” or the “**Company**”), the leader in interactive video-based sales-enablement applications, including [MARKET.live](#), its livestream social shopping platform, announces today that on June 13, 2023, the Company executed an asset purchase agreement with Scaleworks, Inc., a San Antonio, TX-based B2B software private equity fund, through its special purpose entity SW Direct Sales, LLC and simultaneously closed the sale of all assets that comprised its direct sales and life sciences software-as-a-service applications, including its customer relationship management (CRM), learning management system (LMS) and live selling software applications (excluding MARKET.live, the Company’s livestream shopping platform) (the “Transaction”). The Company retained, and will now focus its resources entirely on its livestream shopping platform, MARKET.live. Alantra served as the exclusive advisor to VERB.

On June 13, 2023, the Company disposed of all of its operating SaaS assets of Verb Direct and Verb Acquisition, (referred to collectively as the “SaaS business”) 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. Additional payments of \$ 1,750 will be paid by the buyer if certain profitability and revenue targets are met within the next two years as set forth more particularly in the asset purchase agreement.

Source: Company reports.

Exhibit 2: Verb's Market Livestream Shopping Festival (July 26, 27, 28, 2022) and Market Web Portal (as of 8/22)



Meet the MCs



HAELY WHITE

Comedian, Writer/Director, and Content Creator



ELISE IVY

TV Host, Actress, Content Creator, and Brand Storyteller



DAVID MELTZER

Entrepreneur, Speaker, Author, and Investor



MIRIAM ISA

TV Host and Public Speaker



COURTNEY CASON

TV Host, Content Creator, and Lifestyle Expert



ZO JOHNSON

Actor, Comedian, Host, and Motivational Speaker

Source: Company report, <https://www.market.live/portal/>.

Exhibit 3: Verb’s Shopfest Highlights (July 26, 27, 28, 2022) (as of August 2022)

Day 1

Shopfest was full of good vibes only. Join our hosts and check out all Shopfest brands' LIVE replays from day one of shopping. It will leave you feeling relaxed, happy, and ready to share in all the fun we had.

MCD EVENTS

WEN	JUDITH RIPKA	ORGANIFI
HALSTON	DOLL 10	WILLOW BOUTIQUE

MORE EVENTS FROM THE DAY OF PEACE

MIGNONNE GAVIGAN	EAZY PEAZY CAKES	STACY KESSLER	BABYLONSTERN
LEIGH TRAVEL BAGS	BENT BEAUTY	WALKEE PAWS	LOLA
COFI	GAY ISBER DESIGNS		

Day 2

You'll adore this expertly curated lineup of brands, influencers, and products, all hand selected to help you feel the Shopfest love from day two of shopping.

MCD EVENTS

TOTAL GYM	AMERICAN NINJA WARRIOR	CHEF DAVID BURKE
THREE COMMAS	MYGEMMA	VANITY PLANET

MORE EVENTS FROM THE DAY OF LOVE

CELESTE SOL	LUMINARA	MIAMI FITWEAR	KAWAII GIRL COSMETICS
RUTHENY JEWELRY	BARE LIFE	STARLING SKINCARE	ELIZABETH CRANT SKINCARE
SEVEN STAR	BLUME	JOEY BABY	ROKNE PICKLEBALL

Day 3

It was online shopping, elevated. Our final day of the event was full of fun, prizes, and exclusive products that showcased the very best of livestream shopping.

MCD EVENTS

WANDER BEAUTY	JENN CHAN	ELLEN HUNTER
RESERVE BAR	ROSEPOPS	R&RENEW

MORE EVENTS FROM THE DAY OF SHOPPING

HENNING LEE	SUPER SMILE	ASTOURI	ELLIOT YOUNG
BRUCECLEN	FINDERS KEY PURSE	SKIN AUTHORITY	AERO PILATES
ANNA ZUCKERMAN	CHALONNE	CALIN	HESPERA

Source: Company report, <https://www.market.live/portal/web/62d9ee29d738570db20d3101/>.

Exhibit 4: Verb's Shopfest (July 26, 27, 28, 2022) Key Data (as of August 2022)

- Total views on Market.live were 45,161
- Total unique views on Market.live were 15,444 (these numbers include those who viewed and shopped storefronts but did not watch a livestream)
- Total attendance for livestreams on Market.live during Shopfest was 8,511 (this number does NOT include attendees who viewed from Facebook and other social platforms)
- Total post-Shopfest video on demand views from storefronts on Market.live as of almost a week ago, last Tuesday, August 9, was 3,408 – I imagine there's probably quite a bit more since then.

Here's some of the data we've compiled so far from the Facebook feed during the 3-days of Shopfest:

- 70,194 views from Facebook during the festival – I want to point out that this is Facebook only and Facebook's metrics that they use for their algorithms. They count a view as anything over 3 seconds.
- Notably, if we include the views after Shopfest, up to last week, we see those numbers jump to 1,219,672. Again, I assume those numbers are much greater now.
- All of the numbers I just provided to you from the Facebook feed are ONLY for the 18 shows we produced. This does NOT include the data from the other 45 livestream shows.
- We had 28,014 RSVPs for Shopfest, almost half of whom opted in for text and email updates for all MARKET livestream events.

I don't yet have confirmed engagement data during each stream, but those who watched every stream and the attendee counters for each stated that the vast majority of viewers remained engaged for more than 70% of the shows' duration and a significant number stayed on till the end of the livestream.

While this data is still being tested and confirmed, it looks like gross merchandise value generated during the event will come in somewhere between \$20,000 and \$30,000 and the average order size appears to be just over \$80. Sales in the stores are still continuing.

Source: Company report.

Exhibit 5: Verb's TikTok Livestream Partnership

VERB's MARKET.live Enters Into Formal Partnership With TikTok for Livestream Shopping Services

MARKET.live's Official TikTok Shop Partner Designation Underscores A New, Expanded Business Building Relationship

LOS ALAMITOS, Calif. and LAS VEGAS, March 27, 2024 (GLOBE NEWSWIRE) -- Verb Technology Company, Inc. (Nasdaq: VERB) ("VERB" or the "Company"), the force behind MARKET.live, the popular livestream social shopping platform, announces it has entered into a formal partnership with TikTok Shop pursuant to which MARKET.live has become a service provider for TikTok Shop and is 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 paid services that include, among other things, assistance in onboarding to TikTok and establishing a TikTok store, hosting training sessions and webinars for prospective TikTok Shop sellers, studio space rental in both the West Coast and East Coast MARKET.live studios, content creation and production services, and TikTok Shop maintenance, including enhancements to existing TikTok Shop seller stores. The partnership also contemplates TikTok Shop sponsored studio rentals, as well as a paid-for "day pass" for use of MARKET.live studio services by TikTok creators, influencers and affiliates. MARKET.live will generate revenue through fees, including monthly recurring fees, paid directly to MARKET.live by the brands, retailers, influencers and affiliates referred to MARKET.live by TikTok. In addition, it is contemplated that MARKET.live will receive a percentage of monthly revenue generated through the TikTok stores MARKET.live establishes for the brands, retailers, influencers and affiliates that TikTok Shop refers to MARKET.live.

The partnership also contemplates the use of MARKET.live studios as TikTok "Sample Centers" where TikTok creators will have access to product samples for use in their TikTok Shop videos produced at MARKET.live studios. In addition to the compensation referenced above, TikTok will compensate MARKET.live directly for the attainment of certain pre-established performance goals and objectives agreed-to between the parties.

Source: Company report.

Exhibit 6: Verb's Livestream New Retail Brands

VERB's MARKET.live Adds Another 100 Retail Brands to Its Livestream Social Shopping Platform

The Surge In New Retailers Joining MARKET.live Continues

LOS ALAMITOS, Calif. and LAS VEGAS, April 22, 2024 (GLOBE NEWSWIRE) -- Verb Technology Company, Inc. (Nasdaq: VERB) ("VERB" or the "Company"), continues the expansion of its [MARKET.live](#) livestream social shopping platform with the addition of another ONE HUNDRED innovative brands.

Discover the Latest Brands to join MARKET.live:

- elvis+elvin
- Jelcie
- Uniek Living
- Milk Snob
- Clevr Blends
- Grand Fusion Houseware
- Laundry Sauce
- Pursonic
- Bala
- MEEMA
- Palavino
- Pup Pak
- BARE BABE
- True By Kristy
- nanobébé
- Scott's Protein Balls
- Kind Lips
- The Earthling Co.
- Live Love Gameday
- Dress Up America
- Pink Haley
- East x East

Source: Company report.

Exhibit 7: Verb's TikTok Shop Partnership Event (April 25, 2024)

VERB's MARKET.live x TikTok Shop Partnership Event Draws Over 300 Attendees

TikTok Execs, Brands, Influencers, Affiliates, and Creators Come Together At MARKET.live Studios To Celebrate New Partnership And Share Plans For Mutual Growth

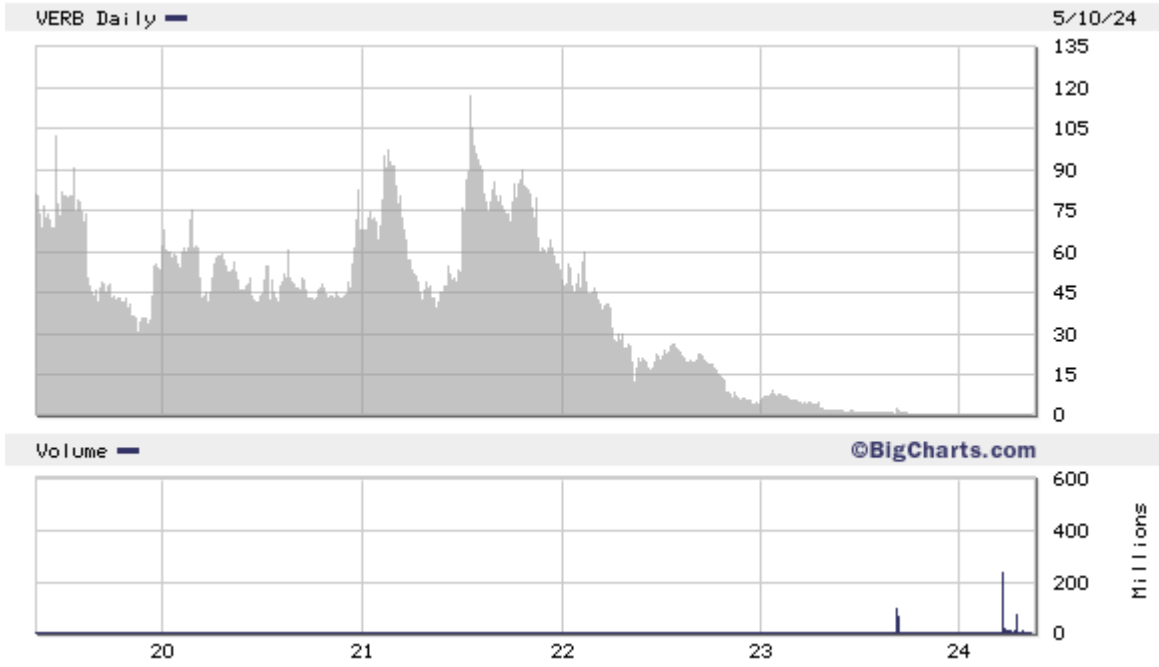
LOS ALAMITOS, Calif. and LAS VEGAS, April 30, 2024 (GLOBE NEWSWIRE) -- Verb Technology Company, Inc. (Nasdaq: VERB) ("VERB" or the "Company"), the force behind MARKET.live, the popular livestream social shopping platform, held a celebratory event in collaboration with TikTok Shop on April 25, 2024, bringing together more than 300 attendees at MARKET.live's Studios just outside Los Angeles.

One of the event highlights was an engaging presentation by TikTok Shop executives broadcast on monitors throughout the MARKET.live studio facilities, including the areas outside the studio facilities accessed via balloon tunnel - lined with couches, bars, several experiential displays, and multiple food trucks to accommodate the overflow crowd. TikTok Shop shared with the crowd the staggering growth the platform continues to experience - more than 7 Million small businesses and over 1 Million creators currently rely on the platform for their livelihood. They also shared the nature of the services MARKET.live will provide, such as onboarding assistance for some of the more than 6,000 businesses that reach out to TikTok Shop every day to establish a presence on the platform, and how we will work together to achieve greater growth moving forward.

[A short video of the event can be seen HERE.](#)

Source: Company report.

Exhibit 8: Verb Technology Company, Inc. Stock Price (5-years)



Source: <https://bigcharts.marketwatch.com/>

FINANCIAL MODEL

Verb Technology Company, Inc.

Income Statement (\$ mils)	2022				2023	2024				2025	2026				2027	2028				2029																							
Fiscal Year End: December 31	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026	Mar-27	Jun-27	Sep-27	Dec-27	2027	Mar-28	Jun-28	Sep-28	Dec-28	2028	Mar-29	Jun-29	Sep-29	Dec-29	2029			
	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E			
Total Revenue	2.7	2.4	2.2	2.2	9.4	2.2	0.0	0.0	0.0	2.3	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.1	1.6	1.8																							
Cost of Revenues	1.0	0.8	0.7	0.8	3.3	0.7	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.4	0.4																							
Gross Profit	1.7	1.6	1.5	1.4	6.1	1.5	0.0	0.0	0.0	1.6	0.0	0.0	0.0	0.4	0.5	0.0	0.0	0.1	1.2	1.3																							
Research and development	1.6	1.4	1.4	0.9	5.2	0.6				0.6					0.6					0.0																							
General and administrative	7.0	6.6	7.0	4.7	25.2	4.8	2.7	2.9	1.2	11.5	3.0	2.5	2.5	2.5	10.5	2.5	2.5	2.5	2.5	10.5																							
Depreciation and amortization	0.4	0.4	0.8	0.9	2.5	0.7	0.6	0.6	0.5	2.3	0.3	0.3	0.3	0.3	1.0	0.3	0.3	0.3	0.3	1.0																							
Restructuring and other				12.0	12.0					0.0					0.0					0.0																							
Total operating expenses	9.0	8.3	9.1	18.4	44.9	6.1	3.3	3.4	1.7	14.5	3.2	2.8	2.8	2.8	11.5	2.8	2.8	2.8	2.8	11.5																							
Operating income (loss)	(7.3)	(6.8)	(7.7)	(17.0)	(38.8)	(4.6)	(3.3)	(3.4)	(1.7)	(12.9)	(3.2)	(2.7)	(2.7)	(2.3)	(11.0)	(2.7)	(2.7)	(2.7)	(1.6)	(9.7)																							
Interest income (expense)	(0.8)	(0.6)	(0.6)	(1.0)	(2.9)	(0.8)	(1.5)	(0.2)	0.2	(2.4)	(0.2)	(0.0)	(0.0)	(0.0)	(0.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)																							
Other income (expense)	1.1	1.0	0.2	1.7	4.1	(0.3)	(5.1)	(0.1)	(1.4)	(6.8)	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0																							
Income before income taxes	(7.0)	(6.4)	(8.0)	(16.3)	(37.7)	(5.7)	(9.9)	(3.7)	(2.9)	(22.2)	(3.5)	(2.8)	(2.7)	(2.3)	(11.4)	(2.8)	(2.8)	(2.7)	(1.6)	(9.8)																							
Income taxes					0.0					0.0					0.0					0.0																							
Net income (loss)	(7.0)	(6.4)	(8.0)	(16.3)	(37.7)	(5.7)	(9.9)	(3.7)	(2.9)	(22.2)	(3.5)	(2.8)	(2.7)	(2.3)	(11.4)	(2.8)	(2.8)	(2.7)	(1.6)	(9.8)																							
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0																							
Net income (pro forma)	(7.0)	(6.4)	(8.0)	(16.3)	(37.7)	(5.7)	(9.9)	(3.7)	(2.9)	(22.2)	(3.5)	(2.8)	(2.7)	(2.3)	(11.4)	(2.8)	(2.8)	(2.7)	(1.6)	(9.8)																							
EBITDA	(5.5)	(5.1)	(5.2)	(3.2)	(18.9)	(2.4)	(2.3)	(1.8)	(1.9)	(8.4)	(2.5)	(2.1)	(2.1)	(1.7)	(8.4)	(2.1)	(2.1)	(2.0)	(0.9)	(7.2)																							
Shares, Basic	1.9	2.4	2.6	2.8	2.4	3.6	4.0	5.4	14.0	6.8	31.1	105.0	105.0	105.0	86.5	105.0	105.0	105.0	105.0	105.0																							
Shares, Diluted	1.9	2.4	2.6	2.8	2.4	3.6	4.0	5.4	14.0	6.8	31.1	105.0	105.0	105.0	86.5	105.0	105.0	105.0	105.0	105.0																							
EPS Basic (pro forma)	(\$3.66)	(\$2.63)	(\$3.14)	(\$5.77)	(\$15.53)	(\$1.59)	(\$2.45)	(\$0.68)	(\$0.21)	(\$3.26)	(\$0.11)	(\$0.03)	(\$0.03)	(\$0.02)	(\$0.13)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.02)	(\$0.09)																							
EPS Diluted (pro forma)	(\$3.66)	(\$2.63)	(\$3.14)	(\$5.77)	(\$15.53)	(\$1.59)	(\$2.45)	(\$0.68)	(\$0.21)	(\$3.26)	(\$0.11)	(\$0.03)	(\$0.03)	(\$0.02)	(\$0.13)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.02)	(\$0.09)																							
Margins																																											
Gross margin	64%	65%	66%	64%	65%	68%	67%	83%	58%	68%	29%	70%	75%	75%	74%	70%	70%	75%	75%	75%																							
Research and development	59%	58%	63%	40%	55%	29%	0%	0%	0%	28%	0%				0%					0%																							
General and administrative	261%	274%	318%	216%	267%	217%	89500%	9828%	3777%	505%	42329%				1637%																												
Operating margin	-272%	-282%	-351%	-789%	-411%	-207%	#####	-11690%	-5426%	-567%	-45957%	-30552%	#####	-400%	-1723%	#####	#####	#####	#####	-98%	-553%																						
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%																							
Net margin	-260%	-266%	-367%	-755%	-399%	-256%	#####	-12790%	-9406%	-973%	-50266%	-30805%	#####	-404%	-1781%	#####	#####	#####	#####	-99%	-558%																						
YY % change																																											
Total Revenue	7%	0%	-25%	-20%	-10%	-18%	-100%	-99%	-99%	-76%	-100%	200%	50%	1770%	-72%	100%	100%	200%	175%	175%																							
Gross margin	31%	23%	-20%	-14%	2%	-12%	-100%	-98%	-99%	-75%	-100%	215%	36%	2315%	-70%	390%	100%	200%	175%	177%																							
Research and development	-45%	-57%	-61%	-69%	-58%	-59%	-100%	-100%	-100%	-88%	-100%	#DIV/0!	#DIV/0!	#DIV/0!	-100%	#DIV/0!	#####	#DIV/0!	#DIV/0!	#DIV/0!																							
General and administrative	-4%	0%	14%	-18%	-2%	-32%	-59%	-59%	-75%	-54%	-38%	-7%	-12%	113%	-9%	-16%	0%	0%	0%	0%																							
Operating income (loss)	-22%	-24%	-7%	134%	15%	-37%	-52%	-56%	-90%	-67%	-30%	-16%	-20%	38%	-15%	-15%	0%	-2%	-33%	-12%																							
Net income (loss)	-16%	-46%	-12%	195%	8%	-19%	55%	-54%	-82%	-41%	-38%	-72%	-26%	-20%	-49%	-21%	0%	-2%	-32%	-14%																							
EPS Diluted (pro forma)	-43%	-65%	-43%	86%	-29%	-57%	-7%	-78%	-96%	-79%	-93%	-99%	-96%	-89%	-96%	-77%	0%	-2%	-32%	-29%																							

Source: Company reports and Ascendant Capital Markets estimates.

Verb Technology Company, Inc.

Balance Sheet (\$ mils)	Mar-22				Jun-22				Sep-22				Dec-22				Mar-23				Jun-23				Sep-23				Dec-23				Mar-24				Jun-24				Sep-24				Dec-24				Mar-25				Jun-25				Sep-25				Dec-25			
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E																				
Assets																																																																
Cash and cash equivalents	3.7	5.5	0.9	2.4	3.8	3.5	0.9	4.4	14.2	10.4	8.3	8.1	7.4	5.1	3.3	5.1																																																
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Accounts receivable, net	1.5	1.8	1.4	1.0	1.3				0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.5																																																
Inventory									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Prepaid expenses and other	0.7	0.9	0.7	0.6	0.5	0.2	0.4	0.3	0.3	0.0	0.0	0.1	0.0	0.0	0.0	0.3																																																
Total current assets	6.0	8.3	3.1	4.1	5.6	3.8	1.3	4.7	14.5	10.4	8.3	8.3	7.4	5.1	3.4	5.9																																																
Property and equipment, net	0.6	0.6	0.6	0.5	0.5	0.4	0.0	0.0	0.1	(0.2)	(0.4)	(0.6)	(0.8)	(1.0)	(1.2)	(1.4)																																																
Capitalized software development cost	6.2	6.5	6.4	6.2	5.7	5.1	4.6	4.0	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7																																																
Intangibles, net	23.4	23.1	22.7	10.4	10.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1																																																
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Other	1.8	2.0	1.9	3.3	3.2	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0																																																
Total assets	38.1	40.4	34.8	24.5	25.3	12.5	8.1	10.8	20.4	16.1	13.8	13.6	12.4	10.0	8.0	10.4																																																
Liabilities and stockholders' equity																																																																
Accounts payable	3.6	3.4	3.8	4.6	4.7	2.8	2.7	1.4	1.1	0.0	0.0	0.9	0.0	0.0	0.2	2.4																																																
Accrued expenses	4.6	3.0	3.4	2.4	2.7	2.2	2.8	3.4	3.9	0.0	0.1	1.0	0.0	0.0	0.1	1.6																																																
Advance on future receipts	2.1	0.6	2.2	1.6	1.3				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Deferred revenue		1.6							0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Warrant liabilities	2.0	1.0	0.8	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Other	1.4	0.5	2.0	1.8	1.9	1.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1																																																
Factored receivables payable									0.0	0.0	0.0	0.0	3.0	3.0	3.0	3.0																																																
Accrued interest								0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1																																																
Short term debt	5.8	4.1	4.2	5.8	5.7	6.4	2.6	1.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0																																																
Total current liabilities	19.5	14.2	16.4	16.5	16.5	12.7	8.5	7.2	6.2	1.2	1.3	3.1	4.3	4.3	4.6	8.2																																																
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Warrant liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Other long term liabilities	1.9	1.8	1.7	1.6	1.5	1.4	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1																																																
Deferred revenue									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Long term debt	0.9	0.9	0.2	1.2	0.2	0.2	0.1	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1																																																
Total other liabilities	2.7	2.7	1.9	2.8	1.6	1.5	0.3	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3																																																
Preferred stock					0.0			3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0																																																
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.8	1.1	1.5	1.9	2.3	2.7																																																
Additional paid-in capital	138.8	152.9	153.9	158.6	166.3	167.2	172.0	175.8	190.2	190.2	190.2	190.2	190.2	190.2	190.2	190.2																																																
Retained earnings	(123.0)	(129.4)	(137.4)	(153.5)	(159.1)	(169.0)	(172.7)	(175.6)	(179.1)	(181.9)	(184.7)	(187.0)	(189.8)	(192.5)	(195.2)	(196.8)																																																
Accumulated other comprehensive income									3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0																																																
Non-controlling interest									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0																																																
Total stockholders' equity	15.8	23.5	16.5	5.2	7.1	(1.8)	(0.7)	3.1	14.0	14.6	12.2	10.3	7.9	5.5	3.2	2.0																																																
Total stockholders' equity and liabilities	38.1	40.4	34.8	24.5	25.3	12.5	8.1	10.8	20.4	16.1	13.8	13.6	12.4	10.0	8.0	10.4																																																

Balance Sheet Drivers

	Mar-22				Jun-22				Sep-22				Dec-22				Mar-23				Jun-23				Sep-23				Dec-23				Mar-24				Jun-24				Sep-24				Dec-24				Mar-25				Jun-25				Sep-25				Dec-25			
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E																				
Prepaid as % of total rev	27%	37%	34%	28%	24%	7933%	1379%	1068%	14%	14%	14%	14%	18%	18%	18%	18%																																																
Accounts payable as % of total rev	134%	142%	175%	215%	214%	92867%	9331%	4542%	48%	48%	48%	150%	175%	175%	175%	150%																																																
Accrued expenses as % of total rev	171%	125%	154%	112%	120%	73233%	9807%	10942%	170%	170%	170%	170%	100%	100%	100%	100%																																																
Activity Ratios																																																																
A/R Days Sales Outstanding	51	68	59	43	51	0	0	0	0	31	31	31	31	31	31	31																																																
Book & Cash Value (per share)																																																																
Book Value per Share (diluted)	\$8.28	\$9.71	\$6.48	\$1.83	\$2.00	-\$0.45	-\$0.13	\$0.22	\$0.45	\$0.14	\$0.12	\$0.10	\$0.08	\$0.05	\$0.03	\$0.02																																																
Cash per Share (diluted)	\$1.95	\$2.29	\$0.36	\$0.86	\$1.06	\$0.88	\$0.17	\$0.31	\$0.46	\$0.10	\$0.08	\$0.08	\$0.07	\$0.05	\$0.03	\$0.05																																																
Net cash per Share (diluted)	-\$1.53	\$0.23	-\$1.33	-\$1.62	-\$0.57	-\$0.74	-\$0.34	\$0.16	\$0.42	\$0.09	\$0.07	\$0.07	\$0.06	\$0.04	\$0.02	\$0.04																																																

Source: Company reports and Ascendant Capital Markets estimates

Verb Technology Company, Inc.

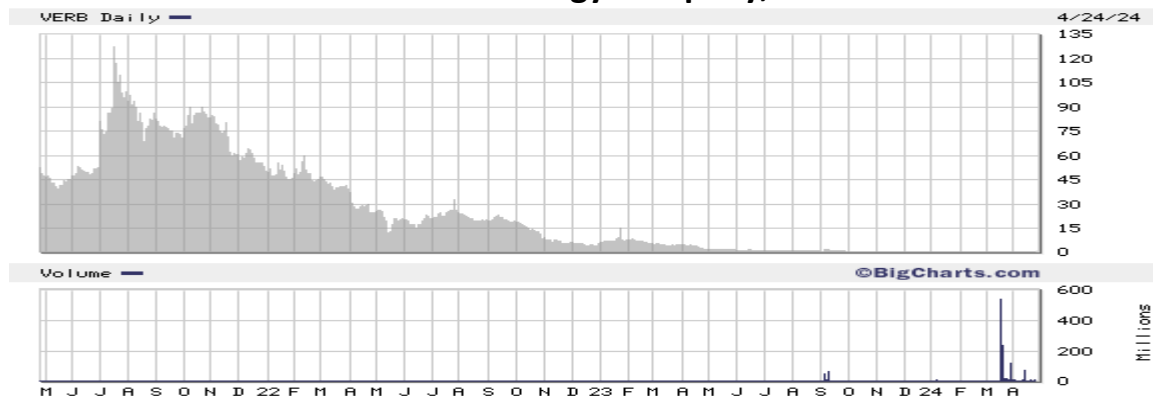
Cash Flow Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(7.0)	(6.4)	(8.0)	(16.0)	(37.4)	(5.5)	(9.9)	(3.7)	(2.9)	(22.0)	(3.4)	(2.8)	(2.7)	(2.3)	####	(2.8)	(2.8)	(2.7)	(1.6)	(9.8)	
Depreciation	0.4	0.4	0.8	0.9	2.5	0.7	0.5	0.6	0.6	2.3	0.3	0.3	0.3	0.3	1.0	0.3	0.3	0.3	0.3	1.0	
Amortization	0.1	(0.1)		0.0	0.0					0.0					0.0					0.0	
Debt related amortization expen	0.5	0.6	0.4	0.8	2.4	0.5	1.0	0.1	0.1	1.8	0.2				0.2					0.0	
Dividend																					
Stock comp	1.3	1.3	1.1	0.8	4.5	1.0	0.4	0.6	0.5	2.5	0.4	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.4	1.5	
Deferred rent					0.0					0.0					0.0					0.0	
A/R and inventory reserves	0.2	0.2	0.0	0.2	0.6	0.1	(0.1)	0.0	0.0	0.0					0.0					0.0	
Deferred income taxes					0.0					0.0					0.0					0.0	
Change in fair value of warrant l	(1.1)	(1.0)	(0.2)	(0.6)	(2.9)	(0.0)	(0.2)	(0.0)	(0.0)	(0.2)	0.0				0.0					0.0	
Writedowns and impairments	0.0			12.0	12.0	0.1	(0.1)	0.0		0.0					0.0					0.0	
Other gains/losses	0.0				0.0		(1.9)	1.6		(0.3)					0.0					0.0	
Other					0.0		7.0	(1.7)	0.0	5.3					0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable	(0.3)	(0.5)	0.4	0.2	(0.3)	(0.3)	0.3	0.0		0.0		(0.0)	(0.0)	(0.2)	(0.2)	0.2	(0.0)	(0.0)	(0.5)	(0.3)	
Inventory					0.0					0.0					0.0					0.0	
Prepaid expenses & other curre	0.1	(0.1)	0.2	0.1	0.3	0.1	0.0	(0.0)	0.0	0.1	(0.0)	0.3	(0.0)	(0.1)	0.2	0.1	(0.0)	(0.0)	(0.3)	(0.2)	
Income tax					0.0					0.0					0.0					0.0	
Other assets	0.1	0.1	0.0	(1.4)	(1.2)	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts payable	0.2	(0.1)	0.6	(0.1)	0.7	0.4	(0.7)	0.6	(0.5)	(0.3)	0.5	(1.1)	0.0	0.8	0.3	(0.8)	0.0	0.2	2.2	1.5	
Accrued expenses	(0.5)	1.2	(1.0)	0.4	(0.0)	0.1	(0.1)			0.0		(3.9)	0.1	0.9	(2.9)	(1.0)	0.0	0.1	1.5	0.6	
Deferred revenue					0.0					0.0					0.0					0.0	
Other liabilities	0.1	(0.7)	0.8	(0.7)	(0.5)	(0.1)	0.1	0.0	(0.0)	(0.1)	(0.0)	0.0	0.0	0.0	(0.0)	3.0	0.0	0.0	0.0	3.0	
Net cash (used in) provided by	(5.9)	(5.1)	(5.0)	(3.4)	(19.4)	(2.9)	(3.6)	(1.9)	(2.1)	(10.6)	(2.2)	(6.8)	(2.1)	(0.2)	####	(0.7)	(2.1)	(1.8)	1.9	(2.7)	
Cash flow from investing activities																					
Purchases of property and equip	0.0	(0.0)	0.0	0.0	(0.0)		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)	(0.3)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions	(0.1)				(0.1)	(0.0)	(0.2)			(0.2)	(0.0)				(0.0)					0.0	
Other	(2.3)	(1.8)	(0.2)	(0.3)	(4.6)	(0.1)	4.9	(0.0)	(0.0)	4.7					0.0					0.0	
Net cash used in investing activ	(2.4)	(1.8)	(0.2)	(0.3)	(4.7)	(0.1)	4.6	(0.0)	(0.0)	4.4	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)	(0.3)	
Cash flow from financing activities																					
Issuance of debt	5.6	0.4		5.0	11.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt		(6.7)	3.4	(2.6)	(5.8)	(1.4)	(0.3)	(0.0)	0.3	(1.5)	(0.0)				(0.0)					0.0	
Issuance of stock	7.5	12.6		3.9	24.1	6.6	(0.0)	0.0	5.6	12.2	12.1	0.0	0.0	0.0	12.1	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	0.4				0.4					0.0					0.0					0.0	
Other	(2.5)	2.5	(2.9)	(1.1)	(4.0)	(0.7)	(1.0)	(0.6)	(0.2)	(2.6)		3.0			3.0					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
Cash provided by (used in) fina	11.0	8.8	0.5	5.3	25.6	4.4	(1.3)	(0.6)	5.6	8.1	12.1	3.0	0.0	0.0	15.1	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
Net increase (decrease) in cash	2.8	1.8	(4.6)	1.5	1.5	1.4	(0.3)	(2.6)	3.4	1.9	9.8	(3.8)	(2.1)	(0.2)	3.7	(0.7)	(2.2)	(1.8)	1.8	(3.0)	
Beginning cash and equivalents	0.9	3.7	5.5	0.9	0.9	2.4	3.8	3.5	0.9	2.4	4.4	14.2	10.4	8.3	4.4	8.1	7.4	5.1	3.3	8.1	
Ending cash and equivalents	3.7	5.5	0.9	2.4	2.4	3.8	3.5	0.9	4.4	4.4	14.2	10.4	8.3	8.1	8.1	7.4	5.1	3.3	5.1	5.1	

Source: Company reports and Ascendant Capital Markets estimates

ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

Verb Technology Company, Inc.



Source: <https://bigcharts.marketwatch.com/>

Report	Report Date	Rating	Price Target
1	6/28/2021	Buy	160.00
2	8/22/2021	Buy	200.00
3	12/5/2021	Buy	210.00
4	4/3/2022	Buy	200.00
5	5/19/2022	Buy	180.00
6	8/23/2022	Buy	170.00
7	11/20/2022	Buy	120.00
8	5/25/2023	Buy	25.00
9	8/18/2023	Buy	10.00
10	12/17/2024	Buy	6.00
11	4/25/2024	Buy	5.00

- Ascendant Capital Markets, LLC has received compensation for advisory or investment banking services from the company in the past 12 months.

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Risks & Considerations

Risks to attainment of our share price target include balance sheet/liquidity risks, technological changes and customer demand for SaaS technologies, investor sentiment for investing in technology stocks, consumer sentiment and industry growth for online commerce and software technology companies, competition, changing macroeconomic factors, and changes in government regulations.

Ascendant Capital Markets, LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of April 15, 2024)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	55	98%	18	33%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	56	100%	18	32%

Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

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