

Verb Technology Company, Inc.

Q1 about inline. Upcoming Verb Market shopping festival should drive stock higher. Lowering P/T to \$4.50.

COMPANY UPDATE

Rating: BUY

Ticker: VERB

Price: \$0.51
(intraday)

Target: \$4.50
(from \$5.00)

Q1 about inline: Verb recently (on May 16) reported its fiscal Q1 2022 (ending March) results. Revenue was \$2.7 million (+7% y-o-y), compared to our estimates of \$3.5 million and consensus of \$3.1 million. EPS was \$(0.09), compared to our and consensus estimates of \$(0.06). There was no Q1 guidance.

Strong SaaS and digital: Total SaaS recurring revenue (a component of Total Digital revenue) was \$2.0 million, +37% y-o-y. Total Digital revenue was \$2.2 million, +19% y-o-y. Non digital revenue was \$0.5 million (-12% y-o-y).

No guidance: The company did not provide forward guidance.

Lowering estimates slightly: We are lowering our 2022 estimates for revenue to \$16 million, from \$17 million, and for EPS to \$(0.25) from \$(0.24).

Announces Market Shopping Festival dates: The company announced its inaugural Market Livestream Shopping Festival will be on July 26, 27, 28. The company has over 100 vendors signed up and expect many more. The launch of Market and these major Livestream shopping events has the potential to significantly increase Verb's customer base and revenues.

Focused on video enabled applications: Verb applications include: verbCRM, its white-labelled CRM application for large, sales-based enterprises; verbTEAMS, its CRM for smaller businesses; verbLEARN, its Learning Management System application; and verbLIVE, its Live Stream e-commerce application. Verb's applications distinguishes itself from other sales management applications because it utilizes its proprietary interactive video technology as the primary means of communication between sales and marketing professionals and their customers and prospects. Verb's proprietary data collection and analytics capabilities provide for a much more efficient and effective sales process, resulting in increased sales conversion rates.

Large market potential: The CRM software industry is the largest software segment. Verb's proprietary interactive video technology provide significant competitive advantages over the CRM applications that do not have it.

Verb sports opportunity: Verb's Sports Entertainment vertical began in Q4 2021 with clients including the Pittsburgh Penguins, and continuing in Q1 2022 with the Florida Panthers and the Phoenix Suns, with more to come soon.

Still early but high growth stage: Verb's recent digital revenue growth has been strong (digital revenue was +26% y-o-y in 2021) and we expect continued high total revenue growth in 2022 (+52%) as non digital revenue is phased out (non digital was still ~20% of Q1 revenues). The company is opportunistically pursuing M&A, but a recent deal has been paused due to market conditions.

Solid balance sheet: In April, the company raised \$11 million selling stock (14.7 million shares at \$0.75/share). We believe it has enough cash through 2023.

Positive high risks versus rewards: Overall, concerns outweighed by growth prospects and valuation. We believe the demand for its software and services will grow fueled by continued large growth in video e-commerce along with growth in video CRM software. 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 Lehi, UT, Verb Technology's leading "SaaS" platform is based on its interactive video technology and sales enablement software products.

United States
Technology

May 19, 2022

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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.29 – 3.97
Shares Outstanding (million):	101
Market cap (\$million):	\$52
EV (\$million):	\$55
Debt (\$million):	\$7
Cash (\$million):	\$4
Avg. Daily Trading Vol. (\$million):	\$0.7
Float (million shares):	74
Short Interest (million shares):	3
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	3A	4E	4E	
Q2 Jun	3E	4E	5E	
Q3 Sep	5E		6E	
Q4 Dec	5E		7E	6E
Total	16E	17E	21E	20E
EV/Revs	3.4x		2.6x	

Earnings per Share (pro forma)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	(0.09)A	(0.06)E	(0.03)E	(0.04)E
Q2 Jun	(0.04)E	(0.07)E	(0.03)E	(0.04)E
Q3 Sep	(0.06)E		(0.04)E	
Q4 Dec	(0.06)E	(0.05)E	(0.04)E	
Total	(0.25)E	(0.24)E	(0.14)E	(0.16)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 12.

OVERVIEW

- Verb recently (on May 16) reported its fiscal Q1 2022 (ending March) results.
- Revenue was \$2.7 million (+7% y-o-y), compared to our estimates of \$3.5 million and consensus of \$3.1 million.
- EPS was \$(0.09), compared to our and consensus estimates of \$(0.06).
- There was no Q1 guidance.
- The company did not provide forward guidance.
- We are lowering our 2022 estimates for revenue to \$16 million, from \$17 million, and for EPS to \$(0.25) from \$(0.24).
- We are raising our 2023 estimates for revenue to \$21 million, from \$20 million, and for EPS to \$(0.14) from \$(0.16).

ADDITIONAL DETAILS

- Gross profit for the quarter was \$1.7 million, compared with our estimate of \$2.3 million.
- Gross margin for the quarter was 64%, versus our expectation of 65% and 52% last year.
- Operating expenses were \$9 million, versus our expectation of \$7 million.
- Operating loss was \$7.3 million, versus our expectation of a loss of \$4.8 million.
- Net loss was \$7.0 million, versus our expectation of a loss of \$4.8 million.
- In January, Verb appointed Salman Khan as Interim Chief Financial Officer. Mr. Khan joined Verb in May 2021 as Executive VP, Corporate Development and Strategic Planning. Mr. Khan has more than 20 years of domestic and international finance, accounting and audit experience. Mr. Khan replaces Jeffrey Clayborne who resigned to pursue other interests.

The company's balance sheet had \$4 million in cash and \$7 million in debt compared with \$1 million in cash and \$1 million in debt at the end of December. In January, the company raised \$6.3 million in convertible note and also closed an equity line of credit facility for up to \$50 million. In April (current Q2), the company raised \$11 million selling stock (14.7 million shares at \$0.75/share).

Exhibit 1: Verb Technology SaaS Products Overview

THE #1 SALES ENABLEMENT TOOL FOR

Direct Sales

The #1 mobile CRM for modern-day sales

THE #1 SALES ENABLEMENT TOOL FOR

Life Sciences

Built for the modern medical sales team

MASTER SALES FROM START TO CLOSE

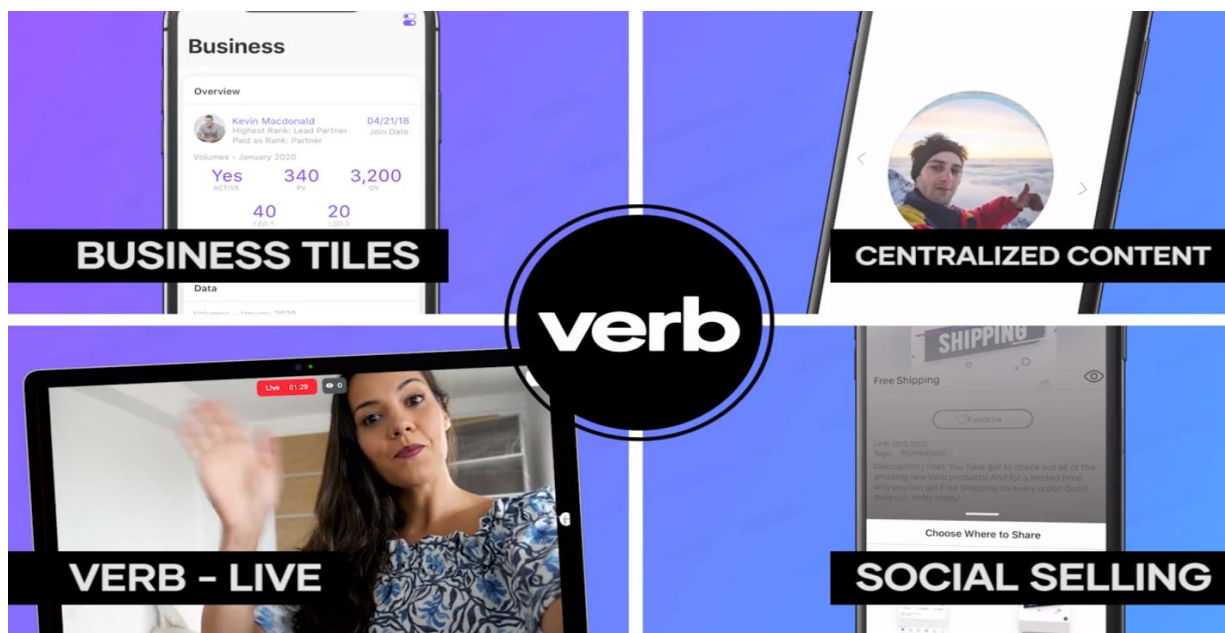
Entrepreneurs

Give your sales team an app to sell with

THE BEST E-COMMERCE LIVESTREAM PLATFORM

verbLIVE

10X your revenue with live streaming



Source: Company reports.

Exhibit 2: Verb's SaaS Software Solutions

OUR SALES TOOLS SaaS PLATFORM

verbLIVE

Livestream Ecommerce with Affiliate Sales Attribution Feature

verbCRM

Interactive Video Powered Customer Relationship Management (CRM) App for Large Sales-Based Enterprises

verbTEAMS

Interactive Video Powered Customer Relationship Management (CRM) App for Solo Entrepreneurs and Small Businesses

verbLEARN

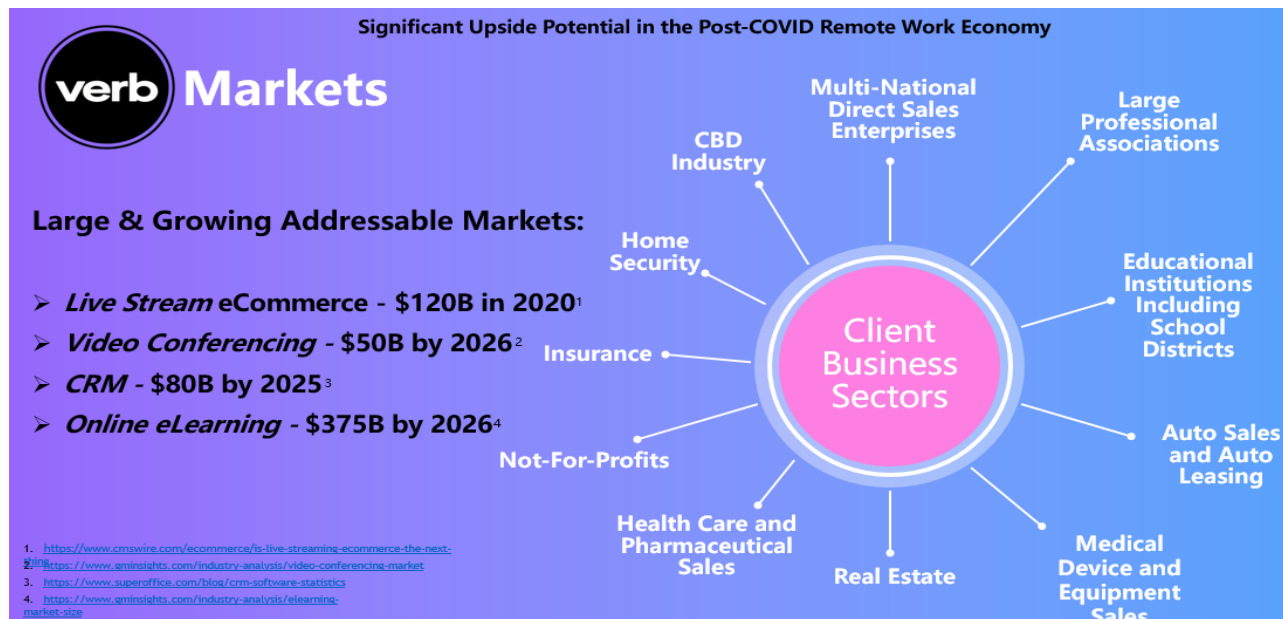
A Gamified Video-Based Learning Management System (LMS)

verbmail

Interactive and Shoppable Video Integrated Into Microsoft Outlook. Gmail Coming Soon

Source: Company reports.

Exhibit 3: Verb Market Opportunity



Source: Company reports.

Exhibit 4: Verb Customers and Partnerships



Select Enterprise Customers

Global User Base ♦ 60 Countries ♦ 48 Languages



Partnerships & Integrations

We're integrated our interactive video technology into other popular Enterprise CRMs

Current Integration partners:



Launched Nov 2020



Launched June 2021

Source: Company reports.

Exhibit 5: VerbLIVE Market and Opportunities

verb LIVE True In-Video LiveStream eCommerce
Now with Verb's
ATTRIBUTION FEATURE


verbLIVE combines the best features of popular webinar and video conference platforms such as **Zoom, Facebook-Live, and WebEx**, with **Shopify**.




users can add interactive in-video eCommerce capabilities – including in-video Shopify carts - to live stream in-video eCommerce webinar broadcasting




allows webinar hosts to select interactive icons that appear on the screens of all viewers, providing in-video click-to-purchase capabilities for products or services featured in the live-stream video broadcast




Live Streaming eCommerce drives revenue through real-time friction-free selling



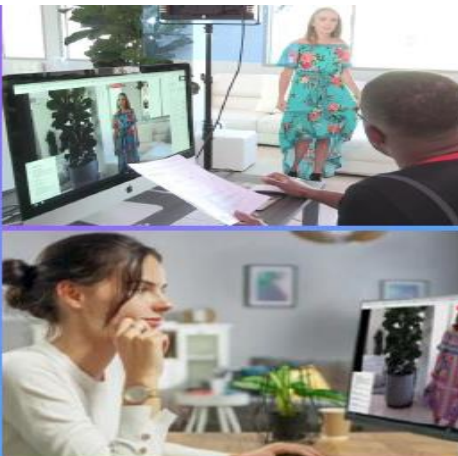
provides real-time viewer engagement data and interaction analytics



entirely browser-based, works on all devices – no software download required



secured through end-to-end encryption



US Livestream Market Primed for Growth

The domestic social and ecommerce trends converge in livestream shopping

- 1 | 2020 eCommerce Inflection Point**
Due to COVID, 10 years of e-commerce adoption was accelerated into 3 months ¹
- 2 | Influencers are driving purchase**
Influencer marketing spend grew to \$9.7B in 2020, 91% of survey respondents believe influencer marketing to be an effective form of marketing ²
- 3 | Livestream usage is taking off**
Total livestream viewership (non-e-commerce) in the US grew 2x in 2020. 27.9 billion hours streamed in 2020 across the top four platforms. ³
- 4 | Live shopping models are natural to US consumers**
The behavior is not new: **U.S. consumers have a long tradition of "TV shopping"** (decades of QVC and HSN – Parent Mkt Cap (Nasdaq: QRTEA): \$4.5 bn) ⁴
And limited-supply "drop" model, which is foundational to live stream shopping's success in China, is already frequently used by flagship US brands (ex. Supreme). ⁵ [McKinsey Report](#)

verbTV – Convergence of Shopping and Entertainment

An Online TV Channel with Interactive and Shoppable Entertainment Programming – an extension of Marketplace

- * New distribution channel for all forms of interactive and shoppable content – concerts, gameshows, sports, sitcoms, podcasts, news, live and special events, and many more
- * Content creators enjoy greater revenue opportunities through native interactive video platform
- * Sponsors and advertisers enjoy real-time monetization, data collection and analytics – accurately measure ROI from marketing spend
- * Viewers can click directly in videos to purchase products featured plus many other interactive capabilities
- * Tapped entrepreneur, investor and best-selling author David Meltzer as executive producer to develop shoppable content for verbTV, including:
 - * "2-Minute Drill" reality TV pitch competition
 - * "Office Hours" late-night entrepreneur talk show
 - * Interactive e-sports programs
- * First of many partnerships to build a library of shoppable programming



verbTV and Marketplace expand the applications of our interactive video technology as VERB stays at the forefront of the new livestream e-commerce paradigm

Source: Company reports.

Exhibit 6: Verb's Q1 2022 and Recent Highlights

MARKET LIVESTREAM SHOPPING FESTIVAL DATES SET – JULY 26, 27 & 28

- ***First quarter 2022 SaaS recurring revenue up 37% over prior year comparable quarter***
- ***First quarter 2022 gross profit margin up 31% over prior year comparable quarter***
- ***First quarter 2022 Total Digital revenue up 19% over prior year comparable quarter***
- ***SaaS recurring revenue now accounts for 93% of Total Digital revenue – up from 81% in Q1 2021***
- ***SaaS recurring revenue now accounts for 74% of total revenue – up from 58% in Q1 2021***
- ***Total Digital revenue accounts for 80% of total revenue – up from 71% in Q1 2021***
- ***R&D expense down 45% from prior year comparable quarter and down 42% from Q4 2021***
- ***Modified EBITDA¹ improvement by \$1 million over Q1 2021***
- ***MARKET Livestream Shopping Platform soft launch data paints promising picture – FESTIVAL dates set for July 26, 27, and 28***

Source: Company report.

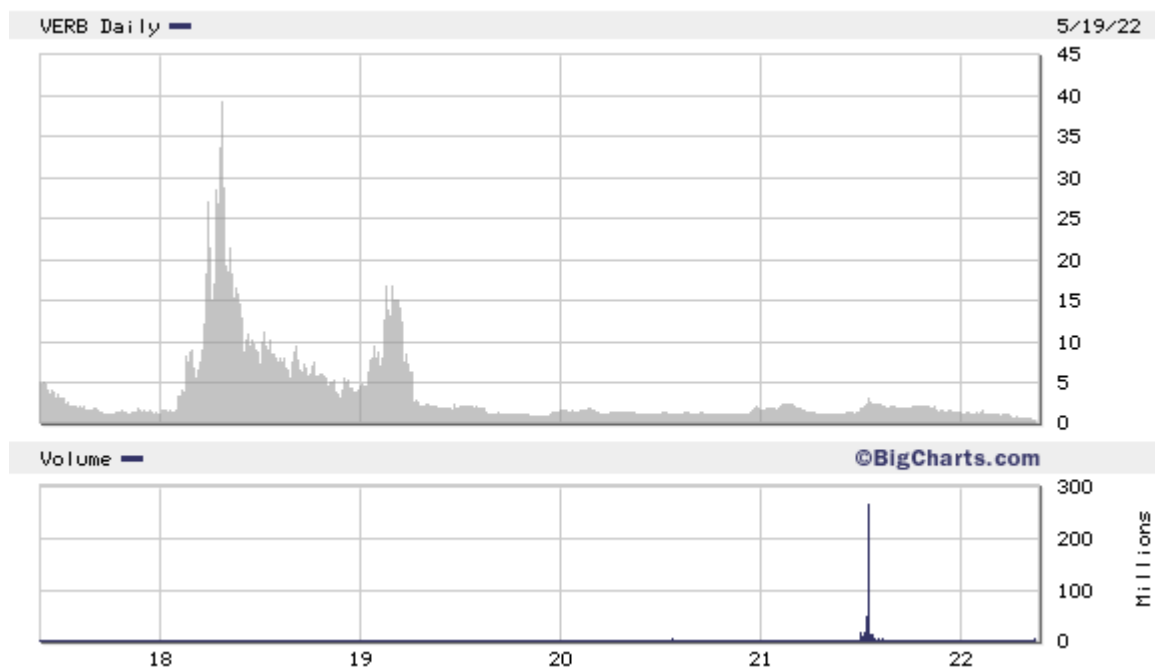
Exhibit 7: Verb's Market Livestream Shopping Festival (July 26, 27, 28)

Here's some important stats on the top 100 vendors on MARKET based on revenue and social media followers as of May 10:

- Combined annual ecommerce sales in the United States for the past 12 months is approximately \$4B
 - Of the top 100, we have 2 companies with sales of \$1B or more
 - 5 companies with sales of \$100M or more
 - 3 companies with sales of \$50M or more
 - 11 companies with sales of \$10M or more
 - 12 companies with sales of \$5M or more
 - 22 companies with sales of \$1M or more
 - The balance have sales under \$1M
-
- TOTAL SOCIAL MEDIA FOLLOWERS for the Top 100 companies is 80,691,982

Source: Company report.

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



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

Exhibit 9: Consensus Expectations (as of May 16, 2022)

	Revenue (mils)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$3E		Q1 Mar	\$(0.06)E	
Q2 Jun	\$3E		Q2 Jun	\$(0.07)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$18E	\$27E	Total	\$(0.21)E	\$(0.11)E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

FINANCIAL MODEL

Verb Technology Company, Inc.

Income Statement (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023
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
Total Revenue	2.4	2.7	2.9	2.1	10.0	2.5	2.4	2.9	2.7	10.5	2.7	3.4	4.6	5.2	16.0	3.5	4.5	6.1	6.9	21.0
<u>Cost of Revenues</u>	1.1	1.1	1.3	1.3	4.8	1.2	1.1	1.1	1.1	4.5	1.0	1.2	1.6	1.8	5.6	0.9	1.1	1.5	1.7	5.3
Gross Profit	1.3	1.5	1.6	0.8	5.2	1.3	1.3	1.8	1.6	6.0	1.7	2.2	3.0	3.4	10.4	2.6	3.4	4.6	5.2	15.8
Research and development	1.3	1.6	2.4	2.6	7.9	2.9	3.2	3.5	2.7	12.3	1.6	2.1	2.8	3.1	9.6	1.6	2.0	2.7	3.1	9.5
General and administrative	3.5	4.0	6.7	6.3	20.5	7.3	6.5	6.1	5.7	25.7	7.0	4.1	5.6	6.3	23.0	3.4	4.1	5.2	5.5	18.1
Depreciation and amortization	0.4	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.5	1.7	0.4	0.4	0.4	0.4	1.6	0.4	0.4	0.4	0.4	1.6
<u>Restructuring and other</u>					0.0					0.0					0.0					0.0
Total operating expenses	5.2	6.0	9.5	9.3	29.9	10.6	10.2	10.0	8.9	39.7	9.0	6.6	8.7	9.8	34.2	5.3	6.5	8.3	9.0	29.2
Operating income (loss)	(3.9)	(4.5)	(7.9)	(8.5)	(24.7)	(9.3)	(8.9)	(8.2)	(7.3)	(33.7)	(7.3)	(4.3)	(5.7)	(6.4)	(23.8)	(2.7)	(3.1)	(3.7)	(3.9)	(13.4)
Interest income (expense)	(0.2)	(0.2)	(0.4)	(0.1)	(0.9)	(0.5)	(0.6)	(0.5)	(0.9)	(2.6)	(0.8)	(0.1)	(0.1)	(0.1)	(1.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)
<u>Other income (expense)</u>	(1.9)	1.2	1.0	(3.6)	(3.3)	1.5	(2.3)	(0.4)	2.7	1.5	1.1	0.0	0.0	0.0	1.1	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(5.9)	(3.4)	(7.3)	(12.3)	(28.9)	(8.3)	(11.8)	(9.2)	(5.5)	(34.8)	(7.0)	(4.5)	(5.9)	(6.6)	(23.9)	(2.8)	(3.2)	(3.9)	(4.0)	(13.9)
<u>Income taxes</u>				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
Net income (loss)	(5.9)	(3.4)	(7.3)	(12.3)	(28.9)	(8.3)	(11.8)	(9.2)	(5.5)	(34.8)	(7.0)	(4.5)	(5.9)	(6.6)	(23.9)	(2.8)	(3.2)	(3.9)	(4.0)	(13.9)
<u>Nonrecurring/noncash adjustments</u>					0.0					0.0					0.0					0.0
Net income (pro forma)	(5.9)	(3.4)	(7.3)	(12.3)	(28.9)	(8.3)	(11.8)	(9.2)	(5.5)	(34.8)	(7.0)	(4.5)	(5.9)	(6.6)	(23.9)	(2.8)	(3.2)	(3.9)	(4.0)	(13.9)
EBITDA	(2.6)	(2.5)	(5.3)	(6.8)	(17.1)	(6.5)	(7.2)	(6.8)	(5.8)	(26.4)	(5.5)	(2.6)	(4.0)	(4.7)	(16.9)	(1.0)	(1.4)	(2.0)	(2.2)	(6.6)
Shares, Basic	26.0	29.8	41.2	47.0	36.0	52.0	63.1	66.8	71.4	63.3	76.5	101.4	101.7	102.0	95.4	102.3	102.6	102.9	103.2	102.8
Shares, Diluted	26.0	29.8	41.2	47.0	36.0	52.0	63.1	66.8	71.4	63.3	76.5	101.4	101.7	102.0	95.4	102.3	102.6	102.9	103.2	102.8
EPS Basic (pro forma)	(\$0.23)	(\$0.11)	(\$0.18)	(\$0.26)	(\$0.80)	(\$0.16)	(\$0.19)	(\$0.14)	(\$0.08)	(\$0.55)	(\$0.09)	(\$0.04)	(\$0.06)	(\$0.06)	(\$0.25)	(\$0.03)	(\$0.03)	(\$0.04)	(\$0.04)	(\$0.14)
EPS Diluted (pro forma)	(\$0.23)	(\$0.11)	(\$0.18)	(\$0.26)	(\$0.80)	(\$0.16)	(\$0.19)	(\$0.14)	(\$0.08)	(\$0.55)	(\$0.09)	(\$0.04)	(\$0.06)	(\$0.06)	(\$0.25)	(\$0.03)	(\$0.03)	(\$0.04)	(\$0.04)	(\$0.14)
Margins																				
Gross margin	55%	57%	54%	38%	52%	52%	53%	63%	60%	57%	64%	65%	65%	65%	65%	75%	75%	75%	75%	75%
Research and development	54%	61%	84%	125%	80%	114%	134%	121%	101%	117%	59%	60%	60%	60%	60%	45%	45%	45%	45%	45%
General and administrative	149%	152%	233%	299%	205%	291%	273%	211%	210%	244%	261%	120%	120%	120%	144%	95%	90%	85%	80%	86%
Operating margin	-164%	-169%	-276%	-405%	-248%	-369%	-371%	-284%	-269%	-320%	-272%	-127%	-124%	-123%	-149%	-76%	-69%	-62%	-56%	-64%
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	-251%	-129%	-256%	-584%	-290%	-330%	-494%	-316%	-204%	-331%	-260%	-131%	-126%	-125%	-149%	-80%	-72%	-64%	-58%	-66%
Y/Y % change																				
Total Revenue	26056%	-29%	0%	-16%	10%	7%	-10%	1%	29%	6%	7%	43%	60%	94%	52%	31%	32%	31%	32%	32%
Gross margin	-6248%	-10%	13%	-32%	22%	2%	-16%	17%	102%	17%	31%	75%	66%	110%	72%	54%	53%	51%	52%	52%
Research and development	126%	22%	98%	119%	84%	126%	97%	46%	4%	56%	-45%	-36%	-21%	15%	-23%	1%	-1%	-2%	-1%	-1%
General and administrative	61%	23%	102%	5%	39%	109%	63%	-8%	-9%	26%	-4%	-37%	-9%	11%	-11%	-52%	-1%	-7%	-12%	-21%
Operating income (loss)	39%	29%	117%	43%	56%	142%	98%	4%	-14%	36%	-22%	-51%	-30%	-12%	-29%	-63%	-28%	-35%	-40%	-44%
Net income (loss)	96%	46%	135%	65%	82%	42%	245%	25%	-55%	21%	-16%	-62%	-36%	19%	-31%	-60%	-27%	-34%	-39%	-42%
EPS Diluted (pro forma)	-8%	6%	32%	-16%	2%	-29%	63%	-23%	-70%	-31%	-43%	-76%	-58%	-17%	-54%	-70%	-28%	-35%	-40%	-46%

Source: Company reports and Ascendant Capital Markets estimates.

Verb Technology Company, Inc.

Balance Sheet (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	1.6	1.4	10.7	1.8	12.9	6.4	3.7	0.9	3.7	13.9	12.8	9.0	6.4	6.5	7.8	6.8
Short term investments									0.0	0.0	0.0		0.0	0.0	0.0	0.0
Accounts receivable, net	1.2	1.1	1.4	0.9	1.2	0.9	1.5	1.4	1.5	1.2	1.6	1.8	1.2	1.6	2.1	2.4
Inventory	0.1	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	0.0
Deferred income taxes									0.0	0.0	0.0		0.0	0.0	0.0	0.0
Prepaid expenses and other	0.2	0.6	0.7	0.9	1.1	1.3	0.9	0.8	0.7	0.9	1.2	1.4	0.6	0.8	1.1	1.2
Total current assets	3.2	3.1	12.8	3.7	15.3	8.6	6.1	3.2	6.0	16.0	15.6	12.2	8.2	8.9	11.0	10.4
Property and equipment, net	0.8	1.0	0.9	0.9	0.8	0.8	3.1	0.7	0.6	0.6	0.2	0.2	0.2	0.6	0.6	1.0
Capitalized software development costs								4.3	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Intangibles, net	21.4	21.1	26.0	25.2	24.8	24.5	24.1	23.7	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4
Deferred income tax									0.0	0.0	0.0		0.0	0.0	0.0	0.0
Other	3.3	3.2	2.9	2.8	2.7	2.5	2.6	2.5	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total assets	28.6	28.4	42.6	32.5	43.6	36.4	35.9	34.4	38.1	48.1	47.3	43.9	40.0	41.0	43.1	42.9
Liabilities and stockholders' equity																
Accounts payable	4.6	4.6	5.3	5.1	5.1	4.8	7.3	3.8	3.6	4.6	6.2	7.0	7.1	9.0	12.2	13.8
Accrued expenses	0.7	0.7	0.7	1.3	1.6	1.6	1.6	5.2	4.6	5.9	7.9	9.0	3.5	4.5	6.1	6.9
Advance on future receipts	0.5	0.7	0.4	0.1	3.2	3.8	1.9	4.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Deferred revenue	0.3	0.2		0.3	0.3	0.5	0.9		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
Warrant liabilities	6.9	5.7	4.5	8.3	5.5	7.9	5.8	3.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other	0.5	0.6	1.3	0.6	0.6	0.6	0.6	1.6	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Factored receivables payable									0.0	0.0	0.0		3.0	3.0	3.0	3.0
Accrued interest	0.1	0.1	0.1	0.1	0.1	0.1	0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt	0.9	1.2	3.1	1.1	0.4	0.2	0.0	0.0	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Total current liabilities	14.5	13.8	15.5	16.9	16.7	19.4	18.1	17.9	19.5	21.7	25.5	27.3	24.9	27.9	32.5	35.1
Deferred income taxes									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
Other long term liabilities	4.0	3.8	3.9	3.5	2.8	2.6	2.5	2.3	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Deferred revenue									0.0	0.0	0.0		0.0	0.0	0.0	0.0
Long term debt	0.2	1.4	1.5	1.5	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Total other liabilities	4.2	5.2	5.3	4.9	3.8	3.5	3.3	3.2	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Preferred stock			3.1	3.1												
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	2.6	3.9	5.2	6.5	7.8	9.1
Additional paid-in capital	68.4	71.4	88.0	89.2	113.0	115.2	124.9	129.3	138.8	138.8	138.8	138.8	138.8	138.8	138.8	138.8
Retained earnings	(58.5)	(62.0)	(69.3)	(81.5)	(89.9)	(101.7)	(110.5)	(116.0)	(123.0)	(127.5)	(133.3)	(139.9)	(142.7)	(146.0)	(149.9)	(153.8)
Accumulated other comprehensive income										11.0	11.0	11.0	11.0	11.0	11.0	11.0
Non-controlling interest										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	9.9	9.4	21.8	10.7	23.1	13.5	14.4	13.3	15.8	23.7	19.1	13.8	12.3	10.4	7.8	5.1
Total stockholders' equity and liabil	28.6	28.4	42.6	32.5	43.6	36.4	35.9	34.4	38.1	48.1	47.3	43.9	40.0	41.0	43.1	42.9

Balance Sheet Drivers

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	11%	23%	24%	43%	43%	53%	31%	31%	27%	27%	27%	27%	18%	18%	18%	18%
Accounts payable as % of total rev	194%	175%	187%	243%	204%	199%	251%	139%	134%	134%	134%	134%	200%	200%	200%	200%
Accrued expenses as % of total rev	31%	27%	25%	64%	63%	66%	56%	193%	171%	171%	171%	171%	100%	100%	100%	100%
Activity Ratios																
A/R Days Sales Outstanding	46	38	43	39	43	35	46	46	51	31	31	31	31	31	31	31
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$0.38	\$0.32	\$0.53	\$0.23	\$0.44	\$0.21	\$0.22	\$0.19	\$0.21	\$0.23	\$0.19	\$0.14	\$0.12	\$0.10	\$0.08	\$0.05
Cash per Share (diluted)	\$0.06	\$0.05	\$0.26	\$0.04	\$0.25	\$0.10	\$0.05	\$0.01	\$0.05	\$0.14	\$0.13	\$0.09	\$0.06	\$0.06	\$0.08	\$0.07
Net cash per Share (diluted)	\$0.02	-\$0.04	\$0.15	-\$0.02	\$0.22	\$0.09	\$0.04	\$0.00	-\$0.04	\$0.07	\$0.06	\$0.02	\$0.00	\$0.00	\$0.01	\$0.00

Source: Company reports and Ascendant Capital Markets estimates

Verb Technology Company, Inc.

Cash Flow Statement (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023
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	(5.9)	0.5	(7.3)	(12.3)	(25.0)	(8.3)	(11.8)	(8.8)	(5.5)	(34.5)	(7.0)	(4.5)	(5.9)	(6.6)	(23.9)	(2.8)	(3.2)	(3.9)	(4.0)	(13.9)
Depreciation	0.4	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.5	1.7	0.4	0.4	0.4	0.4	1.6	0.4	0.4	0.4	0.4	1.6
Amortization	0.1	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Debt related amortization expen	0.1	0.1	0.4	0.1	0.7	0.5	(0.5)	1.5	0.9	2.5	0.5				0.5					0.0
Dividend	4.0	(4.0)	0.0	0.0																
Stock comp	0.9	1.6	2.2	1.3	6.1	2.4	1.3	1.0	1.0	5.7	1.3	1.3	1.3	1.3	5.2	1.3	1.3	1.3	1.3	5.2
Deferred rent					0.0					0.0					0.0					0.0
A/R and inventory reserves	0.0	(0.1)	0.1	0.2	0.2	0.1	0.1	(0.1)	0.1	0.2	0.2				0.2					0.0
Deferred income taxes					0.0					0.0					0.0					0.0
Change in fair value of warrant l	(2.1)	(1.2)	(1.0)	3.7	(0.6)	(0.5)	2.4	0.1	(2.7)	(0.6)	(1.1)				(1.1)	0.0	0.0	0.0	0.0	0.0
Writedowns and impairments					0.0			(1.1)		(1.1)	0.0				0.0					0.0
Other gains/losses					0.0	(0.9)	0.9		0.0	(0.0)	0.0				0.0					0.0
Other					0.0					0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable	0.0	0.2	(0.1)	0.3	0.4	(0.3)	0.0	(0.5)	(0.0)	(0.8)	(0.3)	0.4	(0.4)	(0.2)	(0.6)	0.6	(0.3)	(0.5)	(0.3)	(0.6)
Inventory	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.1					0.0					0.0
Prepaid expenses & other curre	(0.0)	(0.0)	(0.1)	(0.3)	(0.5)	(0.3)	(0.1)	0.0	0.2	(0.1)	0.1	(0.2)	(0.3)	(0.2)	(0.5)	0.8	(0.2)	(0.3)	(0.2)	0.1
Income tax					0.0					0.0					0.0					0.0
Other assets	(0.0)	0.0	0.0		0.0		(0.5)		0.3	(0.2)	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.3	0.1	0.3	0.1	0.8	0.4	0.4	2.5	(2.0)	1.2	0.2	1.0	1.6	0.8	3.7	0.0	2.0	3.1	1.7	6.8
Accrued expenses					0.0	(0.4)	0.1	(0.2)	0.7	0.2	(0.5)	1.2	2.1	1.0	3.8	(5.5)	1.0	1.6	0.8	(2.1)
Deferred revenue	(0.0)	(0.1)	(0.0)	(0.0)	(0.2)	0.0	0.2	0.4	(0.6)	0.0					0.0					0.0
Other liabilities	(0.0)	(0.1)	(0.1)	(0.2)	(0.4)	(0.2)	0.2	0.0	(0.6)	(0.6)	0.1	0.0	0.0	0.0	0.1	3.0	0.0	0.0	0.0	3.0
Net cash (used in) provided by	(2.3)	(2.4)	(5.1)	(6.5)	(16.3)	(6.9)	(6.7)	(4.6)	(7.6)	(25.9)	(5.9)	(0.4)	(1.2)	(3.4)	(10.9)	(2.2)	0.9	1.7	(0.2)	0.2
Cash flow from investing activities																				
Purchases of property and equi	(0.1)	(0.2)	(0.0)		(0.3)			(0.0)		(0.0)	0.0	(0.4)	0.0	(0.4)	(0.8)	(0.4)	(0.8)	(0.4)	(0.8)	(2.4)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions			0.2		0.2			(2.3)	0.1	(2.2)	(0.1)				(0.1)					0.0
Other					0.0	0.0	0.0			0.0	(2.3)				(2.3)					0.0
Net cash used in investing activ	(0.1)	(0.2)	0.2	0.0	(0.1)	0.0	0.0	(2.4)	0.1	(2.3)	(2.4)	(0.4)	0.0	(0.4)	(3.2)	(0.4)	(0.8)	(0.4)	(0.8)	(2.4)
Cash flow from financing activities																				
Issuance of debt		1.4	(0.0)		1.4					0.0	5.6	0.0	0.0	0.0	5.6	0.0	0.0	0.0	0.0	0.0
Repayment of debt				(2.0)	(2.0)				(0.0)	(0.0)					0.0					0.0
Issuance of stock	3.4	1.0	12.3		16.8	14.0	0.1	4.7	3.2	22.1	7.5	0.0	0.0	0.0	7.5	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exercises			2.2		2.2	1.5		1.9	0.2	3.6	0.4				0.4					0.0
Other	(0.4)	(0.0)	(0.3)	(0.4)	(1.1)	2.6	0.1	(2.4)	1.4	1.6	(2.5)	11.0			8.5					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
Cash provided by (used in) fina	3.0	2.4	14.2	(2.4)	17.2	18.0	0.2	4.2	4.8	27.2	11.0	11.0	0.0	0.0	22.0	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	0.632	(0.237)	9.344	(8.907)	0.832	11.131	(6.497)	(2.791)	(2.721)	(0.878)	2.781	10.220	(1.187)	(3.782)	8.032	(2.583)	0.118	1.275	(1.014)	(2.204)
Beginning cash and equivalents	0.983	1.615	1.378	10.722	0.983	1.815	12.946	6.449	3.658	1.815	0.937	3.718	13.938	12.751	0.937	8.969	6.386	6.504	7.779	8.969
Ending cash and equivalents	1.615	1.378	10.722	1.815	1.815	12.946	6.449	3.658	0.937	0.937	3.718	13.938	12.751	8.969	8.969	6.386	6.504	7.779	6.765	6.765

Source: Company reports and Ascendant Capital Markets estimates

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Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Rating System

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Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Sell	1	2%	0	0%
Total	42	100%	13	31%

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