REFINITIV

DELTA REPORT

10-Q

OBLG - OBLONG, INC.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	971
CHANGES	174
DELETIONS	270
ADDITIONS	527

Table of Contents

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 June 30, 2024 September 30, 2024.

or

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number: 001-35376
OBLONG, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	77-0312442
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

110 16th Street, Suite 1400-1024, Denver, CO 80202
(Address of Principal Executive Offices, including Zip Code)

(213) 683-8863 ext. 5
(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
Common Stock, par value $0.0001 per share	OBLG	Nasdaq Capital Market

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 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 ☒

The number of shares outstanding of the registrant's common stock as of August 6, 2024 November 5, 2024 was 28,242,418. 1,144,926.

OBLONG, INC.

Index

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q (this "Report") contains statements that are considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and its rules and regulations (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, and its rules and regulations (the "Exchange Act"). These forward-looking statements include, but are not limited to, statements about the plans, objectives, expectations and intentions of Oblong, Inc. ("Oblong" or "we" or "us" or the "Company"). All statements other than statements of current or historical fact contained in this Report, including statements regarding Oblong's future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," and similar expressions, as they relate to Oblong, are intended to identify forward-looking statements. These statements are based on Oblong's current plans, and Oblong's actual future activities and results of operations may be materially different from those set forth in the forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Any or all of the forward-looking statements in this Report may turn out to be inaccurate. Oblong has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and assumptions. There are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including our plans, objectives, expectations and intentions and other factors that are discussed under the section entitled "Part I. Item 1A. Risk Factors" and in our consolidated financial statements and the footnotes thereto for the fiscal year ended December 31, 2023, each included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on March 19, 2024, as well as under "Part II. Item 1A. Risk Factors" in this report. Oblong undertakes no obligation to publicly revise these forward-looking statements to reflect events occurring after the date hereof. All subsequent written and oral forward-looking statements attributable to Oblong or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this Report. Forward-looking statements in this Report include, among other things: opportunities for and benefits of potential strategic alternatives; our expectations and estimates relating to customer attrition, demand for our product offerings, sales cycles, future revenues, expenses, capital expenditures and cash flows; evolution of our customer solutions and our service platforms; our ability to fund operations and continue as a going concern; our liquidity projection; expectations regarding adjustments to our cost of revenue and other operating expenses; our ability to finance investments in product development and sales and marketing; the future exercise of warrants; our ability to raise capital through sales of additional equity or debt securities and/or loans from financial institutions; our beliefs about the ongoing performance and success of our Managed Service business; statements relating to market need and evolution of the industry, our solutions and our service platforms; and the adequacy of our internal controls. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those summarized below:

- *our ability to raise capital in one or more debt and/or equity offerings in order to fund operations or any growth initiatives and our ability to continue as a going concern;*
- *the impact of the issuance of our Series F Preferred Stock in the March 2023 private placements, conversions of our Series F Preferred Stock, exercises of the Series F Preferred Stock warrants and Common Warrants, and sales of the underlying conversion shares.*
- *customer acceptance and demand for our video collaboration services and network applications;*
- *our ability to launch new products and offerings and to sell our solutions;*
- *our ability to compete effectively in the video collaboration services and network services businesses;*
- *the ongoing performance and success of our Managed Services business;*
- *our ability to maintain and protect our proprietary rights;*
- *our ability to withstand industry consolidation;*
- *our ability to adapt to changes in industry structure and market conditions;*
- *actions by our competitors, including price reductions for their competitive services;*
- *the quality and reliability of our products and services;*
- *the prices for our products and services and changes to our pricing model;*
- *the success of our sales and marketing approach and efforts, and our ability to grow revenue;*
- *customer renewal and retention rates;*
- *the continued impact from the aftermath of the coronavirus pandemic on our revenue and results of operations;*
- *risks related to the concentration of our customers and the degree to which our sales, now or in the future, depend on certain large client relationships;*
- *increases in material, labor or other manufacturing-related costs;*
- *changes in our go-to-market cost structure;*
- *inventory management and our reliance on our supply chain;*

- *our ability to attract and retain highly skilled personnel;*
- *our reliance on open-source software and technology;*
- *potential federal and state regulatory actions;*
- *our ability to innovate technologically, and, in particular, our ability to develop next generation Oblong technology;*
- *our ability to satisfy the standards for continued listing of our common stock on the Nasdaq Capital Market;*
- *changes in our capital structure and/or stockholder mix;*
- *the costs, disruption, and diversion of management's attention associated with campaigns commenced by activist investors; and*
- *our management's ability to execute its plans, strategies and objectives for future operations.*

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

OBLONG, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except shares, par value, and stated value)

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	(Unaudited)		(Unaudited)	
ASSETS				
Current assets:				
Cash and cash equivalents	$ 5,858	$ 5,990	$ 5,619	$ 5,990
Accounts receivable, net	31	424	33	424
Inventory, net	88	239	50	239
Prepaid expenses and other current assets	317	243	283	243
Total current assets	6,294	6,896	5,985	6,896
Operating lease - right of use asset, net	—	17	—	17
Other assets	11	12	8	12
Total assets	$ 6,305	$ 6,925	$ 5,993	$ 6,925
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 111	$ 211	$ 93	$ 211
Accrued expenses and other current liabilities	1,059	1,038	1,175	1,038
Current portion of deferred revenue	77	132	52	132
Operating lease liabilities	—	17	—	17
Total current liabilities	1,247	1,398	1,320	1,398
Long-term liabilities:				
Deferred revenue, net of current portion	6	26	2	26
Total liabilities	1,253	1,424	1,322	1,424
Commitments and contingencies (see Note 9)				
Stockholders' equity:				
Preferred stock Series F, convertible; $0.0001 par value; $545,000 stated value; 42,000 shares authorized, 545 and 1,930 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	—	—		

Common stock, $0.0001 par value; 150,000,000 shares authorized; 28,249,971 shares issued and 28,242,418 shares outstanding at June 30, 2024 and 16,692,124 shares issued and 16,684,571 outstanding at December 31, 2023	3	2		
Treasury Stock, 7,553 common shares	(181)	(181)		
Preferred stock Series F, convertible; $0.0001 par value; $560,884 stated value; 42,000 shares authorized, 545 and 1,930 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively			—	—
Common stock, $0.0001 par value; 150,000,000 shares authorized; 1,071,545 shares issued and 1,071,356 shares outstanding at September 30, 2024 and 573,644 shares issued and 573,455 outstanding at December 31, 2023			—	—
Treasury Stock, 189 common shares			(181)	(181)
Additional paid-in capital	235,580	233,911	236,242	233,913
Accumulated deficit	(230,350)	(228,231)	(231,390)	(228,231)
Total stockholders' equity	5,052	5,501	4,671	5,501
Total liabilities and stockholders' equity	$ 6,305	$ 6,925	$ 5,993	$ 6,925

See accompanying notes to condensed consolidated financial statements.

OBLONG, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	$ 611	$ 956	$ 1,237	$ 1,994	$ 578	$ 872	$ 1,815	$ 2,866
Cost of revenue (exclusive of amortization)	491	834	1,120	1,596	499	648	1,619	2,244
Gross profit	120	122	117	398	79	224	196	622
Operating expenses:								
Research and development	65	5	115	11	38	5	153	16
Sales and marketing	57	(58)	111	160	66	81	177	241
General and administrative	1,016	1,577	2,093	2,746	1,047	977	3,140	3,723
Amortization	—	87	—	173	—	86	—	259
Impairment charges	—	2	—	2	—	—	—	2
Casualty gain (insurance proceeds)	—	(400)	—	(400)	—	—	—	(400)
Total operating expenses	1,138	1,213	2,319	2,692	1,151	1,149	3,470	3,841
Operating loss	(1,018)	(1,091)	(2,202)	(2,294)	(1,072)	(925)	(3,274)	(3,219)
Interest income, net	(44)	(42)	(92)	(64)	(32)	(30)	(124)	(94)
Loss before income taxes	(974)	(1,049)	(2,110)	(2,230)	(1,040)	(895)	(3,150)	(3,125)
Income tax expense	9	—	9	38	—	—	9	38
Net loss	(983)	(1,049)	(2,119)	(2,268)	(1,040)	(895)	(3,159)	(3,163)
Preferred stock dividends	20	149	64	149	12	133	76	282
Deemed dividend					8,974	—	8,974	—
Warrant modification	—	—	—	25	—	—	—	25
Induced conversion of warrants	—	751	—	751	—	—	—	751

Net loss attributable to common share holders	$ (1,003)	$ (1,949)	$ (2,183)	$ (3,193)				
Net loss attributable to common stockholders					$ (10,026)	$ (1,028)	$ (12,209)	$ (4,221)
Net loss attributable to common stockholders per share:								
Basic and diluted net loss per share	$ (0.04)	$ (0.78)	$ (0.11)	$ (1.40)	$ (11.25)	$ (4.22)	$ (16.60)	$ (18.34)
Weighted-average number of shares of common stock:								
Basic and diluted	22,882	2,487	20,003	2,277	890,943	243,378	735,286	230,214

See accompanying notes to condensed consolidated financial statements.

OBLONG, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Three and Six Nine Months Ended June 30, 2024 September 30, 2024

(In thousands, except shares of Series F Preferred Stock) data)

(Unaudited)

	Series F Preferred Stock		Common Stock		Treasury Stock				
	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance at December 31, 2023	1,930	$ —	16,692	$ 2	8	$ (181)	$ 233,911	$ (228,231)	$ 5,501
Net loss	—	—	—	—	—	—	—	(1,136)	(1,136)
Stock-based compensation	—	—	—	—	—	—	31	—	31
Series F Preferred Stock conversions	(922)	—	3,602	—	—	—	82	—	82
Series F Preferred Stock dividends	—	—	—	—	—	—	(44)	—	(44)
Balance at March 31, 2024	1,008	—	20,294	2	8	(181)	233,980	(229,367)	4,434
Net loss	—	—	—	—	—	—	—	(983)	(983)
Stock-based compensation	—	—	—	—	—	—	31	—	31
Warrant exercise, net of fees	1,648	—	—	—	—	—	1,478	—	1,478

	Series F Preferred Stock		Common Stock		Treasury Stock				
	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance at December 31, 2023	1,930	$ —	573,644	$ —	189	$ (181)	$ 233,913	$ (228,231)	$ 5,501
Net loss	—	—	—	—	—	—	—	(1,136)	(1,136)
Stock-based compensation	—	—	—	—	—	—	31	—	31
Series F Preferred Stock conversions	(922)	—	90,056	—	—	—	82	—	82
Series F Preferred Stock dividends	—	—	—	—	—	—	(44)	—	(44)
Balance at March 31, 2024	1,008	—	663,700	—	189	(181)	233,982	(229,367)	4,434
Net loss	—	—	—	—	—	—	—	(983)	(983)
Stock-based compensation	—	—	—	—	—	—	31	—	31
Preferred warrant exercise, net of fees	1,648	—	—	—	—	—	1,478	—	1,478

	Series F Preferred Stock Shares	Amount	Common Stock Shares	Amount	Treasury Stock Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total	Series F Preferred Stock Shares	Amount	Common Stock Shares	Amount	Treasury Stock Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Series F Preferred Stock conversions	(2,111)	—	7,956	1	—	—	111	—	112	(2,111)	—	198,912	—	—	—	112	—	112
Series F Preferred Stock dividends	—	—	—	—	—	—	(20)	—	(20)	—	—	—	—	—	—	(20)	—	(20)
Balance at June 30, 2024	545	$ —	28,250	$ 3	8	$ (181)	$ 235,580	$ (230,350)	$ 5,052	545	—	862,612	—	189	(181)	235,583	(230,350)	5,052
Net loss										—	—	—	—	—	—	—	(1,040)	(1,040)
Common warrant exercise, net of fees										—	—	208,933	—	—	—	671	—	671
Series F Preferred Stock dividends										—	—	—	—	—	—	(12)	—	(12)
Balance at September 30, 2024										545	$ —	1,071,545	$ —	189	$ (181)	$ 236,242	$ (231,390)	$ 4,671

See accompanying notes to condensed consolidated financial statements.

OBLONG, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Three and Six Nine Months Ended June 30, 2023 September 30, 2023

(In thousands, except shares of Series F Preferred Stock) data)

(Unaudited)

	Series F Preferred Stock		Common Stock		Treasury Stock					Series F Preferred Stock		Common Stock		Treasury Stock				
	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance at December 31, 2022	—	$ —	2,071	$ —	8	$ (181)	$ 227,645	$ (223,847)	$ 3,617	—	$ —	208,018	$ —	189	$ (181)	$ 227,645	$ (223,847)	$ 3,617
Net loss	—	—	—	—	—	—	—	(1,219)	(1,219)	—	—	—	—	—	—	—	(1,219)	(1,219)
Stock-based compensation	—	—	—	—	—	—	31	—	31	—	—	—	—	—	—	31	—	31
Proceeds from private placement, net of fees and amounts held in escrow	6,550	—	—	—	—	—	1,473	—	1,473	6,550	—	—	—	—	—	1,473	—	1,473

Balance at March 31, 2023	6,550	—	2,071	—	8	(181)	229,149	(225,066)	3,902	6,550	—	208,018	—	189	(181)	229,149	(225,066)	3,902
Net loss	—	—	—	—	—	—	—	(1,049)	(1,049)	—	—	—	—	—	—	—	(1,049)	(1,049)
Stock-based compensation	—	—	180	—	—	—	411	—	411	—	—	4,491	—	—	—	411	—	411
Warrant exercise, net of fees	—	—	339	—	—	—	534	—	534									
Common warrant exercise, net of fees										—	—	8,516	—	—	—	534	—	534
Release of escrow from March 31, 2023 private placement	—	—	—	—	—	—	4,000	—	4,000	—	—	—	—	—	—	4,000	—	4,000
Fees associated with Series F Preferred Stock issuance	—	—	—	—	—	—	(38)	—	(38)	—	—	—	—	—	—	(38)	—	(38)
Series F Preferred Stock conversions	(175)	—	147	—	—	—	4	—	4	(175)	—	3,669	—	—	—	4	—	4
Series F Preferred Stock dividends	—	—	—	—	—	—	(149)	—	(149)	—	—	—	—	—	—	(149)	—	(149)
Balance at June 30, 2023	6,375	$ —	2,737	$ —	8	$ (181)	$ 233,911	$ (226,115)	$ 7,615	6,375	—	224,694	—	189	(181)	233,911	(226,115)	7,615
Net loss										—	—	—	—	—	—	—	(895)	(895)
Stock-based compensation										—	—	—	—	—	—	31	—	31
Foundry exchange										—	—	(10,170)	—	—	—	—	—	—
Series F Preferred Stock conversions										(1,229)	—	49,143	—	—	—	43	—	43
Series F Preferred Stock dividends										—	—	—	—	—	—	(133)	—	(133)
Balance at September 30, 2023										5,146	$ —	263,667	$ —	189	$ (181)	$ 233,852	$ (227,010)	$ 6,661

See accompanying notes to condensed consolidated financial statements.

OBLONG, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash flows from operating activities:				
Net loss	$ (2,119)	$ (2,268)	$ (3,159)	$ (3,163)
Adjustments to reconcile net loss to net cash used in operating activities:				
Amortization	—	173	—	259
Bad debt (recovery) expense	—	(32)	—	(55)
Non-cash lease expense from right-of-use asset	17	77	17	101
Stock-based compensation	62	442	62	473
Casualty gain (insurance proceeds)	—	(400)		
Impairment charges - property and equipment	—	2	—	2
Changes in operating assets and liabilities:				
Accounts receivable	393	203	391	313
Inventory	151	321	189	399
Prepaid expenses and other current assets	(74)	213	(40)	319
Other assets	1	18	4	24
Accounts payable	(100)	(48)	(118)	(78)
Accrued expenses and other current liabilities	151	(456)	254	(335)
Deferred revenue	(75)	(259)	(104)	(354)
Lease liabilities	(17)	(168)	(17)	(193)
Net cash used in operating activities	(1,610)	(2,182)	(2,521)	(2,288)
Cash flows from financing activities:				
Proceeds from private placement, net of issuance costs and amounts in escrow	—	5,435	—	5,435
Net proceeds from exercise of common stock warrants	—	534	671	534
Net proceeds from exercise of preferred stock warrants	1,478	—	1,478	—
Net cash provided by financing activities	1,478	5,969	2,149	5,969
(Decrease) increase in cash	(132)	3,787	(372)	3,681
Cash and cash equivalents at beginning of period	5,990	3,085	5,990	3,085
Cash and cash equivalents at end of period	$ 5,858	$ 6,872	$ 5,618	$ 6,766
Supplemental disclosures of cash flow information:				
Reconciliation of cash and cash equivalents				
Cash	$ 5,358	$ 6,872	$ 5,119	$ 6,266
Current certificates of deposit	$ 500	$ —	$ 500	$ 500
Total cash and cash equivalents	$ 5,858	$ 6,872	$ 5,619	$ 6,766
Cash paid during the period for interest	$ 5	$ 9	$ —	$ 18
Cash paid for income taxes	$ —	$ 31	$ —	$ 31
Non-cash investing and financing activities:				
Preferred stock dividends	$ 64	$ 149	$ 76	$ 282

Common stock issued for conversion of Preferred Stock and accrued dividends	$ 194	$ 4		
Deemed dividend			$ 8,974	$ —
Warrant modification	$ —	$ 25	$ —	$ 25
Common stock issued for conversion of Preferred Stock			$ 194	$ 47
Induced exercise of common stock warrants	$ —	$ 751	$ —	$ 751

See accompanying notes to condensed consolidated financial statements.

OBLONG, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June September 30, 2024

(Unaudited)

Note 1 - Business Description and Significant Accounting Policies

Business Description

Oblong, Inc. (“Oblong” or “we” or “us” or the “Company”) was formed as a Delaware corporation in May 2000 and is a provider of patented multi-stream collaboration technologies and managed services for video collaboration and network applications.

Basis of Presentation

The Company's fiscal year ends on December 31 of each calendar year. The accompanying interim Condensed Consolidated Financial Statements are unaudited and have been prepared on substantially the same basis as our annual Consolidated Financial Statements for the fiscal year ended December 31, 2023. In the opinion of the Company's management, these interim Condensed Consolidated Financial Statements reflect all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement of our financial position, results of operations and cash flows for the periods presented. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates.

The December 31, 2023 Condensed Consolidated Balance Sheet data in this document was derived from audited consolidated financial statements. The Condensed Consolidated Financial Statements and notes included in this quarterly report on Form 10-Q do not include all disclosures required by U.S. generally accepted accounting principles and should be read in conjunction with the Company's audited consolidated financial statements as of and for the year ended December 31, 2023 and notes thereto included in the Company's fiscal 2023 Annual Report on Form 10-K, filed with the Securities and Exchange Commission (“SEC”) on March 19, 2024 (the “2023 Annual Report”).

On August 23, 2024, the Company effected a 1-for-40 reverse stock split (the "Reverse Split") for its Common Stock. All Common Stock share and per share data throughout these Condensed Consolidated Financial Statements have been retroactively adjusted to reflect the Reverse Split.

The results of operations and cash flows for the interim periods included in these Condensed Consolidated Financial Statements are not necessarily indicative of the results to be expected for any future period or the entire fiscal year.

Principles of Consolidation

The Condensed Consolidated Financial Statements include the accounts of Oblong and our 100%-owned subsidiaries (i) GP Communications, LLC (“GP Communications”), whose business function is to provide interstate telecommunications services for regulatory purposes, and (ii) Oblong Industries, Inc. All inter-company balances and transactions have been eliminated in consolidation. The U.S. Dollar is the functional currency for all subsidiaries.

Cash and Cash Equivalents

As of June September 30, 2024, our total cash balance of $5,858,000 $5,619,000 is available. Of this balance $500,000 was held in short-term certificates of deposit with MidFirst Bank. As of December 31, 2023, our total cash balance of $5,990,000 was available with $500,000 held in short-term certificates of deposit with MidFirst Bank. The Company considers highly liquid investments with original maturities of three months or less to be cash equivalents.

Segments

The Company currently operates in two segments: (1) "Collaboration Products" which represents the business surrounding our Mezzanine™ product offerings, and (2) "Managed Services" which represents the business surrounding managed services for video collaboration and network solutions. **See Note 8 - Segment Reporting** for further discussion.

Use of Estimates

Preparation of the Condensed Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from the estimates made. We continually evaluate estimates used in the preparation of our consolidated financial statements for reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. The significant areas of estimation include determining the allowances for inventory obsolescence and estimated credit losses and the inputs used in the fair value of equity-based awards.

Amortization Expense

As of June September 30, 2024 and December 31, 2023, we had no intangible assets. Amortization expense related to intangible assets for the three and six nine months ended June September 30, 2023 was $87,000 $86,000 and $173,000, $259,000, respectively.

Operating Lease Right-of-use-Assets and Liabilities

In February 2024, we exited our warehouse lease in City of Industry, California, and are no longer a party to any long-term operating leases. Right-of-use assets, net totaled $17,000 as of December 31, 2023, consisting of the warehouse lease discussed above. As of June September 30, 2024, the Company had no right-of-use assets remaining. The remaining operating lease liability as of December 31, 2023 was $17,000, consisting of the warehouse lease discussed above. As of June September 30, 2024, the Company had no lease liability remaining. During the six nine months ended June September 30, 2024, we recorded $17,000 in lease expenses. During the three and six nine months ended June September 30, 2023, we recorded $36,000 $70,000 and $82,000 $123,000 in lease expenses, respectively. These The 2023 expenses are net of common charges, and sublease proceeds. There were no sublease proceeds of $11,000 for the three months ended September 30, 2023 and $27,000 respectively. in sublease proceeds for the nine months ended September 30, 2023.

Significant Accounting Policies

The significant accounting policies used in preparation of these Condensed Consolidated Financial Statements are disclosed in our 2023 Annual Report, and there have been no changes to the Company's significant accounting policies during the six nine months ended June September 30, 2024.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic280)*: Improvements to Reportable Segment Disclosures. The new guidance is intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendments are effective retrospectively for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The Company is in the process of evaluating the impact that the adoption of this ASU will have on the financial statements and related disclosures, which is not expected to be material.

In December 2023, the FASB issued ASU No. 2023-09, *Improvements to Tax Disclosures (Topic 740)*, to enhance the transparency and decision usefulness of income tax disclosures through changes to the rate reconciliation and income taxes paid information. This guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact of adopting this new accounting guidance on its Consolidated Financial Statements.

Note 2 - Liquidity

As of June September 30, 2024, we had $5,858,000 $5,619,000 in cash and cash equivalents and working capital of $5,047,000. $4,665,000. For the six nine months ended June September 30, 2024 we incurred a net loss of $2,119,000, $3,159,000, financing activities provided $1,478,000 $2,149,000 in net cash, and we used net cash of $1,610,000 $2,521,000 in operating activities.

In September 2024, in order to reduce operating expenses and preserve capital, the Company reduced its workforce by nine employees. This resulted in severance costs of $106,000 which are recorded in operating expenses for the three and nine months ended September 30, 2024 and is included in accrued compensation as of September 30, 2024. The entirety of the severance costs were paid out in October 2024.

We believe that our existing cash and cash equivalents will be sufficient to fund our operations and meet our working capital requirements through into mid-2025. 2026.

Note 3 - Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Compensation costs	$ 675	$ 448	$ 856	$ 448
Customer deposits	86	118	77	118
Professional fees	93	104	20	104
Taxes and regulatory fees	20	22	25	21
Accrued rent	170	202	170	202
Accrued dividends on Series F Preferred Stock	4	136	16	136
Other accrued expenses and liabilities	11	8	11	9
Accrued expenses and other liabilities	$ 1,059	$ 1,038	$ 1,175	$ 1,038

Note 4 - Capital Stock

Common Stock

The Company's common stock, par value $0.0001 per share (the "Common Stock"), is listed on the Nasdaq Capital Market ("Nasdaq"), under the ticker symbol "OBLG". As of June September 30, 2024, we had 150,000,000 shares of our Common Stock authorized, with 28,250,0001,071,545 and 28,242,0001,071,356 shares issued and outstanding, respectively.

On August 23, 2024, the Company effected the Reverse Stock Split. The Company's shares of Common Stock began trading on a split-adjusted basis at the commencement of trading on August 26, 2024. Upon effectiveness, every 40 shares of Common Stock were converted into 1 share of Common Stock. The number of authorized shares and the par value of each share remained unchanged. No fractional shares were issued as a result of the Reverse Split, and any fractional shares that would have otherwise resulted from the Reverse Split were rounded up to the nearest whole share.

During the nine months ended September 30, 2023, 8,516 shares of the Company's Common Stock were issued related to the exercise of 8,516 warrants granted at various dates between October 2020 and June 2021. During the three months ended June September 30, 2024, 2,111 208,933 shares of the Company's Common Stock were issued related to the exercise of 208,933 Common Warrants. Details related to these exercises are below.

During the three and nine months ended September 30, 2023, 49,143 and 52,812 shares of the Company's Common Stock were issued related to the conversion of 1,229 and 1,404 shares of Series F Preferred Stock, plus $110,000 of accrued dividends, were converted to 7,955,743 respectively. During the nine months ended September 30, 2024, 288,968 shares of the Company's Company's Common Stock. During Stock were issued related to the six months ended June 30, 2024, conversion of 3,033 shares of Series F Preferred Stock, plus $194,000 of accrued dividends, were converted into 11,558,000 shares of the Company's Common Stock. dividends. **See Note 5 - Preferred Stock** for further detail.

During the nine months ended September 30, 2023, 4,491 shares of the Company's Common Stock were issued related to stock compensation. See **Note 6 - Stock Based Compensation**for further detail.

Common Stock activity for the year ended December 31, 2023 and six nine months ended June September 30, 2024 is presented below (in thousands). below.

Issued Shares as of December 31, 2022	2,071 208,018
Issuances from Preferred Stock conversions	14,102 352,624
Issuances related to warrant exercises	746 18,681
Issuances related to stock compensation	180 4,491
Common shares exchanged for prepaid warrants	(407 10,170)
Issued Shares as of December 31, 2023	16,692 573,644
Issuances from Common Warrant Exercises	208,933
Issuances from Preferred Stock conversions	11,558 288,968
Issued Shares as of June 30, 2024 September 30, 2024	28,250 1,071,545
Less Treasury Shares:	(8 189)
Outstanding Shares as of June 30, 2024 September 30, 2024	28,242 1,071,356

Common Stock Warrants

During On March 30,2023, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain accredited investors (the “Investors”), pursuant to which we issued and sold, in a private placement (the “Private Placement”) (i) 6,550 shares of our newly designated Series F Preferred Stock, $0.0001 par value per share (the “Series F Preferred Stock”), (ii) preferred warrants (the “Preferred Warrants”) to acquire 32,750 shares of Series F Preferred Stock, and (iii) common warrants (“Common Warrants” and with the Preferred Warrants the “Investor Warrants”) to acquire up to 95,764 shares of Common Stock. Please refer to **Note three 5 - Preferred Stock** for further discussion on the Series F Preferred Stock and Preferred Warrants.

In connection with the Private Placement, pursuant to an engagement letter dated March 30,2023 (the "Engagement Letter"), between the Company and Dawson James Securities, Inc. (the “Placement Agent”), the Company agreed to (i) pay the Placement Agent a cash fee equal to 8% of the aggregate gross proceeds raised in the Private Placement, and (ii) grant to the Placement Agent warrants (the “Placement Agent Warrants”) to purchase 7,663 shares of Common Stock.

On March 31,2023, the Company issued the Common Warrants and the Placement Agent Warrants to purchase an aggregate of 103,427 shares of the Company’s Common Stock. The Common Warrants and Placement Agent Warrants have a term of 5 years, commencing six months and one day from the date of issuance, and were initially exercisable for $68.40 per share. The exercise price is subject to customary adjustments for stock splits, stock dividends, stock combination, recapitalization, or other similar transactions involving the Common Stock, and subject to price-based adjustment, on a full ratchet basis, in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable exercise price for the Common Warrants (subject to certain exceptions). The Common Warrants and Placement Agent Warrants are exercisable for cash, provided that if there is no effective registration statement available permitting the resale of the common shares, they may be exercised on a cashless basis. Exercise of the Common Warrants and Placement Agent Warrants is subject to certain limitations, including a 4.99% beneficial ownership limitation.

On October 6, 2023, the Company and the Investors holding a majority of the outstanding shares of the Preferred Stock agreed to waive any and all provisions, terms, covenants and obligations in the Certificate of Designations or Common Warrants to the extent such provisions permit the conversion or exercise of the Preferred Stock and the Common Warrants, respectively, to occur at a price below $11.168 (the "Waiver"). Notwithstanding anything to the contrary in the Certificate of Designations, each of the “Alternate Conversion Price” and the “Floor Price” as set forth in the Certificate of Designations shall in no event be less than $11.168 (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations and similar events). On September 13, 2024, the Company and the Investors agreed to delete Section 2 of the Waiver, removing the minimum price restriction on the exercise of Common Warrants.

During the nine months ended June September 30, 2024, 24,104 Common Warrants were issued in accordance with the exercise provisions of the Preferred Warrants. **See Note 5 - Preferred Stock** for additional detail on the exercises of the Preferred Warrants. These Common Warrants are were exercisable on the six-month anniversary of issuance, at an initial exercise price of $1.71,$68.40 and have a term of five years.

Pursuant to Sections 2(a) and 2(c) of the Common Warrants (the "Make Whole Provision"), as a result of the Reverse Split, the exercise price of the Common Warrants and Placement Agent Warrants were adjusted to $3.41438 per share, and the number of Common Warrant shares that may be purchased upon exercise of the Common Warrants and the Placement Agent Warrants were increased proportionately, so that after the exercise price adjustment the aggregate exercise price payable hereunder for the adjusted number of Common Warrant Shares was the same as the aggregate exercise price in effect immediately prior to the exercise price adjustment. These adjustments resulted in an aggregate of 2,401,047 Common Warrants and 153,470 Placement Agent Warrants remaining outstanding following the Reverse Split. The additional warrants created by the Make Whole Provision resulted in an aggregate deemed dividend of $8,974,000 which will reduce the net income available to common shareholders. Details of the Make Whole Provision transactions are presented below:

Warrant Tranche	Original Warrants Issued	Original Exercise Price (1)	Warrants Post Reverse Split (2)	Exercise Price Post Reverse Split (2)	Warrants Post Make Whole Provision (3)	Exercise Price Post Make Whole Provision (4)	Deemed Dividend
Common Warrants issued in 2023	3,830,417	$ 1.71	95,764	$ 68.40	1,918,371	$ 3.41	$ 6,739,000
Common Warrants issued in 2024	963,745	$ 1.71	24,104	$ 68.40	482,676	$ 3.41	$ 1,696,000
Placement Agent Warrants	306,433	$ 1.71	7,663	$ 68.40	153,470	$ 3.41	$ 539,000
Total	5,100,595		127,531		2,554,517		$ 8,974,000
Aggregate Exercise Price	$ 8,722,000		$ 8,722,000		$ 8,722,000		

(1) Original exercise price based on the March 30, 2023 initial exercise price.

(2) Adjusted by the Reverse Split.

(3) Based on the original aggregate exercise price divided by the Make Whole Provision exercise price.

(4) Calculated by dividing (x) the sum of the dollar volume-weighted average price of the Company's Common Stock for each of the five lowest trading days during the sixteen trading days after the Reverse Split by (y) five.

During the three years. months ended September 30, 2024, 208,933 Common Warrants were exercised, at a price of $3.41438 per share, for 208,933 shares of Common Stock. The Company received gross and net proceeds of $713,000 and $671,000, respectively. Subsequent to September 30, 2024, an additional 73,381 Common Warrants were exercised, at a price of $3.41438 per share, for 73,381 shares of Common Stock. The Company received gross and net proceeds of $251,000 and $231,000, respectively.

One of our directors, Jonathan Schechter, is currently a partner at The Special Equities Group ("SEG"), a division of Dawson James Securities, Inc. In March 2023, prior to Mr. Schechter's appointment to our board in May 2023 and pursuant to our Engagement Letter, SEG acted as placement agent in connection with our March 30, 2023 Purchase Agreement. During the three months ended September 30, 2024, pursuant to the terms of the Placement Agent Agreement, we paid SEG a cash fee equal to 8% of the aggregate gross proceeds raised from the exercise of the 208,933 Common Stock Warrants. The fee was $57,000. Mr. Schechter did not receive any of the fee paid.

Common Warrants outstanding as of June September 30, 2024 are as follows:

Issue Date	**Warrants Outstanding**	**Exercise Price**	**Expiration Date**	**Warrants Outstanding**	**Exercise Price**	**Expiration Date**
Q2 2021	750	$ 66.00	Q4 2024	19	$ 2,640.00	Q4 2024
Q1 2023	4,136,850	$ 1.71	Q3 2028	1,872,908	$ 3.41	Q3 2028
Q2 2024	963,745	$ 1.71	Q4 2029	472,676	$ 3.41	Q4 2029
	5,101,345			2,345,603		

Common Warrant activity for the year ended December 31, 2023 and six nine months ended June September 30, 2024 is presented below.

	Outstanding		Outstanding and Exercisable	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding as of December 31, 2022	343,099	$ —		
Warrants outstanding and exercisable, December 31, 2022			8,609	$ 2,653.60
Granted	4,543,626	1.56	113,597	10.17
Exercised	(746,027)	0.78	(18,681)	31.18
Expired	(2,848)	70.25	(72)	2,853.75
Warrants outstanding as of December 31, 2023	4,137,850	1.73		
Warrants outstanding and exercisable, December 31, 2023			103,453	69.03

Granted	963,745		1.71	24,104		68.40
Make Whole Provision				2,426,986		3.41
Exercised				(208,933)		3.41
Expired	(250)		60.00	(7)		2,400.00
Warrants outstanding as of June 30, 2024 (1)	5,101,345	$	1.71			
(1) Of the outstanding shares at June 30, 2024, 4,137,600 were exercisable.						
Warrants outstanding and exercisable, September 30, 2024				2,345,603	$	3.44

Treasury Shares

The Company maintains treasury stock for the Common Stock shares bought back by the Company when withholding shares to cover taxes on transactions related to equity awards. There were no treasury stock transactions during the six nine months ended June September 30, 2024 or the year ended December 31, 2023.

Note 5 - Preferred Stock

Our Certificate of Incorporation authorizes the issuance of up to 5,000,000 shares of preferred stock. As of June September 30, 2024, we had 1,983,250 designated shares of preferred stock and 545 shares of preferred stock issued and outstanding. As of December 31, 2023, we had 1,930 shares of preferred stock issued and outstanding.

Series F Preferred Stock

On March 30,2023, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain accredited investors (the “Investors”), pursuant to which we issued and sold, in a private placement (the “Private Placement”) (i) 6,550 shares of our newly designated Series F Preferred Stock, $0.0001 par value per share (the “Series F Preferred Stock”), (ii) preferred warrants (the “Preferred Warrants”) to acquire 32,750 shares of Series F Preferred Stock, and (iii) common warrants (“Common Warrants” and with the Preferred Warrants the “Investor Warrants”) to acquire up to 3,830,417 shares of Common Stock. **See Note 4 - Capital Stock**for additional detail regarding the Common Warrants. The terms of the Series F Preferred Stock are as set forward forth in the Certificate of Designations of Series F Preferred Stock of Oblong, Inc. (the “Certificate of Designations”), which was filed and became effective with the Secretary of State of the State of Delaware on March 31, 2023. The Private Placement closed on March 31, 2023, in exchange for gross and net proceeds of $6,386,000 and $5,364,000, respectively. The financing fees associated with the Purchase Agreement were $1,022,000.

The Series F Preferred Shares are convertible into fully paid and non-assessable shares of the Company’s Common Stock at the election of the holder at any time at an initial conversion price of $1.71 $68.40 (the “Conversion Price”). The holders of the Series F Preferred Shares may also elect to convert their shares at an alternative conversion price equal to the lower of (i) 80% of the applicable Conversion Price as in effect on the date of the conversion, (ii) 80% of the closing price on the trading day immediately preceding the delivery of the conversion notice, and (iii) the greater of (a) the Floor Price (as defined in the Certificate of Designations) and (b) the quotient of (x) the sum of the five lowest Closing Bid Prices (as defined in the Certificate of Designations) for trading days in the 30 consecutive trading day period ending and including the trading day immediately preceding the delivery of the applicable Conversion Notice, divided by (y) five. The Conversion Price is subject to customary adjustments for stock splits, stock dividends, stock combination recapitalization, or other similar transactions involving the Common Stock, and subject to price-based adjustment, on a full ratchet basis, in the event of any issuances of our common stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable Conversion Price (subject to certain exceptions).

On October 6, 2023, the Company and Investors holding a majority of the outstanding shares of the Preferred Stock agreed to waive any and all provisions, terms, covenants and obligations in the Certificate of Designations or Common Warrants to the extent such provisions permit the conversion or exercise of the Preferred Stock and the Common Warrants, respectively, to occur at a price below $0.2792. $11.168. Notwithstanding anything to the contrary in the Certificate of Designations, each of the “Alternate Conversion Price” and the “Floor Price” as set forth in the Certificate of Designations shall in no event be less than $0.2792 $11.168 (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations and similar events).

Under the Certificate of Designations, the Series F Preferred Shares have an initial stated value of $1,000 per share (the “Stated Value”). The holders of the Series F Preferred Shares are entitled to dividends of 9% per annum, which will be payable in arrears quarterly. Accrued dividends may be paid, at our option, in cash and if not paid, shall increase the stated value of the Series F Preferred Shares. Upon the occurrence and during the continuance of a Triggering Event (as defined in the Certificate of Designations), the Series F Preferred Shares will accrue dividends at the rate of 20% per annum (the “Default Rate”). The Series F Preferred Shares have no voting rights, other than with respect to certain matters affecting the rights of the Series F Preferred Shares. On matters with respect to which the holders of the Series F Preferred Shares have a right to vote, holders of the Preferred Shares will have voting rights on an as-converted basis.

Our ability to settle conversions is subject to certain limitations set forth in the Certificate of Designations. Further, the Certificate of Designations contains a certain beneficial ownership limitation after giving effect to the issuance of shares of common stock issuable upon conversion of the Series F Preferred Shares.

The Certificate of Designations includes certain Triggering Events (as defined in the Certificate of Designations), including, among other things, (i) the failure to file and maintain an effective registration statement covering the sale of the holder's securities registrable pursuant to the Registration Rights Agreement, (ii) the failure to pay any amounts due to the holders of the Series F Preferred Shares when due, and (iii) if Peter Holst ceases to be the chief executive officer of the Company other than because of his death, and a qualified replacement, reasonably acceptable to a majority of the holders of the Series F Preferred Shares, is not appointed within thirty (30) business days. In connection with a Triggering Event, the Default Rate is triggered. We are subject to certain affirmative and negative covenants regarding the incurrence of indebtedness, acquisition transactions, the existence of liens, the repayment of indebtedness, the payment of cash in respect of dividends (other than dividends pursuant to the Certificate of Designations), maintenance of properties and the transfer of assets, among other matters.

During the three and six nine months ended June 30, 2024, 2,111 and 3,033shares of Series F Preferred Stock, plus accrued dividends, were converted to 7,955,743 and 11,558,000 shares of the Company's common stock, respectively. There were 545 shares of Series F Preferred Stock outstanding and accrued dividends of $4,000 as of June 30, 2024.

During the three and six months ended June September 30, 2024, 1,648 Series F Preferred Shares were issued upon exercise of 1,648 Preferred Warrants. The Company received gross and net proceeds of $1,607,000 and $1,478,000, respectively.

One of our directors, Jonathan Schechter, is currently a partner at The Special Equities Group ("SEG"), a division of Dawson James Securities, Inc. In March 2023, prior to Mr. Schechter's appointment to our board in May 2023, SEG acted as placement agent in connection with our March 31, 2023 Purchase Agreement. During the three and six nine months ended June September 30, 2024, 2023pursuant to the terms of our engagement later with Dawson James Securities, Inc., we paid SEG a cash fee equal to 8% 1,229 and 1,404 shares of the aggregate gross proceeds raised from the exercise of the 1,648 Series F Preferred Warrants. This fee was approximately $129,000. Mr. Schechter did not receive any Stock, plus accrued dividends of $43,000 and $47,000, were converted into 49,143 and 52,812 shares of the fees paid. Company's Common Stock, respectively. During the nine months ended September 30, 2024, 3,033 shares of Series F Preferred Stock, plus accrued dividends of $194,000, were converted into 288,968 shares of the Company's Common Stock. There were 545 shares of Series F Preferred Stock outstanding and accrued dividends of $16,000 as of September 30, 2024.

Series F Preferred Stock transactions are summarized in the table below (in thousands except for shares of Series F Preferred Stock: below:

	Series F Preferred Stock Shares	Preferred Stock Dividends	Weighted Average Conversion Price	Common Shares Issued from Conversions	Series F Preferred Stock Shares	Preferred Stock Dividends	Weighted Average Conversion Price	Common Shares Issued from Conversions
March 31, 2023 Issuance	6,550	$ —		—	6,550	$ —		—
2023 Accrued Dividends	—	345,000		—	—	343,000		—
2023 Conversions	(4,620)	(209,000)	$ 0.34	14,102,000	(4,620)	(207,000)	$ 13.60	352,624
December 31, 2023 Balance	1,930	136,000		14,102,000	1,930	136,000		352,624
2024 Issuances	1,648	—		—	1,648	—		—
2024 Accrued Dividends	—	63,000		—	—	76,000		—
2024 Conversions	(3,033)	(195,000)	$ 0.28	11,558,000	(3,033)	(196,000)	$ 11.20	288,968
June 30, 2024 Balance	545	$ 4,000	$ 0.33	25,660,000				
September 30, 2024 Balance					545	$ 16,000	$ 11.17	641,592

Series F Preferred Stock Warrants

The Preferred Warrants are exercisable for Series F Preferred Shares at an exercise price of $975. The exercise price is subject to customary adjustments for stock splits, stock dividends, stock combination recapitalizations or other similar transactions involving the Common Stock. The Preferred Warrants expire three years from the date of issuance and are exercisable for cash. For each Preferred Warrant exercised, the Investors shall receive Common Warrants to purchase a number of shares of Common Stock equal to 100% of the number of shares of Common Stock the Investors would receive if the Series F Preferred Shares issuable upon exercise of such Warrant were converted at the applicable Conversion Price. The fair value of the Preferred Warrants was recorded within additional paid-in capital upon issuance.

During the three and six nine months ended June September 30, 2024, 1,648 Preferred Warrants were exercised for at a price of $975 per share. The Company received gross and net proceeds of $1,607,000 and $1,478,000, respectively. In accordance with the exercise provisions of the Preferred Stock, 963,745 24,104 Common Warrants were issued during the three and six nine months ended June September 30, 2024 2023. **See Note 4 - Capital Stock** for further discussion of the Common Warrants. As of June September 30, 2024, 31,102 Preferred Warrants remained outstanding.

In accordance with the Engagement Letter discussed in **Note - 4. Capital Stock**, during the nine months ended September 30, 2024, we paid SEG a cash fee equal to 8% of the aggregate gross proceeds raised from the exercise of the 1,648 Series F Preferred Warrants. The fee was $129,000. Mr. Schechter did not receive any of the fee paid.

- 10 13-

Note 6 - Stock Based Compensation

2019 Equity Incentive Plan

On December 19, 2019, the Oblong, Inc. 2019 Equity Incentive Plan (the “2019 Plan”) was approved by the Company’s stockholders at the Company’s 2019 Annual Meeting of Stockholders. The 2019 Plan is an omnibus equity incentive plan pursuant to which the Company may grant equity and cash incentive awards to certain key service providers of the Company and its subsidiaries. As of December 31, 2023 and June September 30, 2024, there were no remaining shares in the share pool available for new grants under the 2019 Plan was 3. Plan.

Stock Options

A summary of stock option activity under our plans, and options outstanding as of, and changes made during the six nine months ended June September 30, 2024 and year ended December 31, 2023 is presented below:

	Outstanding		Exercisable		Outstanding		Exercisable	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding and exercisable, December 31, 2022	16,668	$ 143.62	10,000	$ 239.38	417	$ 5,744.82	250	$ 8,274.91
Vested	—	—	3,336	48.75	—	—	83	1,950.00
Expired	(6,668)	285.89	(6,668)	285.89	(167)	11,435.60	(167)	11,435.60
Options outstanding and exercisable, December 31, 2023	10,000	48.75	6,668	48.75	250	1,950.00	166	1,950.00
Vested	—		3,332	48.75	—	—	84	1,950.00
Options outstanding and exercisable, June 30, 2024	10,000	$ 48.75	10,000	$ 48.75				
Options outstanding and exercisable, September 30, 2024					250	$ 1,950.00	250	$ 1,950.00

The intrinsic value of vested and unvested options was not significant for all periods presented. Stock compensation expense related to stock options for the three months ended June September 30, 2024 and 2023 was zero and $31,000, and respectively. Stock compensation expense related to stock compensation options for the six nine months ended June September 30, 2024 and 2023 was $62,000 which and $93,000, respectively. The stock compensation expense was included as a general and administrative expense on our Condensed Consolidated Statements of Operations. As of June September 30, 2024 there is no remaining unamortized stock compensation expense.

Restricted Stock

As of June September 30, 2024 and December 31, 2023, there were no outstanding restricted stock awards ("RSAs") or restricted stock units (“RSUs,” collectively "Restricted Stock"). There was no Restricted Stock activity or expense for the three and six nine months ended June September 30, 2024. During the three and six nine months ended June September 30, 2023, 42 in relation to the departure of certain board members, 2 RSAs became fully vested. The 2 RSAs, along with 49 previously vested and RSUs, were delivered in shares of the Company's common stock. These RSAs were Common Stock in accordance with the terms of the agreements. This Restricted Stock was issued in 2014 and had been fully expensed, so there was no stock compensation expense related to RSAs Restricted Stock for the three and six nine months ended

June September 30, 2023. During the three and six nine months ended June September 30, 2023, 177,564 4,440 RSUs were granted to certain board members. These RSU's vested immediately upon issuance and the stock compensation related to RSUs for the three and six nine months ended June September 30, 2023 was $380,000, which was included in general and administrative expense on our Condensed Consolidated Statements of Operations. The following table shows a summary of Restricted Stock activity for the six months ended June 30, 2024 and the year ended December 31, 2023.

	Restricted Stock Awards		Restricted Stock Units	
	Shares	Weighted Average Grant Price	Shares	Weighted Average Grant Price
Unvested shares, December 31, 2022	42	$ 235.87	—	$ —
Granted	—		177,564	2.14
Vested	(42)	235.87	(177,564)	2.14
Unvested Shares, December 31, 2023	—	—	—	—
Unvested Shares, June 30, 2024	—	$ —	—	$ —

Note 7 - Net Loss Per Share

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. The weighted-average number of shares of common stock outstanding does not include any potentially dilutive securities or unvested Restricted Stock.

Diluted net loss per share is computed by giving effect to all potential shares of common stock, including stock options, preferred stock, warrants, and unvested Restricted Stock, to the extent they are dilutive. For the three and six nine months ended June September 30, 2024 and 2023, all such common stock equivalents have been excluded from diluted net loss per share as the effect to net loss per share would be anti-dilutive (due to the net loss).

The following table sets forth the computation of the Company's basic and diluted net loss per share (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Numerator:								
Net loss	$ (983)	$ (1,049)	$ (2,119)	$ (2,268)	$ (1,040)	$ (895)	$ (3,159)	$ (3,163)
Less: preferred stock dividends	20	149	64	149	12	133	76	282
Less: deemed dividend					8,974	—	8,974	—
Less: inducement of warrant exercise	—	751	—	751	—	—	—	751
Less: warrant modification	—	—	—	25	—	—	—	25
Net loss attributable to common stockholders	$ (1,003)	$ (1,949)	$ (2,183)	$ (3,193)	$ (10,026)	$ (1,028)	$ (12,209)	$ (4,221)
Denominator:								
Weighted-average number of shares of common stock for basic and diluted net loss per share	22,882	2,487	20,003	2,277	890,943	243,378	735,286	230,214
Basic and diluted net loss per share	$ (0.04)	$ (0.78)	$ (0.11)	$ (1.40)	$ (11.25)	$ (4.22)	$ (16.60)	$ (18.34)

The following table represents the potential shares that were excluded from the computation of weighted-average number of shares of common stock in computing the diluted net loss per share for the periods presented because including them would have had an anti-dilutive effect (due to the net loss):

	As of June 30,		As of September 30,	
	2024	2023	2024	2023
Outstanding stock options	10,000	10,000	250	250
Common stock issuable upon conversion of Series F Preferred Stock (1)	1,964,986	3,728,070	164,857	1,507,155

Common stock issuable upon conversion of Series F Preferred Warrants (2)	111,396,848	19,152,047	2,784,921	2,932,486
Common stock issuable upon conversion of Common Stock warrants	5,101,345	4,139,784	2,345,603	113,623

(1) Calculation assumes conversion of the stated value, and accrued dividends, of the Series F Preferred Stock into Common Stock at the Floor Price of $11.168 as of June September 30, 2024, and at the initial conversion price of $1.71 $68.40 as of June September 30, 2023.

(2) Calculation assumes exercise of the Series F Preferred Warrants for cash into Series F Preferred Stock and subsequent conversion of the Series F Preferred Stock into Common Stock at the Floor Price of $11.168 per share as of June September 30, 2024 and at the initial conversion price of $1.71 $68.40 as of June September 30, 2023.

Note 8 - Segment Reporting

The Company currently operates in two segments: (1) “Managed Services” which represents the business surrounding managed services for video collaboration and network applications; and (2) “Collaboration Products” which represents the business surrounding our Mezzanine™ product offerings.

Certain information concerning the Company’s segments for the three and six nine months ended June September 30, 2024 and 2023 is presented in the following tables (in thousands):

	Three Months Ended June 30, 2024				Three Months Ended September 30, 2024			
	Managed Services	Collaboration Products	Corporate	Total	Managed Services	Collaboration Products	Corporate	Total
Revenue	$ 508	$ 103	$ —	$ 611	$ 510	$ 68	$ —	$ 578
Cost of revenues	331	160	—	491	295	204	—	499
Gross profit	$ 177	$ (57)	$ —	$ 120	$ 215	$ (136)	$ —	$ 79
Gross profit %	35 %	(55)%		20 %	42 %	(200)%		14 %
Allocated operating expenses	$ 31	$ 122	$ —	$ 153	$ 60	$ 104	$ —	$ 164
Unallocated operating expenses	—	—	985	985	—	—	987	987
Total operating expenses	$ 31	$ 122	$ 985	$ 1,138	$ 60	$ 104	$ 987	$ 1,151
Operating income (loss)	$ 146	$ (179)	$ (985)	$ (1,018)	$ 155	$ (240)	$ (987)	$ (1,072)
Interest income, net	(35)	(9)	—	(44)	(31)	(1)	—	(32)
Income (loss) before income taxes	181	(170)	(985)	(974)	186	(239)	(987)	(1,040)
Income tax expense	6	3	—	9	—	—	—	—
Net income (loss)	$ 175	$ (173)	$ (985)	$ (983)	$ 186	$ (239)	$ (987)	$ (1,040)

	Three Months Ended June 30, 2023				Three Months Ended September 30, 2023			
	Managed Services	Collaboration Products	Corporate	Total	Managed Services	Collaboration Products	Corporate	Total
Revenue	$ 640	$ 316	$ —	$ 956	$ 603	$ 269	$ —	$ 872
Cost of revenues	430	404	—	834	398	250	—	648
Gross profit	$ 210	$ (88)	$ —	$ 122	$ 205	$ 19	$ —	$ 224
Gross profit %	33 %	(28)%		13 %	34 %	7 %		26 %
Allocated operating expenses	$ 3	$ (376)	$ —	$ (373)	$ —	$ 151	$ —	$ 151
Unallocated operating expenses	—	—	$ 1,586	1,586	—	—	$ 998	998

Total operating expenses	$ 3	$ (376)	$ 1,586	$ 1,213	$ —	$ 151	$ 998	$ 1,149
Operating income (loss)	$ 207	$ 288	$ (1,586)	$ (1,091)	$ 205	$ (132)	$ (998)	$ (925)
Interest income, net	(37)	(5)	—	(42)	(35)	5	—	(30)
Income (loss) before income taxes	244	293	(1,586)	(1,049)	240	(137)	(998)	(895)
Income tax expense	—	—	—	—	—	—	—	—
Net income (loss)	$ 244	$ 293	$ (1,586)	$ (1,049)	$ 240	$ (137)	$ (998)	$ (895)

	Six Months Ended June 30, 2024				Nine Months Ended September 30, 2024			
	Managed Services	Collaboration Products	Corporate	Total	Managed Services	Collaboration Products	Corporate	Total
Revenue	$ 1,030	$ 207	$ —	$ 1,237	$ 1,540	$ 275	$ —	$ 1,815
Cost of revenues	700	420	—	1,120	995	624	—	1,619
Gross profit	$ 330	$ (213)	$ —	$ 117	$ 545	$ (349)	$ —	$ 196
Gross profit %	32 %	(103)%		9 %	35 %	(127)%		11 %
Allocated operating expenses	$ 62	$ 243	$ —	$ 305	$ 122	$ 347	$ —	$ 469
Unallocated operating expenses	—	—	2,014	2,014	—	—	3,001	3,001
Total operating expenses	$ 62	$ 243	$ 2,014	$ 2,319	$ 122	$ 347	$ 3,001	$ 3,470
Operating income (loss)	$ 268	$ (456)	$ (2,014)	$ (2,202)	$ 423	$ (696)	$ (3,001)	$ (3,274)
Interest income, net	(67)	(25)	—	(92)	(98)	(26)	—	(124)
Income (loss) before income taxes	335	(431)	(2,014)	(2,110)	521	(670)	(3,001)	(3,150)
Income tax expense	6	3	—	9	6	3	—	9
Net income (loss)	$ 329	$ (434)	$ (2,014)	$ (2,119)	$ 515	$ (673)	$ (3,001)	$ (3,159)

	Six Months Ended June 30, 2023				Nine Months Ended September 30, 2023			
	Managed Services	Collaboration Products	Corporate	Total	Managed Services	Collaboration Products	Corporate	Total
Revenue	$ 1,330	$ 664	$ —	$ 1,994	$ 1,933	$ 933	$ —	$ 2,866
Cost of revenues	890	706	—	1,596	1,288	956	—	2,244
Gross profit	$ 440	$ (42)	$ —	$ 398	$ 645	$ (23)	$ —	$ 622
Gross profit %	33 %	(6)%		20 %	33 %	(2)%		22 %
Allocated operating expenses	$ 3	$ (90)	$ —	$ (87)	$ 3	$ 61	$ —	$ 64
Unallocated operating expenses	—	—	2,779	2,779	—	—	3,777	3,777
Total operating expenses	$ 3	$ (90)	$ 2,779	$ 2,692	$ 3	$ 61	$ 3,777	$ 3,841
Operating income (loss)	$ 437	$ 48	$ (2,779)	$ (2,294)	$ 642	$ (84)	$ (3,777)	$ (3,219)
Interest income, net	(34)	(30)	—	(64)	(69)	(25)	—	(94)
Income (loss) before income taxes	471	78	(2,779)	(2,230)	711	(59)	(3,777)	(3,125)
Income tax expense	7	31	—	38	7	31	—	38
Net income (loss)	$ 464	$ 47	$ (2,779)	$ (2,268)	$ 704	$ (90)	$ (3,777)	$ (3,163)

Unallocated operating expenses in Corporate include costs for the three and six nine months ended June September 30, 2024 and 2023 that are not specific to a particular segment but are general to the group; included are expenses incurred for administrative and accounting staff, general liability and other insurance, professional fees, and other similar corporate expenses.

For the three and months ended six September 30, 2023, 11% of our revenue was attributable to the United Kingdom. For the three months ended June September 30, 2024, and the nine months ended September 30, 2024 and 2023,, there was no material revenue attributable to any individual foreign country.

Revenue by geographic area is allocated as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Domestic	$ 209	$ 437	$ 470	$ 1,000	$ 227	$ 356	$ 698	$ 1,356
Foreign	$ 402	$ 519	767	994	$ 351	$ 516	1,117	1,510
	$ 611	$ 956	$ 1,237	$ 1,994	$ 578	$ 872	$ 1,815	$ 2,866

Disaggregated information for the Company's revenue has been recognized in the accompanying Condensed Consolidated Statements of Operations and is presented below according to contract type (in thousands):

	Three Months Ended June 30,				Three Months Ended September 30,			
	2024	% of Revenue	2023	% of Revenue	2024	% of Revenue	2023	% of Revenue
Revenue: Managed Services								
Video collaboration services	$ 21	3 %	$ 46	5 %	$ 6	1 %	$ 38	4 %
Network services	484	79 %	583	61 %	502	87 %	557	64 %
Professional and other services	3	0 %	11	1 %	2	— %	8	1 %
Total Managed Services revenue	$ 508	83 %	$ 640	67 %	$ 510	88 %	$ 603	69 %
Revenue: Collaboration Products								
Visual collaboration product offerings	$ 103	17 %	$ 316	33 %	$ 68	12 %	$ 268	31 %
Professional and other services					-	—%	1	—%
Total Collaboration Products revenue					$ 68	12%	$ 269	31%
Total revenue	$ 611	100 %	$ 956	100 %	$ 578	100 %	$ 872	100 %

	Six Months Ended June 30,			
	2024	% of Revenue	2023	% of Revenue
Revenue: Managed Services				
Video collaboration services	$ 35	3 %	$ 110	6
Network services	987	80 %	1,201	60
Professional and other services	8	1 %	19	1
Total Managed Services revenue	$ 1,030	83 %	$ 1,330	67
Revenue: Collaboration Products				
Visual collaboration product offerings	$ 207	17 %	$ 664	33
Total revenue	$ 1,237	100 %	$ 1,994	100

	Nine Months Ended September 30,			
	2024	% of Revenue	2023	% of Revenue

Revenue: Managed Services								
Video collaboration services	$	41		2 %	$	148		5
Network services		1,489		82 %		1,758		61
Professional and other services		10		1 %		27		1
Total Managed Services revenue	$	1,540		85 %	$	1,933		67
Revenue: Collaboration Products								
Visual collaboration product offerings	$	275		15 %	$	932		33
Professional and other services		-		—%		1		—
Total Collaboration Products revenue	$	275		15%	$	933		33
Total revenue	$	1,815		100 %	$	2,866		100

The Company considers a significant customer to be one that comprises more than 10% of the Company's consolidated revenues or accounts receivable. The loss of or a reduction in sales or anticipated sales to our most significant or several of our smaller customers could have a material adverse effect on our business, financial condition, and results of operations.

Concentration of consolidated revenues was as follows:

		Three Months Ended June 30,	
		2024	2023
	Segment	% of Revenue	% of Revenue
Customer A	Managed Services	81 %	56

		Three Months Ended September 30,	
		2024	2023
	Segment	% of Revenue	% of Revenue
Customer A	Managed Services	87 %	60

		Six Months Ended June 30,	
		2024	2023
	Segment	% of Revenue	% of Revenue
Customer A	Managed Services	81 %	54

		Nine Months Ended September 30,	
		2024	2023
	Segment	% of Revenue	% of Revenue
Customer A	Managed Services	83 %	56

Concentration of accounts receivable was as follows:

	As of June 30, 2024	
	2024	2023
	% of Accounts	% of Acco

	Segment	Receivable	Receival
Customer A	Managed Services	— %	
Customer B	Collaboration Products	40 %	
Customer C	Collaboration Products	— %	
Customer D	Managed Services	12 %	
Customer E	Collaboration Products	12 %	
Customer F	Managed Services	— %	

		As of September 30,	
		2024	2023
	Segment	% of Accounts Receivable	% of Accounts Receivable
Customer A	Managed Services	15 %	— %
Customer B	Collaboration Products	55 %	— %
Customer C	Collaboration Products	— %	38 %
Customer D	Collaboration Products	— %	12 %
Customer E	Managed Services	11 %	— %
Customer F	Collaboration Products	11 %	— %

Note 9 - Commitments and Contingencies

From time to time, we are subject to various legal proceedings arising in the ordinary course of business, including proceedings for which we have insurance coverage. As of the date hereof, we are not party to any legal proceedings that we currently believe will have a material adverse effect on our business, financial position, results of operations or liquidity.

COVID-19

On March 11, 2020, the World Health Organization (“WHO”) announced that infections of the novel Coronavirus (COVID-19) had become pandemic, and on March 13, 2020, the U.S. President announced a National Emergency relating to the disease. In May 2023, the WHO declared COVID-19 over as a global health emergency. Customers generally use our Mezzanine™ products in traditional office and operating center environments such as conference rooms or other presentation spaces. Revenue declines for our Collaboration Products business are primarily due to lower demand, largely a consequence of the commercial reactions to the COVID-19 pandemic and its prolonged effects. We believe the COVID-19 pandemic fundamentally altered the way businesses consider the use of physical office spaces and, consequently, the demand for technologies that enable in-person collaboration within these spaces. Our analysis indicates that the reduced demand for our Mezzanine™ products, particularly in the aftermath of COVID-19, reflects a broader reassessment among our customers regarding the necessity and investment in collaboration solutions tailored for traditional office environments. Continuation of this trend could cause further declines in our revenue for this business. Although the Company cannot presently quantify the future financial impacts of this trend, such impacts will likely continue to have a material adverse impact on the Company’s consolidated financial condition, results of operations, and cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a provider of patented multi-stream collaboration products and managed services for video collaboration and network solutions. The Company currently operates in two segments: (1) “Collaboration Products,” which represents the business surrounding our Mezzanine™ product offerings, and (2) “Managed Services,” which represents the business surrounding managed services for video collaboration and network solutions.

Mezzanine™ Product Offerings

Our flagship product is called Mezzanine™, a family of turn-key products that enable dynamic and immersive visual collaboration across multi-users, multi-screens, multi-devices, and multi-locations (see further description of Mezzanine™ in Part I, Item 1). Mezzanine™ allows multiple people to share, control and arrange content simultaneously, from any location, enabling all participants to see the same content in its entirety at the same time in identical formats, resulting in dramatic enhancements to both in-room and virtual videoconference presentations. Applications include video telepresence, laptop and application sharing, whiteboard sharing and slides. Spatial input allows content to be spread across screens, spanning different walls, scalable to an arbitrary number of displays and interaction with our proprietary wand device. Mezzanine™ substantially enhances day-to-day virtual meetings with technology that accelerates decision making, improves communication, and increases productivity. Mezzanine™ scales up to support the most immersive and commanding innovation centers; across to link labs, conference spaces, and situation rooms; and down for the smallest work groups. Mezzanine's digital collaboration platform can be sold as delivered systems in various configurations for small teams to total immersion experiences. The family includes the 200 Series (two display screen), 300 Series (three screen), and 600 Series (six screen). We also sell maintenance and support contracts related to Mezzanine™.

Historically, customers have used Mezzanine™ products in traditional office and operating center environments such as conference rooms or other presentation spaces. As discussed below, sales of our Mezzanine product have been adversely affected by the commercial response to the COVID-19 pandemic and its aftermath. Like many technology companies in recent months, we will continue to monitor and manage our costs relative to demand with the goal of growing the Company's revenue in the future. To the extent we believe new investments in product development, marketing, or sales are warranted as a result of changes in market demand, we believe additional capital will be required to fund those efforts and our ongoing operations.

Managed Services for Video Collaboration

We provide a range of managed services for video collaboration, from automated to orchestrated, to simplify the user experience in an effort to drive adoption of video collaboration throughout our customers' enterprise. We deliver our services through a hybrid service platform or as a service layer on top of our customers' video infrastructure. We provide our customers with i) managed videoconferencing, where we set up and manage customer videoconferences and ii) remote service management, where we provide 24/7 support and management of customer video environments.

Managed Services for Network

We provide our customers with network solutions that ensure reliable, high-quality and secure traffic of video, data and internet. Network services are offered to our customers on a subscription basis. Our network services business carries variable costs associated with the purchasing and reselling of this connectivity.

Letter of Intent

On June 4, 2024, we announced a non-binding letter of intent to acquire 100% of the outstanding equity interests of Dwellwell Analytics ("Dwellwell"). The proposed transaction was subject to conditions, including due diligence, negotiation of definitive documentation and board and shareholder approval. The exclusivity period under the letter of intent has expired. While the parties remain in communication, it appears unlikely that the transaction with Dwellwell will be pursued.

Strategy

In recent years, our Company has faced significant challenges, leading to declining revenues for both our Mezzanine™ product offerings and our Managed Services. These setbacks have prompted us to undertake a comprehensive review of our strategic direction with the aim of enhancing shareholder value through various means.

Our exploration of strategic alternatives is diverse, encompassing the consideration of a range of transformative actions. These include the possibility of a business combination, where we might merge with or be acquired by another company; a reverse merger, where a private company merges with us to become public without going through the traditional initial public offering process; or outright sale of the company. Each option is being carefully evaluated to ensure it aligns with our overarching goal of sustainable growth and value creation.

Our strategy for growth is twofold: (i) we aim to grow organically by expanding our market presence and increasing adoption of our products and services, and (ii) we are actively seeking inorganic growth opportunities through strategic partnerships or acquisitions. Specifically, we are interested in early-stage technology companies that are not just innovating but have also developed minimum viable products (MVPs) that have gained some measure of market acceptance. These companies may complement our existing offerings but, could also open new avenues for expansion by tapping into significant market opportunities.

In our quest to find the right partners or acquisition targets, we are particularly focused on ventures that have demonstrated their ability to innovate and capture early-stage interest of their target markets, indicating a clear path to scalability and a substantial market presence.

However, it's important to note that while we are committed to this strategic review process, there is no guaranteed outcome. The process of identifying and executing on the right strategic alternative, whether it be a merger, sale, or business combination, is complex and uncertain. We want our shareholders to understand that, despite our best efforts, there is no assurance that this strategic review will culminate in a definitive transaction involving the Company. Our priority remains clear: to explore every avenue that could potentially enhance the value we deliver to our shareholders and ensure the long-term success of our Company.

Oblong's Results of Operations

Three Months Ended June 30, 2024 September 30, 2024 (the "2024 Second Third Quarter") compared to the Three Months Ended June 30, 2023 September 30, 2023 (the "2023 Second Third Quarter")

Certain information concerning the Company's segments for the three months ended June 30, 2024 September 30, 2024 and 2023 is presented below (in thousands):

	Three Months Ended June 30, 2024				Three Months Ended September 30, 2024			
	Managed Services	Collaboration Products	Corporate	Total	Managed Services	Collaboration Products	Corporate	Total
Revenue	$ 508	$ 103	$ —	$ 611	$ 510	$ 68	$ —	$ 578
Cost of revenues	331	160	—	491	295	204	—	499
Gross profit	$ 177	$ (57)	$ —	$ 120	$ 215	$ (136)	$ —	$ 79
Gross profit %	35 %	(55)%		20 %	42 %	(200)%		14 %
Allocated operating expenses	$ 31	$ 122	$ —	$ 153	$ 60	$ 104	$ —	$ 164
Unallocated operating expenses	—	—	985	985	—	—	987	987
Total operating expenses	$ 31	$ 122	$ 985	$ 1,138	$ 60	$ 104	$ 987	$ 1,151
Operating income (loss)	$ 146	$ (179)	$ (985)	$ (1,018)	$ 155	$ (240)	$ (987)	$ (1,072)
Interest income, net	(35)	(9)	—	(44)	(31)	(1)	—	(32)
Income (loss) before income taxes	181	(170)	(985)	(974)	186	(239)	(987)	(1,040)
Income tax expense	6	3	—	9	—	—	—	—
Net income (loss)	$ 175	$ (173)	$ (985)	$ (983)	$ 186	$ (239)	$ (987)	$ (1,040)

	Three Months Ended June 30, 2023				Three Months Ended September 30, 2023			
	Managed Services	Collaboration Products	Corporate	Total	Managed Services	Collaboration Products	Corporate	Total
Revenue	$ 640	$ 316	$ —	$ 956	$ 603	$ 269	$ —	$ 872
Cost of revenues	430	404	—	834	398	250	—	648
Gross profit	$ 210	$ (88)	$ —	$ 122	$ 205	$ 19	$ —	$ 224
Gross profit %	33 %	(28)%		13 %	34 %	7 %		26 %
Allocated operating expenses	$ 3	$ (376)	$ —	$ (373)	$ —	$ 151	$ —	$ 151
Unallocated operating expenses	—	—	$ 1,586	1,586	—	—	$ 998	998
Total operating expenses	$ 3	$ (376)	$ 1,586	$ 1,213	$ —	$ 151	$ 998	$ 1,149
Operating income (loss)	$ 207	$ 288	$ (1,586)	$ (1,091)	$ 205	$ (132)	$ (998)	$ (925)
Interest income, net	(37)	(5)	—	(42)	(35)	5	—	(30)
Income (loss) before income taxes	244	293	(1,586)	(1,049)	240	(137)	(998)	(895)
Income tax expense	—	—	—	—	—	—	—	—
Net income (loss)	$ 244	$ 293	$ (1,586)	$ (1,049)	$ 240	$ (137)	$ (998)	$ (895)

Unallocated operating expenses in Corporate include costs during the 2024 and 2023 Second Third Quarters that are not specific to a particular segment but are general to the group; included are expenses incurred for administrative and accounting staff, general liability and other insurance, professional fees, and other similar corporate expenses.

Revenue. Total revenue decreased 36.1% 33.7% in the 2024 Second Third Quarter compared to the 2023 Second Third Quarter. The following table summarizes the changes in components of our revenue (in thousands), and the significant changes in revenue are discussed in more detail below.

	Three Months Ended June 30,				Three Months Ended September 30,			
	2024	% of Revenue	2023	% of Revenue	2024	% of Revenue	2023	% of Revenue
Revenue: Managed Services								
Video collaboration services	$ 21	3 %	$ 46	5 %	$ 6	1 %	$ 38	4 %
Network services	484	79 %	583	61 %	502	87 %	557	64 %
Professional and other services	3	0 %	11	1 %	2	— %	8	1 %
Total Managed Services revenue	$ 508	83 %	$ 640	67 %	$ 510	88 %	$ 603	69 %
Revenue: Collaboration Products								
Visual collaboration product offerings	$ 103	17 %	$ 316	33 %	$ 68	12 %	$ 268	31 %
Professional and other services					-	—%	1	—%
Total Collaboration Products revenue					$ 68	12%	$ 269	31%
Total revenue	$ 611	100 %	$ 956	100 %	$ 578	100 %	$ 872	100 %

Managed Services

- The decrease in revenue for video collaboration services is mainly attributable to lower revenue from existing customers (either from reductions in price or level of services) and loss of customers to competition.

- The decrease in revenue for network services is mainly attributable to net attrition of customers and lower demand for our services given the competitive environment and pressure on pricing that exists in the network services business.

- For the three months ended June 30, 2024 September 30, 2024, one customer made up 97% of Managed Services revenue. For the three months ended June 30, 2023 September 30, 2023, this same customer made up 84% 88% of Managed Services revenue.
- We expect revenue declines in our Managed Services segment will continue in the future.

Collaboration Products

- Customers generally use our Mezzanine™ products in traditional office and operating center environments such as conference rooms or other presentation spaces. The year-over-year decrease in revenue for our Collaboration Products business is due to lower demand, largely a consequence of the workplace reactions to the COVID-19 pandemic and its prolonged effects. We believe the COVID-19 pandemic fundamentally altered the way businesses consider the use of physical office spaces and, consequently, the demand for technologies that enable in-person collaboration within these spaces. Our analysis indicates that the reduced demand for our Mezzanine™ products, particularly in the aftermath of COVID-19, reflects a broader reassessment among our customers regarding the necessity and investment in collaboration solutions tailored for traditional office environments.

Cost of Revenue (exclusive of amortization). Cost of revenue, exclusive of amortization and casualty loss, includes all internal and external costs related to the delivery of revenue. Cost of revenue also includes taxes which have been billed to customers. Cost of revenue by segment is presented in the following table (in thousands):

	Three Months Ended June 30,		Three Months Ended September 30,	
	2024	2023	2024	2023
Cost of Revenue				
Managed Services	$ 331	$ 430	$ 295	$ 398
Collaboration Products	160	404	204	250

Total cost of revenue	$ 491	$ 834	$ 499	$ 648

The decrease in our consolidated cost of revenue is mainly attributable to lower costs associated with the decrease in revenue during the same period, and by a decrease in the expense related to our reserve for obsolescence on our inventory asset for our Collaboration Products segment. segment, partially offset by severance costs incurred during the 2024 Third Quarter related to certain headcount reductions in September 2024. Our consolidated gross profit as a percentage of revenue was 20% 14% in the 2024 Second Third Quarter compared to a consolidated gross profit as a percentage of revenue of 13% 26% in the 2023 Second Third Quarter.

Our Managed Services segment recorded a 35% 42% gross profit as a percentage of sales for the 2024 Second Third Quarter compared to 33% 34% in the 2023 Second Third Quarter.

Our Collaboration Products segment recorded a negative gross profit as a percentage of sales of 55% 200% for the 2024 Second Third Quarter compared to a negative gross profit as a percentage of sales of 28% 7% in the 2023 Second Third Quarter. This decrease was mainly attributable to an increase in personnel costs as a percentage of revenue, severance costs of $30,000 incurred in the 2024 Third Quarter related to headcount reductions in September 2024, partially offset by a reduction in the expense related to our inventory obsolescence reserve of $164,000 $24,000 in the 2024 Second Third Quarter compared to the 2023 Second Third Quarter.

Operating expenses are presented in the following table (in thousands):

	Three Months Ended June 30,				Three Months Ended September 30,			
	2024	2023	$ Change	% Change	2024	2023	$ Change	% Change
Operating expenses:								
Research and development	$ 65	$ 5	$ 60	1200 %	$ 38	$ 5	$ 33	660 %
Sales and marketing	57	(58)	115	(198)%	66	81	(15)	(19)%
General and administrative	1,016	1,577	(561)	(36)%	1,047	977	70	7 %
Amortization	—	87	(87)	(100)%	—	86	(86)	(100)%
Impairment charges	—	2	(2)	(100)%				
Casualty gain (insurance proceeds)	—	(400)	400	(100)%				
Total operating expenses	$ 1,138	$ 1,213	$ (75)	(6)%	$ 1,151	$ 1,149	$ 2	0 %

Research and Development. Research and development expenses include internal and external costs related to developing features and enhancements to our existing product offerings. The increase in research and development expenses for the 2024 Second Third Quarter compared to the 2023 Second Third Quarter is primarily attributable to an increase in consulting, and outsourced labor costs between these periods.

Sales and Marketing Expenses. The increase decrease in sales and marketing expenses for the 2024 Second Third Quarter compared to the 2023 Second Third Quarter is primarily attributable to a reversal of approximately $294,000 in accrued compensation reduced personnel expenses during the 2023 Second Quarter. 2024 Third Quarter, partially offset by severance costs of $16,000 related to headcount reductions in September 2024.

General and Administrative Expenses. General and administrative expenses include direct corporate expenses and costs of personnel in the various corporate support categories, including executive, finance and accounting, legal, human resources and information technology. The decrease increase in general and administrative expenses for the 2024 Second Third Quarter compared to the 2023 Second Third Quarter is primarily attributable to reduced stock compensation expense and increased professional service expenses as a result of cost-cutting measures.

Casualty Gain/Loss. In June 2022, the Company discovered that $533,000 severance costs of inventory was stolen from the Company's warehouse $60,000 related to headcount reductions in City September 2024, partially offset by reduced stock compensation expense as a result of Industry, California, and we recorded a casualty loss in operating expenses. During the 2023 Second Quarter, we recorded a recovery payment from one of our insurance policies of $400,000 as an offset to this casualty loss. stock options being fully expensed.

Amortization. The decrease in amortization expense for the 2024 Second Third Quarter compared to the 2023 Second Third Quarter is attributable to the impairment of certain assets during the year ended 2023.

Interest Income, Net. Interest income, net for the 2024 Second Third Quarter and the 2023 Second Third Quarter is primarily comprised of interest income related to our cash accounts.

Loss from Operations. The decrease increase in the Company's loss from operations for the 2024 Second Third Quarter compared to the 2023 Second Third Quarter is mainly attributable to lower operating expenses during the 2024 Second Quarter, partially offset by the casualty loss recovery severance costs we recorded in the 2023 Second 2024 Third Quarter, as addressed above.

Oblong's Results of Operations

Six Nine Months Ended June 30, 2024 September 30, 2024 (the "2024 Second Third Quarter") compared to the Six Nine Months Ended June 30, 2023 September 30, 2023 (the "2023 Second Third Quarter")

Certain information concerning the Company's segments for the six nine months ended June 30, 2024 September 30, 2024 and 2023 is presented below (in thousands):

	Six Months Ended June 30, 2024				Nine Months Ended September 30, 2024			
	Managed Services	Collaboration Products	Corporate	Total	Managed Services	Collaboration Products	Corporate	Total
Revenue	$ 1,030	$ 207	$ —	$ 1,237	$ 1,540	$ 275	$ —	$ 1,815
Cost of revenues	700	420	—	1,120	995	624	—	1,619
Gross profit	$ 330	$ (213)	$ —	$ 117	$ 545	$ (349)	$ —	$ 196
Gross profit %	32%	(103)%		9%	35%	(127)%		11%
Allocated operating expenses	$ 62	$ 243	$ —	$ 305	$ 122	$ 347	$ —	$ 469
Unallocated operating expenses	—	—	2,014	2,014	—	—	3,001	3,001
Total operating expenses	$ 62	$ 243	$ 2,014	$ 2,319	$ 122	$ 347	$ 3,001	$ 3,470
Operating income (loss)	$ 268	$ (456)	$ (2,014)	$ (2,202)	$ 423	$ (696)	$ (3,001)	$ (3,274)
Interest income, net	(67)	(25)	—	(92)	(98)	(26)	—	(124)
Income (loss) before income taxes	335	(431)	(2,014)	(2,110)	521	(670)	(3,001)	(3,150)
Income tax expense	6	3	—	9	6	3	—	9
Net income (loss)	$ 329	$ (434)	$ (2,014)	$ (2,119)	$ 515	$ (673)	$ (3,001)	$ (3,159)

	Six Months Ended June 30, 2023				Nine Months Ended September 30, 2023			
	Managed Services	Collaboration Products	Corporate	Total	Managed Services	Collaboration Products	Corporate	Total
Revenue	$ 1,330	$ 664	$ —	$ 1,994	$ 1,933	$ 933	$ —	$ 2,866
Cost of revenues	890	706	—	1,596	1,288	956	—	2,244
Gross profit	$ 440	$ (42)	$ —	$ 398	$ 645	$ (23)	$ —	$ 622
Gross profit %	33%	(6)%		20%	33%	(2)%		22%
Allocated operating expenses	$ 3	$ (90)	$ —	$ (87)	$ 3	$ 61	$ —	$ 64
Unallocated operating expenses	—	—	2,779	2,779	—	—	3,777	3,777
Total operating expenses	$ 3	$ (90)	$ 2,779	$ 2,692	$ 3	$ 61	$ 3,777	$ 3,841
Operating income (loss)	$ 437	$ 48	$ (2,779)	$ (2,294)	$ 642	$ (84)	$ (3,777)	$ (3,219)
Interest income, net	(34)	(30)	—	(64)	(69)	(25)	—	(94)
Income (loss) before income taxes	471	78	(2,779)	(2,230)	711	(59)	(3,777)	(3,125)
Income tax expense	7	31	—	38	7	31	—	38
Net income (loss)	$ 464	$ 47	$ (2,779)	$ (2,268)	$ 704	$ (90)	$ (3,777)	$ (3,163)

Unallocated operating expenses in Corporate include costs during the six nine months ended June 30, 2024 September 30, 2024 and 2023 that are not specific to a particular segment but are general to the group; included are expenses incurred for administrative and accounting staff, general liability and other insurance, professional fees, and other similar corporate expenses.

Revenue. Total revenue decreased 38.0% 36.7% in the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023. The following table summarizes the changes in components of our revenue (in thousands), and the significant changes in revenue are discussed in more detail below.

	Six Months Ended June 30,				Nine Months Ended September 30,			
	2024	% of Revenue	2023	% of Revenue	2024	% of Revenue	2023	% of Revenue
Revenue: Managed Services								
Video collaboration services	$ 35	3 %	$ 110	6 %	$ 41	2 %	$ 148	5 %
Network services	987	80 %	1,201	60 %	1,489	82 %	1,758	61 %
Professional and other services	8	1 %	19	1 %	10	1 %	27	1 %
Total Managed Services revenue	$ 1,030	83 %	$ 1,330	67 %	$ 1,540	85 %	$ 1,933	67 %
Revenue: Collaboration Products								
Visual collaboration product offerings	$ 207	17 %	$ 664	33 %	$ 275	15 %	$ 932	33 %
Professional and other services					-	—%	1	—%
Total Collaboration Products revenue					$ 275	15%	$ 933	33%
Total revenue	$ 1,237	100 %	$ 1,994	100 %	$ 1,815	100 %	$ 2,866	100 %

Managed Services

- The decrease in revenue for video collaboration services is mainly attributable to lower revenue from existing customers (either from reductions in price or level of services) and loss of customers to competition.
- The decrease in revenue for network services is mainly attributable to net attrition of customers and lower demand for our services given the competitive environment and pressure on pricing that exists in the network services business.
- For the six nine months ended June 30, 2024 September 30, 2024, one customer made up 98% of Managed Services revenue. For the six nine months ended June 30, 2023 September 30, 2023, this same customer made up 90% 87% of Managed Services revenue.
- We expect revenue declines in our Managed Services segment will continue in the future.

Collaboration Products

- Customers generally use our Mezzanine™ products in traditional office and operating center environments such as conference rooms or other presentation spaces. The year-over-year decrease in revenue for our Collaboration Products business is due to lower demand, largely a consequence of the workplace reactions to the COVID-19 pandemic and its prolonged effects. We believe the COVID-19 pandemic fundamentally altered the way businesses consider the use of physical office spaces and, consequently, the demand for technologies that enable in-person collaboration within these spaces. Our analysis indicates that the reduced demand for our Mezzanine™ products, particularly in the aftermath of COVID-19, reflects a broader reassessment among our customers regarding the necessity and investment in collaboration solutions tailored for traditional office environments.

Cost of Revenue (exclusive of amortization). Cost of revenue, exclusive of amortization and casualty loss, includes all internal and external costs related to the delivery of revenue. Cost of revenue also includes taxes which have been billed to customers. Cost of revenue by segment is presented in the following table (in thousands):

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of Revenue				
Managed Services	$ 700	$ 890	$ 995	$ 1,288
Collaboration Products	420	706	624	956
Total cost of revenue	$ 1,120	$ 1,596	$ 1,619	$ 2,244

The decrease in our consolidated cost of revenue is mainly attributable to lower costs associated with the decrease in revenue during the same period and by a decrease in the expense related to our reserve for obsolescence on our inventory asset for our Collaboration Products segment. segment, partially offset by severance costs during the nine months ended September 30, 2024 related to certain headcount reductions in September 2024. Our consolidated gross profit as a percentage of revenue was 9% 11% in the six nine months ended June 30, 2024 September 30, 2024 compared to a consolidated gross profit as a percentage of revenue of 20% 22% in the six nine months ended June 30, 2023 September 30, 2023.

Our Managed Services segment recorded a 32% 35% gross profit as a percentage of sales for the six nine months ended June 30, 2024 September 30, 2024 compared to a gross profit as a percentage of revenue of 33% in the six nine months ended June 30, 2023 September 30, 2023.

Our Collaboration Products segment recorded a negative gross profit as a percentage of sales of 103% 127% for the six nine months ended June 30, 2024 September 30, 2024 compared to a negative gross profit as a percentage of sales of 6% 2% in the six nine months ended June 30, 2023 September 30, 2023. This decrease was mainly attributable to an increase in personnel costs as a percentage of revenue and severance costs of $30,000 during the nine months ended September 30, 2024, partially offset by a reduction in the expense related to our inventory obsolescence reserve of $130,000 $92,000 in the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023.

Operating expenses are presented in the following table (in thousands):

	Six Months Ended June 30,				Nine Months Ended September 30,			
	2024	2023	$ Change	% Change	2024	2023	$ Change	% Change
Operating expenses:								
Research and development	$ 115	$ 11	$ 104	945 %	$ 153	$ 16	$ 137	856 %
Sales and marketing	111	160	(49)	(31)%	177	241	(64)	(27)%
General and administrative	2,093	2,746	(653)	(24)%	3,140	3,723	(583)	(16)%
Amortization	—	173	(173)	(100)%	—	259	(259)	(100)%
Casualty gain (insurance proceeds)	—	(400)	400	(100)%	—	(400)	400	(100)%
Impairment charges	—	2	(2)	(100)%	—	2	(2)	(100)%
Total operating expenses	$ 2,319	$ 2,692	$ (373)	(14)%	$ 3,470	$ 3,841	$ (371)	(10)%

Research and Development. Research and development expenses include internal and external costs related to developing features and enhancements to our existing product offerings. The increase in research and development expenses for the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023 is primarily attributable to an increase in consulting, and outsourced labor costs between these periods.

Sales and Marketing Expenses. The decrease in sales and marketing expenses for the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023 is primarily attributable to lower personnel costs due to reduced marketing costs between these periods. periods, partially offset by severance costs of $16,000 during the nine months ended September 30, 2024 related to headcount reductions in September 2024.

General and Administrative Expenses. General and administrative expenses include direct corporate expenses and costs of personnel in the various corporate support categories, including executive, finance and accounting, legal, human resources and information technology. The decrease in general and administrative expenses for the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023 is primarily attributable to reduced stock compensation expense and overhead and professional service expenses as a result of cost-cutting measures. stock options being fully expensed, partially offset by severance costs of $60,000 during the nine months ended September 30, 2024 due to headcount reductions in September 2024.

Casualty Gain/Loss. In June 2022, the Company discovered that $533,000 of inventory was stolen from the Company's warehouse in City of Industry, California, and we recorded a casualty loss in operating expenses. During the six nine months ended June 30, 2023 September 30, 2023, we recorded a recovery payment from one of our insurance policies of $400,000 as an offset to this casualty loss.

Amortization. The decrease in amortization expense for the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023 is attributable to the impairment of certain assets during the year ended 2023.

Interest Income, Net. Interest income, net for the six nine months ended June 30, 2024 September 30, 2024 and 2023 is primarily comprised of interest income related to our cash accounts.

Loss from Operations. The decrease increase in the Company's loss from operations for the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023 is mainly attributable to lower operating expenses during the six months ended June 30, 2024, partially offset by the casualty loss recovery we recorded during the six nine months ended June 30, 2023 September 30, 2023, the severance costs recorded during the nine months ended September 30, 2024, and by lower gross profit, as addressed above.

Off-Balance Sheet Arrangements

As of June 30, 2024 September 30, 2024, we had no off-balance sheet arrangements.

Inflation

Management does not believe inflation had a significant effect on the Condensed Consolidated Financial Statements for the periods presented.

Critical Accounting Policies

There have been no changes to our critical accounting policies during the six nine months ended June 30, 2024 September 30, 2024. Critical accounting policies and the significant estimates made in accordance with such policies are regularly discussed with our Audit Committee. Those policies are discussed under "*Critical Accounting Policies*" in "*Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*" as well as in our Condensed Consolidated Financial Statements and the footnotes thereto, each included in our 2023 Annual Report.

Liquidity and Capital Resources

As of June 30, 2024 September 30, 2024, we had $5,858,000 $5,619,000 in cash and cash equivalents and working capital of $5,047,000. $4,665,000. For the six nine months ended June 30, 2024 September 30, 2024 we incurred a net loss of $2,119,000, financing activities provided $1,478,000 of net cash, $3,159,000 and we used $1,610,000 $2,521,000 of net cash in operating activities.

Financing activities provided $2,149,000 of net cash for the nine months ended September 30, 2024, consisting of net proceeds from warrant exercises.

In September 2024, in order to reduce operating expenses and preserve capital, the Company reduced its workforce by nine employees. This resulted in severance costs of $106,000 which are recorded in operating expenses for the three and nine months ended September 30, 2024 and is included are accrued compensation as of September 30, 2024. The entirety of the severance costs were paid out in October 2024.

We believe that our existing cash and cash equivalents will be sufficient to fund our operations and meet our working capital requirements through 2025. into mid-2026. We believe additional capital will be required, in the long term, to fund operations and provide growth capital including our pursuit of potential strategic alternatives and investments in technology, product development and sales and marketing. To access capital to fund operations or provide growth capital, we will need to raise capital in one or more debt and/or equity offerings. There can be no assurance that we will be successful in raising necessary capital or that any such offering will be on terms acceptable to the Company. If we are unable to raise additional capital that may be needed on terms acceptable to us, it could have a material adverse effect on the Company.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "*smaller reporting company*" as defined by the rules and regulations of the SEC, we are not required to provide this information.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2024 September 30, 2024. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2024 September 30, 2024, the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms and are designed to ensure that information required to be disclosed by the Company in the reports we file or submit under the Exchange Act is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

No change in our internal control over financial reporting occurred during the fiscal quarter ended June 30, 2024 September 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

-29-

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are subject to various legal proceedings arising in the ordinary course of business, including proceedings for which we have insurance coverage. As of the date hereof, we are not party to any legal proceedings that we currently believe will have a material adverse effect on our business, financial position, results of operations, or liquidity.

-24-

ITEM 1A. RISK FACTORS

A description of the risks associated with our business, financial conditions and results of operations is set forth in "Part I. Item 1A. Risk Factors" of our 2023 Annual Report. Except as set forth below, there have been no material changes to these risks during the six nine months ended June 30, 2024 September 30, 2024. The risks described in the 2023 Annual Report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial, also may materially adversely affect our business, financial condition, or future results.

We rely on a limited number of customers for a significant portion of our revenue, and the loss of any one of those customers, or several of our smaller customers, could materially harm our business. A significant portion of our revenue is generated from a limited number of customers. For both the three and six nine months ended June 30, 2024 September 30, 2024, one major customer accounted for 81% 87% and 83% of the Company's total consolidated revenue. revenue, respectively. The composition of our significant customers will vary from period to period, and we expect that most of our revenue will continue, for the foreseeable future, to come from a relatively small number of customers. Consequently, our financial results may fluctuate significantly from period-to-period based on the actions of one or more significant customers. A customer may take actions that affect the Company for reasons that we cannot anticipate or control, such as reasons related to the customer's financial condition, changes in the customer's business strategy or operations, changes in technology and the introduction of alternative competing products, or as the result of the perceived quality or cost-effectiveness of our products. Our agreements with these customers may be canceled if we materially breach the agreement or for other reasons outside of our control such as insolvency or financial hardship that may result in a customer filing for bankruptcy court protection against unsecured creditors. If our customers were to experience losses due to a failure of a depository institution to return their deposits, it could expose us to an increased risk of nonpayment under our contracts with them. In addition, our customers may seek to renegotiate the terms of current agreements or renewals. The loss of or a reduction in sales or anticipated sales to our most significant or several of our smaller customers could have a material adverse effect on our business, liquidity, financial condition, and results of operations.

We could fail to satisfy the standards to maintain our listing on a stock exchange. Our Common Stock is listed on The Nasdaq Capital Market. In order to maintain that listing, we must satisfy minimum financial and other continued listing requirements and standards. Previously, on On September 21, 2023, we received a letter written notice from the listing qualifications staff of Nasdaq providing notification Stock Market, LLC ("Nasdaq") indicating that the bid price for our Common Stock had closed below Company was not in compliance with the $1.00 per share for the previous 30 consecutive business days and our Common Stock no longer met the minimum bid price requirement for continued listing under set forth in Nasdaq Listing Rule 5550(a)(2) for continued listing on The Nasdaq Capital Market (the "Bid Price Rule"). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we We were provided an initial period of 180 calendar days, until March 19, 2024, in which to regain compliance. To regain compliance, the closing bid price of our Common Stock must meet or exceed $1.00 per share for a minimum of 10 consecutive business days at any time before the expiration of the initial compliance period.

On March 20, 2024, the Company received written notification from the Listing Qualifications Department of Nasdaq, granting the Company's request for a granted two 180-day extension extensions (until September 16, 2024) to regain compliance with the Bid Price Rule. The On September 10, 2024, we received written notice from Nasdaq notifying the Company now has until September 16, 2024 that it had determined that for the last 10 consecutive business days, from August 26 to meet September 9, 2024, the requirement. If at any time prior to September 16, 2024, the closing bid price of the Company's ordinary shares closes Company’s Common Stock had been at $1.00 per share or more for a minimum of 10 consecutive business days, greater and that, accordingly, the Company will regain compliance with the Bid Price Rule.

If the Company does not regain had regained compliance with the Bid Price Rule, during and that the additional 180-day extension, Nasdaq will provide written notification to the Company that its Common Stock will be delisted. At that time, the Company may appeal such delisting determination to a hearings panel pursuant to the procedures set forth in the applicable Nasdaq Listing Rules. There can be no assurance that such appeal would be successful. matter was now closed.

In the event that we are unable to establish compliance, or again become non-compliant, with Rule 5550(a)(2) or other continued listing requirements of Nasdaq and cannot re-establish compliance within the required timeframe, our Common Stock could be delisted from The Nasdaq Capital Market, which could have a material adverse effect on our financial condition and which may cause the value of our Common Stock to decline. If our Common Stock is not eligible for listing or quotation on another market or exchange, trading of our Common Stock could be conducted in the over-the-counter market or on an electronic bulletin board established for unlisted securities such as the Pink Sheets or the OTC Bulletin Board. In such event, it would become more difficult to dispose of, or obtain accurate price quotations for, our Common Stock, and there would likely be a reduction in our coverage by security analysts and the news media, which could cause the price of our Common Stock to decline further. In addition, it may be difficult for us to raise additional capital if we are not listed on a national securities exchange.

-25-

While Nasdaq rules do not impose a specific limit on the number of times a listed company may effect a reverse stock split to maintain or regain compliance with Listing Rule 5810(c)(3)(A), Nasdaq has stated that a series of reverse stock splits may undermine investor confidence in securities listed on Nasdaq. Accordingly, Nasdaq may determine that it is not in the public interest to maintain our listing, even if we regain compliance with Listing Rule 5810(c)(3)(A) as a result of any reverse stock split. In addition, Nasdaq Listing Rule 5810(c)(3)(A)(iv) states that any listed company that fails to meet Listing Rule 5810(c)(3)(A) after effecting one or more reverse stock splits over the prior two-year period with a cumulative ratio of 250 shares or more to one will not be eligible for an automatic 180-day grace compliance period and the Nasdaq Listing Qualifications Department is obligated to immediately issue a delisting determination.

-30-

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities by the Company

There have been no unregistered sales of securities by the Company during the period covered by this Report that have not been previously reported in a Current Report on Form 8-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(c) During the period covered by this Quarterly Report on Form 10-Q, 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 of Regulation S-K.

- 26 31-

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1 3.1*	Amended and Restated Certificate of Incorporation, as amended (filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 10, 2023, and incorporated herein by reference).
3.2	By-laws, as amended by the First Amendment to Amended and Restated By-Laws, dated October 19, 2023 (filed as Exhibit 3.2 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 19, 2024, and incorporated herein by reference). amended.
4.1	Certificate of Designations, Preferences and Rights of Series D Preferred Stock (filed as Exhibit 4.6 to the Registrant's Current Report on Form 8-K filed with the SEC on September 24, 2007, and incorporated herein by reference).
4.2	Certificate of Designations, Preferences and Rights of Series A-2 Preferred Stock of the Registrant (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 11, 2009, and incorporated herein by reference).
4.3	Certificate of Designations, Preferences and Rights of Perpetual Series B Preferred Stock of the Registrant (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 30, 2010, and incorporated herein by reference).
4.4	Certificate of Designations, Preferences and Rights of Perpetual Series B-1 Preferred Stock of the Registrant (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 9, 2011, and incorporated herein by reference).
4.5	Certificate of Designations of Rights, Powers, Preferences, Privileges and Restrictions of the 0% Series B Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on November 14, 2017, and incorporated herein by reference).
4.6	Certificate of Designations of Rights, Powers, Preferences, Privileges and Restrictions of the 0% Series C Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 25, 2018, and incorporated herein by reference).
4.7	Certificate of Designations of the 6.0% Series D Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 7, 2019, and incorporated herein by reference).
4.8	Certificate of Designations of the 6.0% Series E Convertible Preferred Stock (filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on October 7, 2019, and incorporated herein by reference).
4.9	Certificate of Designations of the 9.0% Series F Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 3, 2023, and incorporated herein by reference).
4.10	Form of Common Warrant (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 3, 2023, and incorporated herein by reference).
4.11	Form of Preferred Warrant (filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on April 3, 2023, and incorporated herein by reference).
10.1	Amendment to Waiver, dated as of September 13, 2024, by and among Oblong, Inc. and the investors named therein (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 13, 2024, and incorporated herein by reference).
31.1*	Rule 13a—14(a)/15d—14(a) Certification of the Chief Executive Officer.
31.2*	Rule 13a—14(a)/15d—14(a) Certification of the Chief Financial Officer.
32.1**	Section 1350 Certification of the Chief Executive Officer and Chief Financial Officer.
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 (embedded within the Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

OBLONG, INC.

August November 7, 2024	By:	/s/ Peter Holst Peter Holst Chief Executive Officer (Principal Executive Officer)
August November 7, 2024	By:	/s/ David Clark David Clark Chief Financial Officer (Principal Financial and Accounting Officer)

-28- -33-

EXHIBIT 3.1

CONFORMED COPY TO REFLECT AMENDMENTS MADE
THROUGH SEPTEMBER 30, 2024

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
OBLONG, INC.

FIRST: The name of the Corporation is Oblong, Inc.

SECOND: The address of its registered office in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, 19808, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

THIRD: The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by it are as follows: To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law (the “GCL”) of the State of Delaware.

FOURTH: The total number of shares of all classes of stock that the Corporation is authorized to issue is one hundred fifty-five million (155,000,000) shares, consisting of one hundred fifty million (150,000,000) shares of Common Stock with a par value of $0.0001 per share and five million (5,000,000) shares of Preferred Stock with a par value of $0.0001 per share.

Upon the effectiveness of this Certificate of Amendment [filed with the Secretary of State of the State of Delaware on January 10, 2011], every four (4) issued and outstanding shares of Common Stock of the Corporation shall be changed and reclassified into one (1) share of Common Stock, which shares shall be fully paid and nonassessable shares of Common Stock of the Corporation; provided, however, that in lieu of fractional interests in shares of Common Stock to which any stockholder would otherwise be entitled pursuant hereto (taking into account all shares of Common Stock owned by such stockholder), any such fractional interests in shares of Common Stock shall be paid in cash in an amount equal to such fraction multiplied by the average of the high and low trading prices of the Corporation’s Common Stock on the OTC Bulletin Board during regular trading hours for the five trading days immediately preceding the effectiveness of this Certificate of Amendment [on January 10, 2011].

Upon the filing and effectiveness (the “***[2019] Effective Time***”), pursuant to the Delaware General Corporation Law, of this Certificate of Amendment to the Certificate of Incorporation of the Corporation [filed with the Secretary of State of the State of Delaware on April 17, 2019], each ten (10) shares of Common Stock either issued and outstanding or held by the Corporation in treasury stock immediately prior to the [2019] Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) fully paid and nonassessable share of Common Stock (the “***[2019] Reverse Stock Split***”). No fractional shares shall be issued in connection with the [2019] Reverse Stock Split. In lieu of any fractional share of Common Stock to which a stockholder would otherwise be entitled in connection with the [2019] Reverse Stock Split (taking into consideration all shares of Common Stock owned by such stockholder), the Corporation will issue that number of shares of Common Stock resulting from the [2019] Reverse Stock Split as rounded up to the nearest whole share upon the submission of a transmission letter by a stockholder holding the shares in book-entry form and, where shares are held in certificated form, upon the surrender of the stockholder’s Old Certificates (as defined below). Each certificate that immediately prior to the [2019] Effective Time represented shares of Common Stock (“***[2019] Old Certificates***”), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the [2019] Old Certificate shall have been combined, subject to the elimination of fractional share interests as described above.

The par value per share of the Corporation’s capital stock and the total number of shares of all classes of capital stock that the Corporation is authorized to issue pursuant to this Article IV shall, in each case, not be affected by the [2019] Reverse Stock Split.

Upon the filing and effectiveness (the "***[2023] Effective Time***"), pursuant to the Delaware General Corporation Law, of this Certificate of Amendment to the Certificate of Incorporation of the Corporation [filed with the Secretary of State of the State of Delaware on December 30, 2022 and effective on January 3, 2023], each fifteen (15) shares of Common Stock either issued and outstanding or held by the Corporation in treasury stock immediately prior to the [2023] Effective Time, shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) fully paid and nonassessable share of Common Stock (the "***[2023] Reverse Stock Split***"). No fractional shares shall be issued in connection with the [2023] Reverse Stock Split. In lieu of any fractional share of Common Stock to which a stockholder would otherwise be entitled in connection with the [2023] Reverse Stock Split (taking into consideration all shares of Common Stock owned by such stockholder), the Corporation will issue that number of shares of Common Stock resulting from the [2023] Reverse Stock Split as rounded up to the nearest whole share upon the submission of a transmission letter by a stockholder holding the shares in book-entry form and, where shares are held in certificated form, upon the surrender of the stockholder's [2023] Old Certificates (as defined below). Each certificate that immediately prior to the [2023] Effective Time, represented shares of Common Stock ("***[2023] Old Certificates***"), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the [2023] Old Certificate shall have been combined, subject to the elimination of fractional share interests as described above in this paragraph.

The par value per share of the Corporation's capital stock and the total number of shares of all classes of capital stock that the Corporation is authorized to issue pursuant to this Article IV shall, in each case, not be affected by the [2023] Reverse Stock Split.

Upon the filing and effectiveness (the "***[2024] Effective Time***"), pursuant to the Delaware General Corporation Law, of this Certificate of Amendment to the Certificate of Incorporation of the Corporation [filed with the Secretary of State of the State of Delaware on August 22, 2024 and effective on August 23, 2024], each forty (40) shares of Common Stock either issued and outstanding or held by the Corporation in treasury stock immediately prior to the [2024] Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) fully paid and nonassessable share of Common Stock (the "***[2024] Reverse Stock Split***"). No fractional shares shall be issued in connection with the [2024] Reverse Stock Split. In lieu of any fractional share of Common Stock to which a stockholder would otherwise be entitled in connection with the [2024] Reverse Stock Split (taking into consideration all shares of Common Stock owned by such stockholder), the Corporation will issue that number of shares of Common Stock resulting from the [2024] Reverse Stock Split as rounded up to the nearest whole share upon the submission of a transmission letter by a stockholder holding the shares in book-entry form and, where shares are held in certificated form, upon the surrender of the stockholder's [2024] Old Certificates (as defined below). Each certificate that immediately prior to the [2024] Effective Time represented shares of Common Stock ("***[2024] Old Certificates***"), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the [2024] Old Certificate shall have been combined, subject to the elimination of fractional share interests as described above.

The par value per share of the Corporation's capital stock and the total number of shares of all classes of capital stock that the Corporation is authorized to issue pursuant to this Article IV shall, in each case, not be affected by the [2024] Reverse Stock Split.

FIFTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

a) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

b) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.

c) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide.

---

d) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article Seventh by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

e) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as my be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SIXTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation my be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as my be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

SEVENTH: The Board of Directors shall not be divided into classes. Each director shall be elected to serve a one-year term expiring at the next Annual Meeting of Shareholders and until her or her successor is duly elected and qualified.

EIGHTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders of any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

NINTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ANNEX I

Certificates of Designation and Certificates Eliminating Reference

The Corporation has filed the following Certificates of Designation, Preferences and Rights of Preferred Stock and Certificates Eliminating Reference with the Secretary of State of the State of Delaware:

1. Series A Preferred Stock of Wire One Technologies, Inc. filed June 14, 2000;
    a. Certificate of Amendment filed June 22, 2001;
    b. Certificate Eliminating Reference to Series A Preferred Stock from the Certificate of Incorporation of Glowpoint, Inc. filed December 6, 2007*;
2. Series B Convertible Preferred Stock of Glowpoint, Inc. filed January 22, 2004;
    a. Certificate Eliminating Reference to Series B Convertible Preferred Stock from the Certificate of Incorporation of Glowpoint, Inc. filed December6, 2007*;
3. Series C Preferred Stock of Glowpoint, Inc. filed September 21, 2007;
    a. Certificate Eliminating Reference to Series C Preferred Stock from the Certificate of Incorporation of Glowpoint, Inc. filed August 6, 2009*;
4. Series D Preferred Stock of Glowpoint, Inc. filed September 21, 2007*;
5. Series A Preferred Stock of Glowpoint, Inc. filed November 25, 2008;
    a. Certificate Eliminating Reference to Series A Preferred Stock from the Certificate of Incorporation of Glowpoint, Inc. filed August 6, 2009*;
6. Series A-1 Convertible Preferred Stock of Glowpoint, Inc. filed March 16, 2009;
    a. Certificate Eliminating Reference to Series A-1 Convertible Preferred Stock from the Certificate of Incorporation of Glowpoint, Inc. filed April 6, 2010*;
7. Series A-2 Convertible Preferred Stock of Glowpoint, Inc. filed August 10, 2009*;
8. Perpetual Series B Preferred Stock of Glowpoint, Inc. filed March 29, 2010*;
9. Series B-1 Preferred Stock of Glowpoint, Inc. filed August 3, 2011*;
10. 0% Series B Convertible Preferred Stock of Glowpoint, Inc. filed October 23, 2017*;
    a. a Certificate of Correction to the Certificate of Designation of the 0% Series B Convertible Preferred Stock of Glowpoint. Inc., filed November 9, 2017*;
11. 0% Series C Convertible Preferred Stock of Glowpoint, Inc. filed January 22, 2018*;
12. 6.0% Series D Convertible Preferred Stock of Glowpoint, Inc. filed October 1, 2019*;
13. 6.0% Series E Convertible Preferred Stock of Glowpoint, Inc. filed October 1, 2019*; and
14. Series F Convertible Preferred Stock of Oblong, Inc. filed March 31, 2023*.

* Publicly filed as an exhibit to the Corporation's filings with the Securities and Exchange Commission.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Peter Holst, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oblong, 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.

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.

Date: August November 7, 2024

/s/ Peter Holst
Peter Holst
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, David Clark, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oblong, 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.

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.

Date: August November 7, 2024

/s/ David Clark
David Clark
Chief Financial Officer
(principal financial and accounting officer)

Exhibit 32.1

SECTION 906 CERTIFICATION

The undersigned officers of Oblong, Inc., a Delaware corporation (the "Company"), do hereby certify, in accordance with 18 U.S.C. Section 1350, as created pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended June September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August November 7, 2024

/s/ Peter Holst
Peter Holst
Chief Executive Officer

/s/ David Clark
David Clark
Chief Financial Officer

DISCLAIMER