

REFINITIV

# DELTA REPORT

## 10-Q

OBLG - OBLONG, INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1199
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 CHANGES	56
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 DELETIONS	396
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 ADDITIONS	747
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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 **March 31, 2024** June 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:

_____		Name of each exchange on which registered
Title of each class	Trading Symbol(s)	_____

Common Stock, par value  
\$0.0001 per share

OBLG

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 May 3, 2024 August 6, 2024 was 20,286,675.  
28,242,418.

# OBLONG, INC.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q (this "Report" "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" "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, and its rules and regulations (the "Exchange Act" "Exchange Act"). These forward-looking statements include, but are not limited to, statements about the plans, objectives, expectations and intentions of Oblong, Inc. ("Oblong" ("Oblong" or "we" "we" or "us" "us" or the "Company" "Company"). All statements other than statements of current or historical fact contained in this Report, including statements regarding Oblong's 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," "anticipate," "believe," "believe," "estimate," "estimate," "expect," "expect," "intend," "intend," "may," "may," "plan," "plan," and similar expressions, as they relate to Oblong, are intended to identify forward-looking statements. These statements are based on Oblong's Oblong's current plans, and Oblong's 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" "Part I. Item 1A. Risk Factors" "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" "SEC") on March 19, 2024, March 19, 2024, as well as under "Part" "Part II. Item 1A. Risk Factors" "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 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;
- 
- 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 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;
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  - 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.

- changes in our go-to-market cost structure;
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- 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 par value and stated value, and shares) value)

	December 31,
	2023
June 30, 2024	

(Unaudited)

**ASSETS****Current assets:**

Cash and cash equivalents	\$	5,858	\$	5,990
Accounts receivable, net		31		424
Inventory, net		88		239
Prepaid expenses and other current assets		317		243
<b>Total current assets</b>		<b>6,294</b>		<b>6,896</b>
Operating lease - right of use asset, net		—		17
Other assets		11		12
<b>Total assets</b>	<b>\$</b>	<b>6,305</b>	<b>\$</b>	<b>6,925</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY****Current liabilities:**

Accounts payable	\$	111	\$	211
Accrued expenses and other current liabilities		1,059		1,038
Current portion of deferred revenue		77		132
Operating lease liabilities		—		17
<b>Total current liabilities</b>		<b>1,247</b>		<b>1,398</b>

**Long-term liabilities:**

Deferred revenue, net of current portion		6		26
<b>Total liabilities</b>		<b>1,253</b>		<b>1,424</b>

**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 )
Additional paid-in capital		235,580		233,911
Accumulated deficit		(230,350 )		(228,231 )
<b>Total stockholders' equity</b>		<b>5,052</b>		<b>5,501</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$</b>	<b>6,305</b>	<b>\$</b>	<b>6,925</b>

March 31, 2024

December 31, 2023

(Unaudited)



**ASSETS**

## Current assets:

Cash and cash equivalents	\$	5,360	\$	5,990
Accounts receivable, net		15		424
Inventory, net		127		239
Prepaid expenses and other current assets		421		243
Total current assets		5,923		6,896
Operating lease - right of use asset, net		—		17
Other assets		12		12
Total assets	\$	5,935	\$	6,925

**LIABILITIES AND STOCKHOLDERS' EQUITY**

## Current liabilities:

Accounts payable	\$	351	\$	211
Accrued expenses and other current liabilities		1,031		1,038
Current portion of deferred revenue		105		132
Operating lease liabilities		—		17
Total current liabilities		1,487		1,398

## Long-term liabilities:

Deferred revenue, net of current portion		14		26
Total liabilities		1,501		1,424

## Commitments and contingencies (see Note 9)

## Stockholders' equity:

Preferred stock Series F, convertible; \$.0001 par value; \$1,102,150 stated value; 42,000 shares authorized, 1,008 and 1,930 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively		—		—
Common stock, \$.0001 par value; 150,000,000 shares authorized; 20,294,228 shares issued and 20,285,675 outstanding at March 31, 2024 and 16,692,124 shares issued and 16,683,572 shares outstanding at December 31, 2023		2		2
Treasury stock, 8,000 shares of common stock		(181)		(181)
Additional paid-in capital		233,980		233,911
Accumulated deficit		(229,367)		(228,231)
Total stockholders' equity		4,434		5,501
Total liabilities and stockholders' equity	\$	5,935	\$	6,925

See accompanying notes to condensed consolidated financial statements.

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**OBLONG, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share data)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenue	\$ 611	\$ 956	\$ 1,237	\$ 1,994
Cost of revenue (exclusive of amortization)	491	834	1,120	1,596
Gross profit	120	122	117	398
Operating expenses:				
Research and development	65	5	115	11
Sales and marketing	57	(58 )	111	160
General and administrative	1,016	1,577	2,093	2,746
Amortization	—	87	—	173
Impairment charges	—	2	—	2
Casualty gain (insurance proceeds)	—	(400 )	—	(400 )
Total operating expenses	1,138	1,213	2,319	2,692
Operating loss	(1,018 )	(1,091 )	(2,202 )	(2,294 )
Interest income, net	(44 )	(42 )	(92 )	(64 )
Loss before income taxes	(974 )	(1,049 )	(2,110 )	(2,230 )
Income tax expense	9	—	9	38
Net loss	(983 )	(1,049 )	(2,119 )	(2,268 )
Preferred stock dividends	20	149	64	149
Warrant modification	—	—	—	25
Induced conversion of warrants	—	751	—	751
Net loss attributable to common share holders	\$ (1,003 )	\$ (1,949 )	\$ (2,183 )	\$ (3,193 )
Net loss attributable to common stockholders per share:				
Basic and diluted net loss per share	\$ (0.04 )	\$ (0.78 )	\$ (0.11 )	\$ (1.40 )
Weighted-average number of shares of common stock:				
Basic and diluted	22,882	2,487	20,003	2,277

(Unaudited)

	Three Months Ended	
	March 31,	
	2024	2023
Revenue	\$ 626	\$ 1,038
Cost of revenue (exclusive of depreciation and amortization)	629	762

Gross profit	(3)	276
Operating expenses:		
Research and development	50	6
Sales and marketing	54	218
General and administrative	1,077	1,169
Depreciation and amortization	—	86
Total operating expenses	1,181	1,479
Loss from operations	(1,184)	(1,203)
Interest and other expense, net	—	5
Other income	(48)	(27)
Interest and other income, net	(48)	(22)
Loss before income taxes	(1,136)	(1,181)
Income tax expense	—	38
Net loss	(1,136)	(1,219)
Preferred stock dividends	44	—
Warrant modification	—	25
Net loss attributable to common stockholders	\$ (1,180)	\$ (1,244)
Net loss attributable to common stockholders per share:		
Basic and diluted net loss per share	\$ (0.07)	\$ (0.60)
Weighted-average number of shares of common stock:		
Basic and diluted	17,123	2,065

See accompanying notes to condensed consolidated financial statements.

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## OBLONG, INC.

### CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' STOCKHOLDERS' EQUITY

Three and Six Months Ended March 31, 2024

June 30, 2024

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

(Unaudited)

Series F Preferred				
Stock	Common Stock	Treasury Stock	Additional	Accumulated

							Paid-In		
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	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									
conversions	(2,111 )	—	7,956	1	—	—	111	—	112
Series F Preferred Stock									
dividends	—	—	—	—	—	—	(20 )	—	(20 )
Balance at June 30,									
2024	545	\$ —	28,250	\$ 3	8	\$ (181 )	\$ 235,580	\$ (230,350 )	\$ 5,052

(Unaudited)

	Series F Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
<b>Balance at December</b>									
<b>31, 2023</b>	1,930	\$ —	16,692	\$ 2	8	\$ (181)	\$ 233,911	\$ (228,231)	\$ 5,501
Net loss	—	—	—	—	—	—	—	(1,136)	(1,136)
Stock-based compensation	—	—	—	—	—	—	31	—	31
Conversions of Series F Preferred Stock including accrued dividends of \$82,000	(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
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See accompanying notes to condensed consolidated financial statements.

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OBLONG, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Three and Six Months Ended March 31, 2023  
June 30, 2023

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

	Series F Preferred		Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Stock								
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2022	—	\$ —	2,071	\$ —	8	\$ (181 )	\$ 227,645	\$ (223,847 )	\$ 3,617
Net loss	—	—	—	—	—	—	—	(1,219 )	(1,219 )
Stock-based compensation	—	—	—	—	—	—	31	—	31
Proceeds from private placement, net of fees and amounts held in escrow	6,550	—	—	—	—	—	1,473	—	1,473
Balance at March 31, 2023	6,550	—	2,071	—	8	(181 )	229,149	(225,066 )	3,902
Net loss	—	—	—	—	—	—	—	(1,049 )	(1,049 )
Stock-based compensation	—	—	180	—	—	—	411	—	411
Warrant exercise, net of fees	—	—	339	—	—	—	534	—	534
Release of escrow from March 31, 2023 private placement	—	—	—	—	—	—	4,000	—	4,000

Fees associated with Series F Preferred Stock issuance									
	—	—	—	—	—	—	(38 )	—	(38 )
Series F Preferred Stock conversions									
	(175 )	—	147	—	—	—	4	—	4
Series F Preferred Stock dividends									
	—	—	—	—	—	—	(149 )	—	(149 )
Balance at June 30, 2023									
	6,375	\$ —	2,737	\$ —	8	\$ (181 )	\$ 233,911	\$ (226,115 )	\$ 7,615
(Unaudited)									

	Series F Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2022	—	\$ —	2,071	\$ —	8	\$ (181)	\$ 227,645	\$ (223,847)	\$ 3,617
Net loss	—	—	—	—	—	—	—	(1,219)	(1,219)
Stock-based compensation	—	—	—	—	—	—	31	—	31
Proceeds from private placement, net of fees and amounts held in escrow	6,550	—	—	—	—	—	1,473	—	1,473
Balance at March 31, 2023	6,550	\$ —	2,071	\$ —	8	\$ (181)	\$ 229,149	\$ (225,066)	\$ 3,902

See accompanying notes to condensed consolidated financial statements.

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## OBLONG, INC.

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (2,119 )	\$ (2,268 )
Adjustments to reconcile net loss to net cash used in operating activities:		

Amortization	—	173
Bad debt (recovery) expense	—	(32 )
Non-cash lease expense from right-of-use asset	17	77
Stock-based compensation	62	442
Casualty gain (insurance proceeds)	—	(400 )
Impairment charges - property and equipment	—	2
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	393	203
Inventory	151	321
Prepaid expenses and other current assets	(74 )	213
Other assets	1	18
Accounts payable	(100 )	(48 )
Accrued expenses and other current liabilities	151	(456 )
Deferred revenue	(75 )	(259 )
Lease liabilities	(17 )	(168 )
Net cash used in operating activities	(1,610 )	(2,182 )
<b>Cash flows from financing activities:</b>		
Proceeds from private placement, net of issuance costs and amounts in escrow	—	5,435
Net proceeds from exercise of common stock warrants	—	534
Net proceeds from exercise of preferred stock warrants	1,478	—
Net cash provided by financing activities	1,478	5,969
(Decrease) increase in cash	(132 )	3,787
Cash and cash equivalents at beginning of period	5,990	3,085
Cash and cash equivalents at end of period	\$ 5,858	\$ 6,872
<b>Supplemental disclosures of cash flow information:</b>		
<b>Reconciliation of cash and cash equivalents</b>		
Cash	\$ 5,358	\$ 6,872
Current certificates of deposit	\$ 500	\$ —
Total cash and cash equivalents	\$ 5,858	\$ 6,872
Cash paid during the period for interest	\$ 5	\$ 9
Cash paid for income taxes	\$ —	\$ 31
<b>Non-cash investing and financing activities:</b>		
Preferred stock dividends	\$ 64	\$ 149

<b>Common stock issued for conversion of Preferred Stock and accrued dividends</b>	<b>\$</b>	<b>194</b>	<b>\$</b>	<b>4</b>
<b>Warrant modification</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>25</b>
<b>Induced exercise of common stock warrants</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>751</b>

**(Unaudited)**

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (1,136)	\$ (1,219)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	—	86
Bad debt (recovery) expense	—	(24)
Non-cash lease expense from right-of-use asset	17	43
Stock-based compensation	31	31
Changes in operating assets and liabilities:		
Accounts receivable	409	47
Inventory	112	89
Prepaid expenses and other current assets	(178)	(298)
Other assets	—	9
Accounts payable	140	23
Accrued expenses and other current liabilities	31	591
Deferred revenue	(39)	(125)
Lease liabilities	(17)	(97)
Net cash used in operating activities	(630)	(844)
Cash flows from financing activities:		
Proceeds from private placement, net of issuance costs and amounts in escrow	—	1,473
Net cash provided by financing activities	—	1,473
Decrease (increase) in cash	(630)	629
Cash and cash equivalents at beginning of period	5,990	3,085
Cash and cash equivalents at end of period	\$ 5,360	\$ 3,714
Supplemental disclosures of cash flow information:		
Reconciliation of cash and cash equivalents		
Cash	\$ 4,860	\$ 3,714
Current certificates of deposit	500	—
Total cash and cash equivalents	\$ 5,360	\$ 3,714
Cash paid during the period for interest	\$ 5	\$ 2
Cash paid for income taxes	\$ —	\$ 31
Non-cash investing and financing activities:		
Preferred stock dividends	\$ 44	\$ —



See accompanying notes to condensed consolidated financial statements.

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## OBLONG, INC.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

(Unaudited)

March 31, 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 year-end 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").

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 ~~March 31, 2024~~ June 30, 2024, our total cash balance of ~~\$5,360,000~~ \$5,858,000 is available. Of this balance \$500,000 was held in short-term certificates of deposit with MidFirst Bank. As of ~~December 31, 2023~~ 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) (1) "Collaboration Products" which represents the business surrounding our Mezzanine™ product offerings, and (2) (2) "Managed Services" which represents the business surrounding managed services for video collaboration and network solutions. [See Note 8 - Segment Reporting](#) for further discussion.

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## 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.

## Intangible Assets

### Amortization Expense

As of March 31, 2024, June 30, 2024 and December 31, 2023, we had no intangible assets. During the three months ended March 31, 2023, we recorded \$86,000 in amortization expense related to intangible assets.

assets for the three and six months ended June 30, 2023 was \$87,000 and \$173,000, 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 March 31, 2024, June 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 March 31, 2024, June 30, 2024, the Company had no lease liability remaining. During the three and six months ended March 31, 2024, June 30, 2024, we recorded \$17,000 in lease expenses. During the three and six months ended March 31, 2023, June 30, 2023, we recorded \$46,000, \$36,000 and \$82,000 in lease expenses, respectively. These expenses are net of common charges, and sublease proceeds of \$16,000.

\$11,000 and \$27,000, respectively.

### 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 three and six months ended March 31, 2024, June 30, 2024.

### Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07, 2023-07, *Segment Reporting (Topic 280)*: 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, 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 March 31, 2024 June 30, 2024, we had \$5,360,000 \$5,858,000 in cash and working capital of \$4,436,000, \$5,047,000. For the threesix months ended March 31, 2024, June 30, 2024 we incurred a net loss of \$1,136,000 and used \$630,000 of \$2,119,000, financing activities provided \$1,478,000 in net cash, and we used net cash of \$1,610,000 in operating activities.

We believe that our existing cash and cash equivalents will be sufficient to fund our operations and meet our working capital requirements for at least the next 12 months from the filing date of this Report with the SEC.

through 2025.

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### 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
Compensation costs	\$ 675	\$ 448
Customer deposits	86	118
Professional fees	93	104
Taxes and regulatory fees	20	22
Accrued rent	170	202
Accrued dividends on Series F Preferred Stock	4	136
Other accrued expenses and liabilities	11	8
Accrued expenses and other liabilities	<u>\$ 1,059</u>	<u>\$ 1,038</u>

	March 31, 2024	December 31, 2023
Compensation costs	\$ 526	\$ 448
Customer deposits	86	118
Professional fees	129	104
Taxes and regulatory fees	19	22
Accrued rent	170	202
Accrued dividends on Series F Preferred Stock	94	136
Other accrued expenses and liabilities	7	8
Accrued expenses and other liabilities	<u>\$ 1,031</u>	<u>\$ 1,038</u>

### 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 March 31, 2024June 30, 2024, we had 150,000,000 shares of our Common Stock authorized, with 20,294,00028,250,000 and 20,286,00028,242,000 shares issued and outstanding, respectively.

During the three months ended March 31, 2024June 30, 2024, 922,111 shares of Series F Preferred Stock, plus \$82,000\$110,000 of accrued dividends, were converted to 3,602,1037,955,743 shares of the Company's common stock. Common Stock. During the six months ended June 30, 2024, 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. See Note 5 - Preferred Stock for further detail.

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

Issued Shares as of December 31, 2022		2,071	2,071
Issuances from Preferred Stock conversions		14,102	14,102
Issuances related to warrant exercises		746	746
Issuances related to stock compensation		180	180
Common shares exchanged for prepaid warrants		(407)	(407)
Issued Shares as of December 31, 2023		16,692	16,692
Issuances from Preferred Stock conversions		3,602	11,558
Issued Shares as of March 31, 2024June 30, 2024		20,294	28,250
Less Treasury Shares:		(8)	(8)
Outstanding Shares as of March 31, 2024June 30, 2024		20,286	28,242

## Common Stock Warrants

During the three and six months ended June 30, 2024, 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 exercisable on the six-month anniversary of issuance, at an initial exercise price of \$1.71, and have a term of five years.

Common Warrants outstanding as of March 31, 2024June 30, 2024 are as follows:

Issue Date	Warrants Outstanding	Exercise Price	Expiration Date
June 28, 2021	750	\$ 66.00	December 31, 2024
March 31, 2023	4,136,850	\$ 1.71	September 30, 2028
	4,137,600		

Issue Date	Warrants		Exercise Price	Expiration
	Outstanding			
Q2 2021	750	\$	66.00	Q4 2024
Q1 2023	4,136,850	\$	1.71	Q3 2028
Q2 2024	963,745	\$	1.71	Q4 2029
	<u>5,101,345</u>			

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

	Outstanding and Exercisable	
	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding and exercisable, December 31, 2022	343,099	\$ 66.34
Granted	4,543,626	1.71
Exercised	(746,027)	0.78
Expired	(2,601)	76.93
Forfeited	(247)	—
Warrants outstanding and exercisable, December 31, 2023	4,137,850	1.72
Expired	(250)	60.00
Warrants outstanding and exercisable, March 31, 2024	<u>4,137,600</u>	<u>\$ 1.72</u>

	Outstanding	
	Number of Warrants	Weighted Average Exercise Price
<b>Warrants outstanding as of December 31, 2022</b>	<b>343,099</b>	<b>\$</b>
<b>Granted</b>	<b>4,543,626</b>	
<b>Exercised</b>	<b>(746,027 )</b>	
<b>Expired</b>	<b>(2,848 )</b>	
<b>Warrants outstanding as of December 31, 2023</b>	<b>4,137,850</b>	
<b>Granted</b>	<b>963,745</b>	
<b>Expired</b>	<b>(250 )</b>	
<b>Warrants outstanding as of June 30, 2024 (1)</b>	<b><u>5,101,345</u></b>	<b>\$</b>

(1) Of the outstanding shares at June 30, 2024, 4,137,600 were exercisable.

### 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 ~~threesix~~ months ended ~~March 31, 2024~~ June 30, 2024 or the year ended ~~December 31, 2023~~ 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 ~~March 31, 2024~~ June 30, 2024, we had 1,983,250 designated shares of preferred stock and ~~1,008~~ 545 shares of preferred stock issued and outstanding. As of ~~December 31, 2023~~ December 31, 2023, we had 1,930 shares of preferred stock issued and outstanding.

### Series F Preferred Stock

On ~~March 30, 2023~~ 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. Please refer to [See Note 4 - Capital Stock](#) for additional detail regarding the ~~Series F Preferred Stock and Preferred~~ Common Warrants. The terms of the Series F Preferred Stock are as set forward 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~~ March 31, 2023. The Private Placement closed on ~~March 31, 2023~~ 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 (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)~~ (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**, **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

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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. 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 (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations and similar events).

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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) (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 **year ended December 31, 2023** **three** and **the three** **six** months ended **March 31, 2024** **June 30, 2024**, **4,620** **2,111** and **922** **shares** **3,033** **shares** of Series F Preferred Stock, plus accrued dividends, were converted to **14,102,477** **7,955,743**



and 3,602,103 11,558,000 shares of the Company's common stock, respectively. There were 1,008 545 shares of Series F Preferred Stock outstanding and accrued dividends of \$94,000 \$4,000 as of March 31, 2024 June 30, 2024.

During the three and six months ended June 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 months ended June 30, 2024, pursuant to the terms of our engagement later with Dawson James Securities, Inc., 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. This fee was approximately \$129,000. Mr. Schechter did not receive any of the fees paid.

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

	Series F Preferred Stock Shares	Preferred Stock Dividends	Weighted Average Conversion Price	Common Shares Issued from Conversions
March 31, 2023 Issuance	6,550 \$	—		—
2023 Accrued Dividends	— \$	343		—
2023 Conversions	(4,620) \$	(211) \$	0.34	14,102
December 31, 2023 Balance	1,930 \$	132		14,102
2024 Accrued Dividends	— \$	44		—
2024 Conversions	(922) \$	(82)	0.28	3,602
March 31, 2024 Balance	1,008 \$	94 \$	0.33	17,704

	Series F Preferred Stock Shares	Preferred Stock Dividends	Weighted Average Conversion Price	Common Shares Issue from Conversions
March 31, 2023 Issuance	6,550	\$ —		
2023 Accrued Dividends	—	345,000		
2023 Conversions	(4,620 )	(209,000 )	\$ 0.34	14,102,0
December 31, 2023 Balance	1,930	136,000		14,102,0
2024 Issuances	1,648	—		
2024 Accrued Dividends	—	63,000		
2024 Conversions	(3,033 )	(195,000 )	\$ 0.28	11,558,0
June 30, 2024 Balance	545	\$ 4,000	\$ 0.33	25,660,0

#### 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 months ended June 30, 2024, 1,648 Preferred Warrants were exercised for 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 Common Warrants were issued during the three and six months ended June 30, 2024. [See Note 4 - Capital Stock](#) for further discussion of the Common Warrants. As of March 31, 2024 June 30, 2024, no 31,102 Preferred Warrants have been exercised. remained outstanding.

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## Note 6 - Stock Based Compensation

### 2019 Equity Incentive Plan

On December 19, 2019, December 19, 2019, the Oblong, Inc. 2019 Equity Incentive Plan (the "2019" "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 December 31, 2023 and June 30, 2024, the share pool available for new grants under the 2019 Plan was 3.

### Stock Options

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

	Outstanding		Exercisable	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding and exercisable, December 31, 2022	16,668	\$ 143.63	10,000	\$ 206.85
Vested	—	—	3,336	48.75
Expired	(6,668)	285.89	(6,668)	285.89
Options outstanding and exercisable, December 31, 2023	10,000	48.75	6,668	48.75
Options outstanding and exercisable, March 31, 2024	10,000	\$ 48.75	6,668	\$ 48.75

	Outstanding		Exercisable	
	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
Vested	—	—	3,336	48.75
Expired	(6,668 )	285.89	(6,668 )	285.89
Options outstanding and exercisable, December 31, 2023	10,000	48.75	6,668	48.75
Vested	—	—	3,332	48.75
Options outstanding and exercisable, June 30, 2024	10,000	\$ 48.75	10,000	\$ 48.75

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 March 31, 2024 June 30, 2024 and 2023 was \$31,000 and stock compensation for the six months ended June 30, 2024 and 2023 was recorded \$62,000, which was included as a general and administrative expense on our Condensed Consolidated Statements of Operations. The As of June 30, 2024 there is no remaining unrecognized stock-based unamortized stock compensation expense for options as of March 31, 2024 is \$30,000, which will be recognized over a weighted average period of 3 months expense.

## Restricted Stock

As of March 31, 2024 June 30, 2024 and December 31, 2023 December 31, 2023, there were no outstanding restricted stock awards ("RSAs") or restricted stock units ("Restricted Stock" RSUs," collectively "Restricted Stock"). For There was no Restricted Stock activity or expense for the three and six months ended March 31, 2024 June 30, 2024. During the three and six months ended June 30, 2023, 42 RSAs became fully vested and were delivered in shares of the Company's common stock. These RSAs were issued in 2014 and had been fully expensed, so there was no stock compensation expense recorded for Restricted Stock and there was no unamortized expense related to Restricted Stock. RSAs for the three and six months ended June 30, 2023. During the three and six months ended June 30, 2023, 177,564 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 months ended June 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 December 31, 2023. There was no Restricted Stock activity during the three months ended March 31, 2024.

	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, March 31, 2024	—	\$ —	—	\$ —

	Restricted Stock Awards		Restricted Stock Units	
	Shares	Weighted Average Grant	Shares	Weighted Average Grant
		Price		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	—	\$ —	—	\$ —

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## 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. **Unvested Restricted Stock, although classified as issued and outstanding at March 31, 2023, was considered contingently returnable until the restrictions lapsed and was not included in the basic net loss per share calculation for the three months ended March 31, 2023. Unvested Restricted Stock does not contain non-forfeitable rights to dividends and dividend equivalents.**

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** months ended **March 31, 2024** **June 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 per share data):

	Three Months Ended March 31,	
	2024	2023
Numerator:		
Net loss	\$ (1,136)	\$ (1,219)
Less: preferred stock dividends	(44)	—
Less: warrant modification	—	(25)
Net loss attributable to common stockholders	\$ (1,180)	\$ (1,244)
Denominator:		

Weighted-average number of shares of common stock for basic and diluted net loss per share	17,123	2,065
Basic and diluted net loss per share	\$ (0.07)	\$ (0.60)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net loss	\$ (983 )	\$ (1,049 )	\$ (2,119 )	\$ (2,268 )
Less: preferred stock dividends	20	149	64	149
Less: inducement of warrant exercise	—	751	—	751
Less: warrant modification	—	—	—	25
Net loss attributable to common stockholders	<u>\$ (1,003 )</u>	<u>\$ (1,949 )</u>	<u>\$ (2,183 )</u>	<u>\$ (3,193 )</u>
Denominator:				
Weighted-average number of shares of common stock for basic and diluted net loss per share	<u>22,882</u>	<u>2,487</u>	<u>20,003</u>	<u>2,277</u>
Basic and diluted net loss per share	<u>\$ (0.04 )</u>	<u>\$ (0.78 )</u>	<u>\$ (0.11 )</u>	<u>\$ (1.40 )</u>

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,	
	2024	2023
Outstanding stock options	10,000	10,000
Common stock issuable upon conversion of Series F Preferred Stock (1)	1,964,986	3,728,070
Common stock issuable upon conversion of Series F Preferred Warrants (2)	111,396,848	19,152,047
Common stock issuable upon conversion of Common Stock warrants	5,101,345	4,139,784

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

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	As of March 31,	
	2024	2023
Unvested restricted stock awards	—	42

Outstanding stock options	10,000	10,167
Common stock issuable upon conversion of Series F Preferred Stock (1)	3,947,529	3,830,409
Common stock issuable upon conversion of Series F Preferred Warrants (2)	117,299,427	—
Common stock issuable upon conversion of Common Stock warrants	4,137,600	4,479,947

(1) Calculation assumes conversion of the stated value, and accrued dividends, of the Series F Preferred Stock into Common Stock at the Floor Price as of March 31, 2024, and at the initial conversion price of \$1.71 as of March 31, 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 as of March 31, 2024. The Series F Preferred Stock Warrants were not exercisable as of March 31, 2023.

## Note 8 - Segment Reporting

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

Certain information concerning the Company's segments for the three and six months ended March 31, 2024 June 30, 2024 and 2023 is presented in the following tables (in thousands):

	Three Months Ended June 30, 2024			
	Managed	Collaboration	Corporate	Total
	Services	Products		
Revenue	\$ 508	\$ 103	\$ —	\$ 611
Cost of revenues	331	160	—	491
Gross profit	\$ 177	\$ (57 )	\$ —	\$ 120
Gross profit %	35 %	(55 )%		20 %
Allocated operating expenses	\$ 31	\$ 122	\$ —	\$ 153
Unallocated operating expenses	—	—	985	985
Total operating expenses	\$ 31	\$ 122	\$ 985	\$ 1,138
Operating income (loss)	\$ 146	\$ (179 )	\$ (985 )	\$ (1,018 )
Interest income, net	(35 )	(9 )	—	(44 )
Income (loss) before income taxes	181	(170 )	(985 )	(974 )
Income tax expense	6	3	—	9
Net income (loss)	\$ 175	\$ (173 )	\$ (985 )	\$ (983 )
	Three Months Ended June 30, 2023			
	Managed	Collaboration	Corporate	Total
	Services	Products		

Revenue	\$	640	\$	316	\$	—	\$	956
Cost of revenues		430		404		—		834
Gross profit	\$	210	\$	(88 )	\$	—	\$	122
Gross profit %		33 %		(28 )%				13 %
Allocated operating expenses	\$	3	\$	(376 )	\$	—	\$	(373 )
Unallocated operating expenses		—		—	\$	1,586		1,586
Total operating expenses	\$	3	\$	(376 )	\$	1,586	\$	1,213
Operating income (loss)	\$	207	\$	288	\$	(1,586 )	\$	(1,091 )
Interest income, net		(37 )		(5 )		—		(42 )
Income (loss) before income taxes		244		293		(1,586 )		(1,049 )
Income tax expense		—		—		—		—
Net income (loss)	\$	244	\$	293	\$	(1,586 )	\$	(1,049 )

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Three Months Ended March 31, 2024				
	Collaboration			
	Managed Services	Products	Corporate	Total
Revenue	\$ 522	\$ 104	\$ —	\$ 626
Cost of revenues	369	260	—	629
Gross profit	\$ 153	\$ (156)	\$ —	\$ (3)
Gross profit %	29 %	(150)%		— %
Allocated operating expenses	\$ —	\$ 121	\$ —	\$ 121
Unallocated operating expenses	—	—	1,060	1,060
Total operating expenses	\$ —	\$ 121	\$ 1,060	\$ 1,181
Income (loss) from operations	\$ 153	\$ (277)	\$ (1,060)	\$ (1,184)
Interest and other income, net	(32)	(16)	—	(48)
Net income (loss) before tax	185	(261)	(1,060)	(1,136)
Income tax expense	—	—	—	—
Net income (loss)	\$ 185	\$ (261)	\$ (1,060)	\$ (1,136)

Three Months Ended March 31, 2023				
	Collaboration			
	Managed Services	Products	Corporate	Total

Revenue	\$	690	\$	348	\$	—	\$	1,038
Cost of revenues		460		302		—		762
Gross profit	\$	230	\$	46	\$	—	\$	276
Gross profit %		33 %		13 %				27 %
Allocated operating expenses	\$	—	\$	286	\$	—	\$	286
Unallocated operating expenses		—		—		1,193		1,193
Total operating expenses	\$	—	\$	286	\$	1,193	\$	1,479
Income (loss) from operations	\$	230	\$	(240)	\$	(1,193)	\$	(1,203)
Interest and other expense (income), net		3		(25)		—		(22)
Income (loss) before income taxes		227		(215)		(1,193)		(1,181)
Income tax expense		7		31		—		38
Net income (loss)	\$	220	\$	(246)	\$	(1,193)	\$	(1,219)

	Six Months Ended June 30, 2024			
	Managed	Collaboration		
	Services	Products	Corporate	Total
Revenue	\$ 1,030	\$ 207	\$ —	\$ 1,237
Cost of revenues	700	420	—	1,120
Gross profit	\$ 330	\$ (213 )	\$ —	\$ 117
Gross profit %	32 %	(103 )%		9 %
Allocated operating expenses	\$ 62	\$ 243	\$ —	\$ 305
Unallocated operating expenses	—	—	2,014	2,014
Total operating expenses	\$ 62	\$ 243	\$ 2,014	\$ 2,319
Operating income (loss)	\$ 268	\$ (456 )	\$ (2,014 )	\$ (2,202 )
Interest income, net	(67 )	(25 )	—	(92 )
Income (loss) before income taxes	335	(431 )	(2,014 )	(2,110 )
Income tax expense	6	3	—	9
Net income (loss)	\$ 329	\$ (434 )	\$ (2,014 )	\$ (2,119 )
	Six Months Ended June 30, 2023			
	Managed	Collaboration		
	Services	Products	Corporate	Total
Revenue	\$ 1,330	\$ 664	\$ —	\$ 1,994
Cost of revenues	890	706	—	1,596



Gross profit	\$	440	\$	(42 )	\$	—	\$	398
Gross profit %		33 %		(6 )%				20 %
Allocated operating expenses	\$	3	\$	(90 )	\$	—	\$	(87 )
Unallocated operating expenses		—		—		2,779		2,779
Total operating expenses	\$	3	\$	(90 )	\$	2,779	\$	2,692
Operating income (loss)	\$	437	\$	48	\$	(2,779 )	\$	(2,294 )
Interest income, net		(34 )		(30 )		—		(64 )
Income (loss) before income taxes		471		78		(2,779 )		(2,230 )
Income tax expense		7		31		—		38
Net income (loss)	\$	464	\$	47	\$	(2,779 )	\$	(2,268 )

Unallocated operating expenses in Corporate include costs for the three and six months ended March 31, 2024 June 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 six months ended March 31, 2024, June 30, 2024 and 2023, there was no material revenue attributable to any individual foreign country.

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

	Three Months Ended June 30,		Six Months Ended Jun	
	2024	2023	2024	2023
Domestic	\$ 209	\$ 437	\$ 470	\$ 917
Foreign	\$ 402	\$ 519	\$ 767	\$ 1,038
	\$ 611	\$ 956	\$ 1,237	\$ 1,955

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	Three Months Ended March 31,	
	2024	2023
Domestic	\$ 261	\$ 563
Foreign	\$ 365	\$ 475
	\$ 626	\$ 1,038

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 March 31,			
	2024	% of Revenue	2023	% of Revenue
Revenue: Managed Services				
Video collaboration services	\$ 14	2 %	\$ 64	6 %
Network services	503	80 %	618	60 %
Professional and other services	5	1 %	8	1 %
Total Managed Services revenue	\$ 522	83 %	\$ 690	66 %
Revenue: Collaboration Products				
Visual collaboration product offerings	\$ 104	17 %	\$ 348	34 %
Total revenue	\$ 626	100 %	\$ 1,038	100 %

	Three Months Ended June 30,			
	2024	% of Revenue	2023	% of Revenue
Revenue: Managed Services				
Video collaboration services	\$ 21	3 %	\$ 46	5
Network services	484	79 %	583	61
Professional and other services	3	0 %	11	1
Total Managed Services revenue	\$ 508	83 %	\$ 640	67
Revenue: Collaboration Products				
Visual collaboration product offerings	\$ 103	17 %	\$ 316	33
Total revenue	\$ 611	100 %	\$ 956	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

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

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		Three Months Ended March 31,	
		2024	2023
		Segment	% of Revenue
Customer A	Managed Services	82 %	52 %

Concentration of accounts receivable was as follows:

		As of June 30, 2024	
		2024	2023
		% of Accounts Receivable	% of Accounts Receivable
	Segment		
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 March 31, 2024

	Segment	2024	2023
		% of Accounts Receivable	% of Accounts Receivable
Customer A	Managed Services	— %	41 %
Customer B	Managed Services	— %	11 %
Customer C	Collaboration Products	— %	14 %
Customer D	Collaboration Products	— %	15 %
Customer E	Collaboration Products	73 %	— %

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## 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

### COVID-19

On March 11, 2020, March 11, 2020, the World Health Organization ("WHO") announced that infections of the novel Coronavirus (COVID-19) (COVID-19) had become pandemic, and on March 13, 2020, March 13, 2020, the U.S. President announced a National Emergency relating to the disease. In May 2023, the WHO declared COVID-19 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 COVID-19 pandemic and its prolonged effects. We believe the COVID-19 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, 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.

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## 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™

#### 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 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 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.

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### **Oblong's**

#### **Letter of Intent**

On June 4, 2024, we announced a non-binding letter of intent to acquire 100% of the outstanding equity interests of Dwell Analytics ("Dwell"). 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 Dwell 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 **March 31, 2024** (the “**2024 First Quarter**” “**Second Quarter**”) compared to the Three Months Ended **March 31, 2023** June 30, 2023 (the “**2023 First Quarter**” “**2023 Second Quarter**”)

Certain information concerning the Company’s segments for the three months ended **March 31, 2024** **June 30, 2024** and 2023 and is presented below (in thousands):

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	Three Months Ended March 31, 2024			
	Managed Services	Collaboration Products	Corporate	Total
Revenue	\$ 522	\$ 104	\$ —	\$ 626
Cost of revenues	369	260	—	629
Gross profit	\$ 153	\$ (156)	\$ —	\$ (3)
Gross profit %	29 %	(150)%		— %
Allocated operating expenses	\$ —	\$ 121	\$ —	\$ 121
Unallocated operating expenses	—	—	1,060	1,060
Total operating expenses	\$ —	\$ 121	\$ 1,060	\$ 1,181
Income (loss) from operations	\$ 153	\$ (277)	\$ (1,060)	\$ (1,184)
Interest and other income, net	(32)	(16)	—	(48)
Net income (loss) before tax	185	(261)	(1,060)	(1,136)
Income tax expense	—	—	—	—
Net income (loss)	\$ 185	\$ (261)	\$ (1,060)	\$ (1,136)

	Three Months Ended March 31, 2023			
	Managed Services	Collaboration Products	Corporate	Total
Revenue	\$ 690	\$ 348	\$ —	\$ 1,038
Cost of revenues	460	302	—	762
Gross profit	\$ 230	\$ 46	\$ —	\$ 276
Gross profit %	33 %	13 %		27 %
Allocated operating expenses	\$ —	\$ 286	\$ —	\$ 286
Unallocated operating expenses	—	—	1,193	1,193
Total operating expenses	\$ —	\$ 286	\$ 1,193	\$ 1,479

Income (loss) from operations	\$	230	\$	(240)	\$	(1,193)	\$	(1,203)
Interest and other expense (income), net		3		(25)		—		(22)
Income (loss) before income taxes		227		(215)		(1,193)		(1,181)
Income tax expense		7		31		—		38
Net income (loss)	\$	220	\$	(246)	\$	(1,193)	\$	(1,219)

	Three Months Ended June 30, 2024			
	Managed	Collaboration	Corporate	Total
	Services	Products		
Revenue	\$ 508	\$ 103	\$ —	\$ 611
Cost of revenues	331	160	—	491
Gross profit	\$ 177	\$ (57 )	\$ —	\$ 120
Gross profit %	35 %	(55 )%		20 %
Allocated operating expenses	\$ 31	\$ 122	\$ —	\$ 153
Unallocated operating expenses	—	—	985	985
Total operating expenses	\$ 31	\$ 122	\$ 985	\$ 1,138
Operating income (loss)	\$ 146	\$ (179 )	\$ (985 )	\$ (1,018 )
Interest income, net	(35 )	(9 )	—	(44 )
Income (loss) before income taxes	181	(170 )	(985 )	(974 )
Income tax expense	6	3	—	9
Net income (loss)	\$ 175	\$ (173 )	\$ (985 )	\$ (983 )
	Three Months Ended June 30, 2023			
	Managed	Collaboration	Corporate	Total
	Services	Products		
Revenue	\$ 640	\$ 316	\$ —	\$ 956
Cost of revenues	430	404	—	834
Gross profit	\$ 210	\$ (88 )	\$ —	\$ 122
Gross profit %	33 %	(28 )%		13 %
Allocated operating expenses	\$ 3	\$ (376 )	\$ —	\$ (373 )
Unallocated operating expenses	—	—	\$ 1,586	1,586
Total operating expenses	\$ 3	\$ (376 )	\$ 1,586	\$ 1,213



Operating income (loss)	\$ 207	\$ 288	\$ (1,586 )	\$ (1,091 )
Interest income, net	(37 )	(5 )	—	(42 )
Income (loss) before income taxes	244	293	(1,586 )	(1,049 )
Income tax expense	—	—	—	—
Net income (loss)	\$ 244	\$ 293	\$ (1,586 )	\$ (1,049 )

Unallocated operating expenses in Corporate include costs during the 2024 and 2023 First Second 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.

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Revenue. Total revenue decreased 40%36.1% in the 2024 First Second Quarter compared to the 2023 First Second 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.

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	Three Months Ended March 31,			
	2024	% of Revenue	2023	% of Revenue
Revenue: Managed Services				
Video collaboration services	\$ 14	2 %	\$ 64	6 %
Network services	503	80 %	618	60 %
Professional and other services	5	1 %	8	1 %
Total Managed Services revenue	\$ 522	83 %	\$ 690	66 %
Revenue: Collaboration Products				
Visual collaboration product offerings	\$ 104	17 %	\$ 348	34 %
Total revenue	\$ 626	100 %	\$ 1,038	100 %

	Three Months Ended June 30,			
	2024	% of Revenue	2023	% of Revenue
<u>Revenue: Managed Services</u>				
<u>Video collaboration services</u>	\$ 21	3 %	\$ 46	5
<u>Network services</u>	484	79 %	583	61
<u>Professional and other services</u>	3	0 %	11	1

<u>Total Managed Services revenue</u>	<u>\$</u>	<u>508</u>	<u>- - -</u>	<u>83 %</u>	<u>\$</u>	<u>640</u>	<u>- - -</u>	<u>67</u>
-	-	-	-	-	-	-	-	-
<u>Revenue: Collaboration Products</u>	-	-	-	-	-	-	-	-
<u>Visual collaboration product offerings</u>	<u>\$</u>	<u>103</u>	<u>- - -</u>	<u>17 %</u>	<u>\$</u>	<u>316</u>	<u>- - -</u>	<u>33</u>
<u>Total revenue</u>	<u>\$</u>	<u>611</u>	<u>- - -</u>	<u>100 %</u>	<u>\$</u>	<u>956</u>	<u>- - -</u>	<u>100</u>

#### 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, one customer made up 97% of Managed Services revenue. For the three months ended June 30, 2023, this same customer made up 84% of Managed Services revenue.
  - We expect revenue declines in our Managed Services segment will continue in the future.
- 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 March 31, 2024, one customer made up 98% of Managed Services revenue. For the three months ended March 31, 2023, this same customer made up 80% 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 work-place 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.

- 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 depreciation and amortization). Cost of revenue, exclusive of depreciation and 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 March 31,	
	2024	2023
<b>Cost of Revenue</b>		
Managed Services	\$ 369	\$ 460
Collaboration Products	260	302
Total cost of revenue	\$ 629	\$ 762

	Three Months Ended June	
	2024	2023
Cost of Revenue		
Managed Services	\$ 331	\$ 460
Collaboration Products	160	302
Total cost of revenue	\$ 491	\$ 762

The decrease in our consolidated cost of revenue is mainly attributable to lower costs associated with the decrease in revenue during the same period, offset and by an increase a decrease in the expense related to our reserve for obsolescence on our inventory asset for our Collaboration Products segment. Our consolidated gross profit as a percentage of revenue was 0%20% in the 2024 First Second Quarter compared to a consolidated gross profit as a percentage of revenue of 27%13% in the 2023 First Second Quarter.

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Our Managed Services segment recorded a 29%35% gross profit as a percentage of sales for the 2024 First Second Quarter compared to 33% in the 2023 First Second Quarter. This decrease was mainly attributable to fixed overhead costs related to lower sales as addressed above.

Our Collaboration Products segment recorded a negative gross profit as a percentage of sales of 150% 55% for the 2024 First Second Quarter compared to a 13% negative gross profit as a percentage of revenue sales of 28% in the 2023 First Second Quarter. This decrease was mainly attributable to lower sales and an increase in personnel costs as a percentage of revenue, partially offset by a reduction in the expense related to our inventory obsolescence reserve of \$35,000 \$164,000 in the 2024 First Second Quarter compared to the 2023 First Second Quarter.

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

	Three Months Ended March 31,		\$ Change	% Change
	2024	2023		
Operating expenses:				
Research and development	\$ 50	\$ 6	\$ 44	733 %
Sales and marketing	54	218	(164)	(75)%
General and administrative	1,077	1,169	(92)	(8)%
Depreciation and amortization	—	86	(86)	(100)%
Total operating expenses	\$ 1,181	\$ 1,479	\$ (298)	(20)%

	Three Months Ended June 30,		\$ Change	% Change
	2024	2023		
Operating expenses:				
Research and development	\$ 65	\$ 5	\$ 60	
Sales and marketing	57	(58 )	115	
General and administrative	1,016	1,577	(561 )	
Amortization	—	87	(87)	
Impairment charges	—	2	(2)	
Casualty gain (insurance proceeds)	—	(400 )	400	
Total operating expenses	\$ 1,138	\$ 1,213	\$ (75 )	

**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 First Second Quarter compared to the 2023 First Second Quarter is primarily attributable to an increase in consulting, and outsourced labor costs between these periods.

**Sales and Marketing Expenses.** The decrease increase in sales and marketing expenses for the 2024 First Second Quarter compared to the 2023 First Second Quarter is primarily attributable to lower personnel costs due to reduced headcount and less sales as discussed above and reduced marketing costs between these periods.

a reversal of approximately \$294,000 in accrued compensation during the 2023 Second Quarter.

**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 2024 First Second Quarter compared to the 2023 First Second Quarter is primarily attributable to reduced stock compensation expense and professional service expenses as a result of cost-cutting measures.

**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 2023 Second Quarter, 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 2024 Second Quarter compared to the 2023 Second Quarter is attributable to the impairment of certain assets during the year ended 2023.

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

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

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## Oblong's Results of Operations

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

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

	Six Months Ended June 30, 2024			
	Managed Services	Collaboration Products	Corporate	Total
Revenue	\$ 1,030	\$ 207	\$ —	\$ 1,237
Cost of revenues	700	420	—	1,120
Gross profit	\$ 330	\$ (213 )	\$ —	\$ 117
Gross profit %	32 %	(103 )%		9 %
Allocated operating expenses	\$ 62	\$ 243	\$ —	\$ 305
Unallocated operating expenses	—	—	2,014	2,014
Total operating expenses	\$ 62	\$ 243	\$ 2,014	\$ 2,319
Operating income (loss)	\$ 268	\$ (456 )	\$ (2,014 )	\$ (2,202 )
Interest income, net	(67 )	(25 )	—	(92 )
Income (loss) before income taxes	335	(431 )	(2,014 )	(2,110 )
Income tax expense	6	3	—	9
Net income (loss)	\$ 329	\$ (434 )	\$ (2,014 )	\$ (2,119 )

Six Months Ended June 30, 2023				
	Managed Services	Collaboration Products	Corporate	Total
Revenue	\$ 1,330	\$ 664	\$ —	\$ 1,994
Cost of revenues	890	706	—	1,596
Gross profit	\$ 440	\$ (42 )	\$ —	\$ 398
Gross profit %	33 %	(6 )%		20 %
Allocated operating expenses	\$ 3	\$ (90 )	\$ —	\$ (87 )
Unallocated operating expenses	—	—	2,779	2,779
Total operating expenses	\$ 3	\$ (90 )	\$ 2,779	\$ 2,692
Operating income (loss)	\$ 437	\$ 48	\$ (2,779 )	\$ (2,294 )
Interest income, net	(34 )	(30 )	—	(64 )
Income (loss) before income taxes	471	78	(2,779 )	(2,230 )
Income tax expense	7	31	—	38
Net income (loss)	\$ 464	\$ 47	\$ (2,779 )	\$ (2,268 )

Unallocated operating expenses in Corporate include costs during the six months ended June 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.

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Revenue. Total revenue decreased 38.0% in the six months ended June 30, 2024 compared to the six months ended June 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,				
	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

#### 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 months ended June 30, 2024, one customer made up 98% of Managed Services revenue. For the six months ended June 30, 2023, this same customer made up 90% 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,	
	2024	2023
Cost of Revenue		
Managed Services	\$ 700	\$ 890
Collaboration Products	420	700
Total cost of revenue	\$ 1,120	\$ 1,590

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. Our consolidated gross profit as a percentage of revenue was 9% in the six months ended June 30, 2024 compared to a consolidated gross profit as a percentage of revenue of 20% in the six months ended June 30, 2023.

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

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

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

Six Months Ended June 30,



	2024	2023	\$ Change	% Change
Operating expenses:				
Research and development	\$ 115	\$ 11	\$ 104	9
Sales and marketing	111	160	(49 )	(
General and administrative	2,093	2,746	(653 )	(
Amortization	—	173	(173)	(1
Casualty gain (insurance proceeds)	—	(400)	400	(1
Impairment charges	—	2	(2 )	(1
Total operating expenses	\$ 2,319	\$ 2,692	\$ (373 )	(

**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 months ended June 30, 2024 compared to the six months ended June 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 months ended June 30, 2024 compared to the six months ended June 30, 2023 is primarily attributable to lower personnel costs due to reduced marketing costs between these periods.

**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 months ended June 30, 2024 compared to the six months ended June 30, 2023 is primarily attributable to reduced stock compensation expense and overhead and professional service expenses as a result of cost-cutting measures.

#### Depreciation

**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 months ended June 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 depreciation and amortization expenses expense for the 2024 First Quarter six months ended June 30, 2024 compared to the 2023 First Quarter six months ended June 30, 2023 is attributable to the disposition and impairment of certain assets during the year ended 2023.

**Interest and Other Income, Net.** Interest and other income, net for the 2024 First Quarter six months ended June 30, 2024 and 2023 is primarily comprised of interest income related to our cash accounts, partially offset by interest expense.

accounts.

**Loss from Operations.** The decrease in the Company's loss from operations for the three six months ended March 31, 2024 June 30, 2024 compared to the three six months ended March 31, 2023 June 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 months ended June 30, 2023 and by lower gross profit, as addressed above.



## Off-Balance Sheet Arrangements

As of March 31, 2024 June 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.

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## Critical Accounting Policies

There have been no changes to our critical accounting policies during the three six months ended March 31, 2024 June 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 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 March 31, 2024 June 30, 2024, we had \$5,360,000 \$5,858,000 in cash and working capital of \$4,436,000 \$5,047,000. For the three six months ended March 31, 2024 June 30, 2024 we incurred a net loss of \$1,136,000 \$2,119,000, financing activities provided \$1,478,000 of net cash, and we used \$630,000 \$1,610,000 of net cash in operating activities.

We believe that our existing cash and cash equivalents will be sufficient to fund our operations and meet our working capital requirements for at least the next 12 months from the filing date of this Report with the SEC. through 2025. We believe additional capital will be required, in the long-term, 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 **March 31, 2024** **June 30, 2024**. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of **March 31, 2024** **June 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 **March 31, 2024** **June 30, 2024**, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### 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.

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#### 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 **three** **six** months ended **March 31, 2024** **June 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 months ended March 31, 2024 June 30, 2024, one major customer accounted for 82% 81% of the Company's total consolidated revenue. The composition of our significant customers will vary from period-to-period, 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, 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 September 21, 2023, we received a letter from the listing qualifications staff of Nasdaq providing notification that the bid price for our Common Stock had closed below \$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 Nasdaq Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), 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 180-day extension to regain compliance with the Bid Price Rule. The Company now has until September 16, 2024 to meet the requirement. If at any time prior to September 16, 2024, the bid price of the Company's ordinary shares closes at \$1.00 per share or more for a minimum of 10 consecutive business days, the Company will regain compliance with the Bid Price Rule.

If the Company does not regain compliance with the Bid Price Rule during 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.

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.

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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.

## 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, 10-Q, no director or officer of the Company adopted or terminated a “Rule 10b5-110b5-1 trading arrangement” or “non-Rule 10b5-110b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

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ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	<a href="#"><u>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).</u></a>

By-laws, as amended by the First Amendment to Amended and Restated By-Laws, dated October 19, 2023 (filed as Exhibit 3.13.2 to the Registrant's Current Annual Report on Form 8-K10-K filed with the SEC on October 19, 2023 March 19, 2024, and incorporated herein by reference).

[Certificate of](#)  
[Designations,](#)  
[Preferences](#)  
[and Rights of](#)  
[Series D](#)  
[Preferred](#)  
[Stock \(filed as](#)  
[Exhibit 4.6 to](#)  
[the](#)  
[Registrant's](#)  
[Current](#)  
[Report on](#)  
[Form 8-K filed](#)  
[with the SEC](#)  
[on](#)  
[September 24,](#)  
[2007, and](#)  
[incorporated](#)  
[herein by](#)  
[reference\).](#)

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).



[Certificate of Designations, Preferences and Rights of Perpetual Series B Preferred Stock of the Registrant \(filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 30, 2010, and incorporated herein by reference\).](#)

[Certificate of Designations, Preferences and Rights of Perpetual Series B-1 Preferred Stock of the Registrant \(filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 9, 2011, and incorporated herein by reference\).](#)

[Certificate of Designations of Rights, Powers, Preferences, Privileges and Restrictions of the 0% Series B Convertible Preferred Stock \(filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on November 14, 2017, and incorporated herein by reference\).](#)

[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 \(filed](#)  
[as Exhibit 4.2](#)  
[to](#) [the](#)  
[Registrant's](#)  
[Current](#)  
[Report](#) [on](#)  
[Form 8-K filed](#)  
[with the SEC](#)  
[on April 3,](#)  
[2023,](#) [and](#)  
[incorporated](#)  
[herein](#) [by](#)  
[reference\).](#)

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	<div>Inline XBRL</div> <div>Instance</div> <div>Document</div>
101.SCH	<div>Inline XBRL</div> <div>Taxonomy</div> <div>Extension</div> <div>Schema</div>
101.CAL	<div>Inline XBRL</div> <div>Taxonomy</div> <div>Extension</div> <div>Calculation</div> <div>Linkbase</div>
101.DEF	<div>Inline XBRL</div> <div>Taxonomy</div> <div>Extension</div> <div>Definition</div> <div>Linkbase</div>
101.LAB	<div>Inline XBRL</div> <div>Taxonomy</div> <div>Extension</div> <div>Label</div> <div>Linkbase</div>
101.PRE	<div>Inline XBRL</div> <div>Taxonomy</div> <div>Extension</div> <div>Presentation</div> <div>Linkbase</div>
104	<div>Cover Page</div> <div>Interactive</div> <div>Data File</div> <div>(embedded</div> <div>within the</div> <div>Inline XBRL</div> <div>and contained</div> <div>in Exhibit 101)</div>

\* 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.

May 8,  
August 7, 2024

By: /s/ Peter Holst

\_\_\_\_\_  
Peter Holst  
Chief Executive Officer  
(Principal Executive Officer)

May 8, August 7, 2024

By: /s/ David Clark

\_\_\_\_\_  
David Clark  
Chief Financial Officer  
(Principal Financial and  
Accounting Officer)

-24- -28-

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.

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: May 8, 2024

/s/ Peter Holst

Peter Holst  
Chief Executive Officer  
(principal executive officer)

August 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.
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: May 8, 2024

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

August 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 March 31, 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.
- 
1. The accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended June 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: May 8, 2024

/s/ Peter Holst  
Peter Holst  
Chief Executive Officer

/s/ David Clark  
David Clark  
Chief Financial Officer

August 7, 2024

/s/ Peter  
Holst  
Peter  
Holst  
Chief Executive Officer

/s/ David  
Clark  
David  
Clark  
Chief Financial Officer

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