

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

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

or

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

For the transition period from _____ to _____

Commission file number: 001-35824

Professional Diversity Network, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

80-0900177

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

55 E. Monroe Street, Suite 2120 Chicago, Illinois

(Address of Principal Executive Offices)

60603

(Zip Code)

(312) 614-0950

(Registrant's telephone number, including area code)

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

Title of each class

Name of each exchange on which registered

Common Stock, \$0.01 par value per share

The Nasdaq Stock Market LLC

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

None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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

Yes No

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

Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "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 accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

The aggregate market value of the Registrant's common stock held by non-affiliates of the Registrant on June 30, 2025, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately \$5,303,406 (based on the price at which the common shares were last sold as reported on the NASDAQ Capital Market on such date).

There were 10,244,785 shares outstanding of the Registrant's common stock as of March 31, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the Registrant's 2026 Annual Meeting of Stockholders are incorporated by reference in Part III of this Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission (the "SEC") within 120 days of the Registrant's fiscal year ended December 31, 2025.

true

PROFESSIONAL DIVERSITY NETWORK, INC.

FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2025
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PROFESSIONAL DIVERSITY NETWORK, INC.

PART I

Unless we specify otherwise, all references in this annual report on Form 10-K (the “Annual Report”) to “PDN,” “the Company,” “we,” “our,” and “us” refer to Professional Diversity Network, Inc., and its consolidated subsidiaries. This discussion contains forward-looking statements, which are based on our assumptions about the future of our business. *Our actual results will likely differ materially from those contained in the forward-looking statements. Please read “Special Note Regarding Forward-Looking Statements” for additional information regarding forward-looking statements used in this Annual Report.*

On March 7, 2025, we filed a certificate of amendment to our Amended and Restated Certificate of Incorporation in order to implement a 10-for-1 reverse stock split, through which each ten shares of common stock, par value \$0.01 per share, issued and outstanding were combined and changed into one share of common stock, par value \$0.01 per share (“Common Stock”), effective March 13, 2025. All share amounts and share prices in this annual report on Form 10-K have been adjusted to give effect to the reverse stock split.

ITEM 1 - BUSINESS

Overview

The Company is a dynamic operator of professional networks with a focus on talent acquisition and professional development. Our networks provide access to a robust audience across multiple demographics. We serve a variety of such communities, including Women, Hispanic Americans, African Americans, Asian Americans, persons with disabilities, Military Professionals, and Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+). Our goal is (i) to assist our registered users and members in their efforts to connect with like-minded individuals and identify career opportunities within the network and (ii) connect members with prospective employers while helping the employers address their workforce needs. We believe that the combination of our solutions allows us to approach recruiting and professional networking uniquely and thus create enhanced value for our members and clients.

During fiscal year 2025, the Company initiated a strategic transformation to expand beyond its traditional online professional networking and talent marketplace operations and into Web3.0, copyrights, digital asset, and real-world asset (“RWA”) platform initiatives. This transformation reflects management’s objective to diversify revenue streams, integrate emerging technologies, and position the Company within blockchain-enabled digital ecosystems, particularly in Asia-Pacific markets.

PDN is a holding company and operates three business units:

- TalentAlly, LLC is 100% owned and operated by PDN;
- NAPW, Inc. is 100% owned and operated by PDN; and
- RemoteMore USA, Inc. is 84.6% owned by PDN.

In 2025, we established a wholly owned subsidiary in Tokyo, Japan. The subsidiary is not currently a material contributor to our revenues, and its operations remain in development.

Environmental, Social and Governance

As a global developer and operator of online and in-person networks that provide access to networking, training, educational, and employment opportunities for diverse individuals, Professional Diversity Network, Inc. is striving to be at the forefront of fostering supportive and inclusive cultures in the workplace. We are committed to creating permanent, systemic changes that address social inequalities in our communities by providing avenues for employers and under-represented people to engage.

We are proud of our continued leadership in social stewardship. Our mission is to utilize the collective strength of our subsidiaries, members, partners, and unique proprietary platform to create opportunities for women, minorities, veterans, LGBTQ+ and persons with disabilities. This includes employment, networking, and professional development.

Through an online employee recruitment platform that leverages our affinity groups, we provide our employer clients with a means to identify and attract qualified talent, assist them with diversifying their talent pool, and comply with the Equal Employment Opportunity Office of Federal Contract Compliance Program.

We believe in maintaining a supportive and inclusive culture that values everyone’s talents, life experiences and backgrounds.

- We are proud of the strength and diversity within our Board of Directors, comprised of 29% female directors and 86% of directors who are non-white as of December 31, 2025; and
- Our Senior Management team is comprised of 29% female members and 71% non-white males.

The following table depicts a breakdown of the ethnicity of our full-time and part-time employees as of December 31, 2025:

Ethnicity	Female	Male	Total
Asian (not Hispanic or Latino)	4	5	9
Black or African American (not Hispanic or Latino)	-	1	1
Hispanic or Latino	2	3	5
White (not Hispanic or Latino)	13	6	19
Total	19	15	34

Our Strategy

We provide services for employers who want to attract diverse talent, individuals seeking to network on a professional level and job seekers who desire to improve their professional situation.

Our recruitment business provides additional value for our other business segments by providing our registered users and members access to employment opportunities at leading companies. We have focused our efforts on placing talent in IT, Finance, and similarly related fields.

In 2025, we began evaluating and pursuing certain initiatives relating to Web3.0 technologies, copyrights, digital assets, and RWA tokenization. These activities represent an expansion beyond our historical professional networking and recruitment platform operations. As of December 31, 2025, these initiatives remain in early stages of development, and we have not generated material revenue from such activities.

In 2025, we established a wholly owned subsidiary in Tokyo, Japan. The subsidiary is intended to support our evaluation and development of Web3.0 and entertainment-related initiatives in Asia. The subsidiary is not currently a material contributor to our revenues, and its operations remain in development.

We cannot assure that our Web3.0, copyrights, digital asset, or real-world asset initiatives will result in commercially viable products or services, generate material revenues, or achieve regulatory approval where required. These initiatives may require significant management attention and financial resources and may be subject to evolving regulatory frameworks in multiple jurisdictions.

Our strategy encompasses the following key elements:

- Grow and diversify our member and client base;
- Improve branding and brand awareness;
- Utilize social media to effectively engage with the community;
- Maximize revenue through synergies among the segments;
- Launch new products and services;
- Explore opportunities in Web3.0, digital asset, and RWA initiatives as a potential long-term diversification strategy;
- Explore entertainment-related intellectual property assets as part of its real-world asset tokenization strategy;
- Streamline infrastructure to capture efficiency; and
- Continue to expand in diversity recruitment by growing our core offerings of recruitment advertising, Office of Federal Contract Compliance Programs (OFCCP) compliance offerings and our placement services.

We remain interested in pursuing acquisition and/or development opportunities that would increase returns of capital to our shareholders, such as our purchase of Expo Experts LLC and the purchase of an additional equity stake in RemoteMore USA, Inc. (as further described below). The timing, size, success and associated potential future capital commitments related to such opportunities are unknown at this time. Accordingly, a material acceleration of our growth strategy could require us to obtain additional capital through debt and/or equity financings. There can be no assurance that adequate debt and equity financing will be available on satisfactory terms.

Industry Overview

The diversity recruitment market is highly fragmented and is characterized by the following trends:

- *Regulatory Landscape on Diversity and Inclusion: Key Shifts and Legal Impacts.* The regulatory environment surrounding diversity and inclusion in the workplace has evolved significantly through key government actions. In August 2011, President Obama signed Executive Order 13583 to promote diversity and inclusion within the federal workforce, requiring companies seeking federal contracts to demonstrate workforce diversity. Simultaneously, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 mandated that U.S. financial agencies create Offices of Minority and Women Inclusion (OMWI) to oversee diversity in management, employment, and contracting activities. However, under President Trump, an executive order was issued to terminate certain DEI programs, including those related to diversity, equity, and inclusion, within federal agencies and contracting. Despite this, the Dodd-Frank Act's requirement for OMWIs remained unaffected, as Trump's order included a provision preserving the authority granted by law to agencies, thus ensuring that OMWIs continued to operate in financial sectors. Notably, while the SEC removed its DEI page in January 2024, its OMWI page remains intact, highlighting that the legal obligations for diversity in federal financial agencies remain in place despite broader political shifts. In 2026, pressures opposing DEI initiatives remain pronounced, with numerous organizations scaling back explicit diversity objectives and prioritizing merit-based recruitment. Nevertheless, federal enforcement continues to emphasize fairness and compliance rather than prohibiting DEI programs outright. While certain DEI initiatives have faced challenges for allegedly excluding specific groups, regulatory guidance underscores the importance of lawful and inclusive implementation. Overall, employers are tasked with balancing diversity objectives with legal compliance, prioritizing equity and a culture of belonging over rigid identity-based quotas.

- *Growing Ethnic Diversity of the U.S. Population and Labor Force.* The demographic landscape of the United States continues to evolve, with significant shifts in the racial and ethnic composition of both the general population and the labor force. These changes underscore the importance of inclusive recruitment practices to effectively engage a diverse talent pool. As of January 1, 2025, the U.S. population reached approximately 341.1 million, reflecting a 0.78% increase from the previous year. The U.S. Census Bureau projects that by 2060, the Hispanic population will constitute about 30.6% of the total U.S. population, up from 19.1% in 2020. The African American population is expected to increase from 13.4% in 2020 to 14.7% in 2060, and the Asian American population from 5.9% to 8.5% over the same period. In 2023, the civilian labor force comprised approximately 161 million individuals aged 16 and older. Women represented about 47% of this workforce. White individuals made up 76% of the labor force in 2023, while Black or African American individuals constituted 13%, and Asian individuals accounted for 7%. According to a January 2026 Congressional Budget Office (CBO) report, the total U.S. population is expected to reach approximately 349 million in 2026, with continued demographic shifts toward a larger share of Hispanic and Asian residents in the adult labor pool. These demographic trends highlight the increasing representation of various racial and ethnic groups within the U.S. population and labor force. Employers are encouraged to adopt inclusive recruitment strategies to attract and retain talent from this diverse and growing pool.
- *Demographic Trend Toward Women's Career Advancement.* According to the U.S. Bureau of Labor Statistics, the number of women in the labor force in 2021 was approximately 75.7 million and is expected to increase to 77.2 million by 2024. Women accounted for 51.8% of all workers employed in management, professional, and related occupations in 2023, somewhat more than their share of total employment (46.9%). The share of women in specific occupations within this large category varied. For example, 30.6% of chief executives and 39.5% of lawyers were women, all increases from 2022, whereas 87.4% of registered nurses, 78.6% of elementary and middle school teachers, 57.0% of accountants and auditors, and 20.2% of software developers were women. The participation and advancement of women in the U.S. labor force have seen notable changes in recent years. As of January 2025, approximately 79 million women were active in the labor force, surpassing pre-pandemic levels by nearly 2 million. However, the labor force participation rate for women was 57.5% in January 2025, slightly below the pre-pandemic rate of 58.0% in February 2020. In 2023, women held 51.8% of professional occupations, exceeding their overall employment share of 47.1%.

Representation varied across specific roles:

- Chief Executives: Approximately 30% were women.
- Lawyers: Women comprised about 39.5%.
- Registered Nurses: A significant 87.4% were women.
- Elementary and Middle School Teachers: Women made up 78.6%.
- Accountants and Auditors: 57.0% were women.
- Software Developers: Women represented 20.2%.

Despite progress in certain areas, disparities persist. For every 100 men promoted from entry-level to manager positions, only 87 women receive similar promotions, with the gap widening for women of color. Additionally, while women constitute nearly half of the workforce, they hold only about 29% of C-suite leadership roles, often in positions less likely to lead to CEO appointments, such as human resources. These statistics highlight ongoing challenges in achieving gender parity in leadership and underscore the need for continued efforts to support women's career advancement across all sectors.

- *Rising Spending Power of Diverse Population.* PDN segments are focused on providing professional enhancement tools to diverse Americans including women. We believe diverse professionals are underserved and represent a very strong opportunity to enhance our shareholders' value. The Selig Center for Economic Growth, using data provided by the U.S. Census Bureau, the U.S. Bureau of Economic Analysis and other sources, estimates the nation's total buying power (defined as total income after taxes) reached \$13.9 trillion in 2016 and grew to \$17.5 trillion by 2020 with minority groups making the fastest gains. For example, between 2010 and 2020, Asian-American buying power grew by 111% to \$1.3 trillion; the buying power for those of Hispanic ethnicity grew by 87% to \$1.9 trillion, Native American buying power grew by 67% to \$140 billion, and African American buying power grew by 61% to \$1.6 trillion. According to the University of Georgia's Selig Center for Economic Growth, the combined buying power of African American, Asian American, and Native American consumers represents nearly 17.5% of the total U.S. buying power in 2023, signifying a significant increase compared to previous years, with this group controlling almost \$1 out of every \$5.75 spent in the country.
- *Evolving Digital Connectivity and AI-Driven Networking.* The digital landscape has rapidly transformed, with artificial intelligence (AI) and advanced algorithms reshaping how people connect, communicate, and collaborate online. The internet has evolved beyond a simple information hub into an interactive, intelligent, and personalized ecosystem, where AI enhances engagement and user experience.

AI-Powered Networking & Personalization Social and professional networking platforms now leverage AI to curate content, recommend connections, and facilitate smarter interactions based on user preferences and behavioral patterns. Machine learning algorithms analyze engagement trends to help professionals find relevant opportunities, build meaningful relationships, and expand their networks more efficiently than ever before.

The Rise of Generative AI & Virtual Communities With the rise of generative AI, digital networking is becoming more immersive and interactive. AI-powered assistants help professionals optimize their personal brands, craft compelling content, and streamline communication. Additionally, virtual communities are integrating AI-driven matchmaking and sentiment analysis, enabling users to connect with like-minded individuals and discover career opportunities in ways that were not possible before.

Future of Online Engagement The convergence of socialization, AI, and automation is redefining digital interactions. Networking platforms are integrating real-time AI-driven insights, voice-enabled search, and predictive analytics to create a more dynamic and engaging experience. As a result, professionals can leverage these advancements to build stronger networks, stay ahead in their industries, and unlock new opportunities with precision and speed. This shift marks a new era in online connectivity, where AI is not just a tool but a driving force in shaping the future of professional and social networking.

Our Solutions

We currently operate in three business segments comprised of: (i) TalentAlly, which maintains and operates job board software and hosts career fairs, (ii) National Association of Professional Women ("NAPW Network"), a professional networking organization that addresses personal and professional development opportunities for women, and (iii) RemoteMore USA ("RemoteMore") which provides companies with talented engineers to provide solutions to their software needs. In 2018, we started transacting new NAPW Network memberships under the International Association of Women ("IAW") brand in the USA. In 2024, we rebranded our Professional Diversity Network business to TalentAlly.

In 2025, our TalentAlly Network, NAPW Network and RemoteMore business units represented approximately 53%, 5%, and 42% of our gross revenues, respectively.

In addition to our three operating segments, during 2025 we began exploring certain initiatives relating to copyrights, Web3.0 technologies and digital assets. These initiatives are currently in development and are not operated as a separate reportable segment.

For financial information about our operating segments please see Note 16 of our Consolidated Financial Statements included in this Annual Report.

TalentAlly

Recruitment Solutions. The TalentAlly Network consists of several online professional job seeker communities dedicated to serving professionals in the United States and employers seeking to hire talent from a wide range of sources with many demographics represented. We use the word “professional” to describe any person interested in the Company’s websites or career fairs presumably for the purpose of career advancement or related benefits offered by the Company, whether or not such person is employed and regardless of the level of education or skills possessed by such person. Leveraging the power of our affinity job seeker groups, these professionals harness the Company’s relationships with employers and recruiters to help advance their careers. We operate these recruitment affinity groups within the following sectors: Women, Hispanic-Americans, African-Americans, Asian-Americans, persons with disabilities, Military Professionals, and LGBTQ+. In addition, the Company also manages the job seeker websites and career fairs for prominent diverse membership-based organizations including but not limited to NAACP, National Urban League, and Kappa Alpha Psi. Employers and recruiters benefit from the Company’s relationship with these organizations, which allows them to access a large pool of qualified jobs seekers in a centralized manner.

Our TalentAlly Network has registered users for our recruitment services. We use the term “registered user” to describe a consumer who has affirmatively visited one of our properties, opted into an affinity group and provided us with demographic or contact information enabling us to match them with employers and/or jobs, and to sell them ancillary products and services. We expect that continued registered user growth of the TalentAlly Network will enable us to further develop our list of online professional diversity networking and career placement solutions. We currently provide access to our TalentAlly Network websites to registered users at no cost. The Company is always exploring various partnerships with other service providers to increase their offerings to both job seekers and employers. Our goal is to use an asset light approach to provide quality products and services, to increase our value to those we serve and drive additional capital without significant capital investments. In 2024, we entered into a partnership with AI Geo to leverage AI technology to enhance job seeker engagement through a mock interview platform.

We offer employers of all sizes seeking to expand their talent, and to third-party recruiters (i) real-time solutions that deliver qualified talent from a large pool of candidates, (ii) advertising and promotion of their job opportunities to our networks, and (iii) assistance with posting their job opportunities to career agencies in a manner compliant with the regulations and requirements of the Equal Employment Opportunity OFCCP, including those of state and local governments. Our recruitment advertising solutions promote hiring and retention success by providing job seekers with information that we believe allows them to look beyond a corporate brand, deeper into employers' core values. We use sophisticated technology to deliver recruitment advertising using internet banner ads and email marketing targeted by geography and occupation, based upon data from our audiences' profiles and job searches on our websites. As of December 31, 2025, we had approximately 200 enterprise companies and 422 total customers utilizing our products and services.

Career Fairs. Through our events business, a part of our TalentAlly Network business segment, we produce premier face-to-face and virtual recruiting events we call Professional Diversity Career Fairs. The Company's events help employers connect with a new marketplace of qualified professionals. We believe our events are the only events of their type endorsed by leading organizations such as the NAACP, National Urban League, Phi Beta Sigma and others. Participating employers range from Fortune 500 companies to federal, state and local agencies and from smaller employers to non-profit organizations, all of which seek a proactive approach to diversity recruiting. We also produce virtual and in-person career fairs as part of high-profile national events such as the NAACP National Convention, the Urban League National Conference and historically black sorority and fraternity conferences.

In January 2023, through a newly formed wholly-owned subsidiary, we purchased the assets and operations of Expo Experts LLC ("Expo Experts"), an Ohio limited liability company. Expo Experts specializes in producing premier face-to-face and virtual recruiting events for Engineering, Technology and Security Clearance positions. We believe that this acquisition complements our current career fair business.

PDNRecruits. We use matching and targeting technology to match members with our clients' open jobs on a renewing month-to-month license basis, designed to provide the Company with increasing residual income as we add new clients and sell additional licenses. The PDNRecruits product is a significant step towards increasing online sales in a scalable and residual manner.

TalentAlly Placement. As part of our robust suite of recruitment offerings for employers, the Company offers a contingent hiring solution. It is a pay-per-hire offering that charges a percentage of the first year's annual salary plus bonus for candidates we source and they hire. We believe our superior brand positioning, large network of diverse talent and our vast employer relationships position us well for continued growth in this segment.

NAPW Network

The NAPW Network is a professional networking organization for women. We use the terms “member” or “membership” to describe a consumer who has viewed our marketing material, opted into membership with the NAPW Network, provided demographic information and engaged in an onboarding call with a membership coordinator. Paid memberships provide greater access to networking opportunities and other membership perks, including access to upgraded packages. Members of the NAPW Network enjoy a wealth of resources dedicated to developing their professional networks, furthering their education and skills and promoting their businesses and career accomplishments.

We provide NAPW Network members with opportunities to network and develop valuable business relationships with other professionals through NAPW’s website, as well as at events hosted at local chapters across the United States. In March 2020, due to the COVID-19 pandemic, all events shifted to a virtual format hosted on third-party electronic platforms, such as Zoom. In October 2021, NAPW launched a Global virtual chapter to expand its audience outside of the United States. TalentAlly Network products and services are being deployed to provide enhanced value to the NAPW membership experience, which we believe will be an important component in increasing both the number of new memberships and renewals of existing memberships.

IAW Leadership Lab. In 2020, IAW launched the Leadership Lab platform as an enhancement to the NAPW eCoaching platform. IAW also offers virtual networking roundtable events throughout the month where members who are established experts in their field provide participants insight and tips on how to overcome career and business challenges. Hosted by NAPW’s President, our unique platform connects our members with professional life and career coaches from within the NAPW membership base. Through these events, members gain insight, guidance and inspiration to help them maximize their personal and professional potential. Topics include the Power of Intentionality - Turning Good Intentions Into Actions, The Power of Authentic Communication, and Confident Steps To Create a Thriving Life. The on-line events also include the opportunity for members to network with other participants in the live chat room. Members are also able to access a recording of these events in the NAPW website.

Professional Identity Management. Through the NAPW Network website, NAPW Network members are able to create, manage and share their professional identity online and promote themselves and their businesses. NAPW Network members can also promote their career achievements and their businesses through placement on the NAPW Network website’s home page, in proprietary press releases, in the online Member Marketplace and in monthly newsletter publications. In addition, the TalentAlly provides members with direct access to employers seeking to hire professional women at a high level of connectivity and efficiency.

Access to Knowledge. In addition to networking and promotional opportunities, NAPW Network also provides to its members the ability to further develop their skills and expand their knowledge base through monthly newsletters, online and in-person seminars, webinars and certification courses.

Upgraded Memberships and Ancillary Products. Upgraded packages include additional promotional and publicity tools, as well as mentorship opportunities and enhanced professional development.

Partner Discounts. We also offer NAPW Network members exclusive discounts on third-party products and services.

IAW Global Women’s Network. This network offers in-person and online networking with like-minded women to foster enhanced career connections and opportunities. Members can promote their brands, identify new career opportunities, and build lasting relationships at monthly meetings and events. These interactive events allow members to improve their verbal resumes, expand their networks, and hear from inspiring speakers. Regional and national conferences provide inspirational panels, unique networking opportunities, and the chance for members to promote their business or services. Our partners allow members to explore events outside the United States and create opportunities to network with women around the world.

RemoteMore USA

RemoteMore USA is an innovative, global entity that provides remote-hiring marketplace services for software developers and companies. Companies are connected with reliable, cost-efficient, vetted developers, and software developers are empowered to find meaningful jobs regardless of their location. As of December 31, 2025, we owned an approximate 84.6% interest in RemoteMore USA.

Web3.0 Initiatives

During 2025, we began evaluating potential business opportunities involving blockchain-based technologies and digital assets. These efforts include exploring the potential use of digital utility tokens within third-party platform ecosystems and assessing opportunities related to RWA tokenization, including certain entertainment-related copyright assets we have acquired.

To support these exploratory efforts, we established a wholly owned subsidiary in Tokyo, Japan in 2025 (the “Japan Subsidiary”). The Japan Subsidiary is intended to assist with business development activities and potential partnerships in Asia relating to these initiatives.

As of December 31, 2025, our Web3.0 initiatives remain in early stages of development. We have not generated material revenue from these activities. The scope, regulatory considerations, and commercial viability of these initiatives remain uncertain, and we may determine to modify, scale back, or discontinue these efforts.

Operations: Sales, Marketing and Customer Support

Sales and Marketing

Our TalentAlly Network sales resources for recruitment and recruitment advertising products and services include a sales force with eight sales professionals, and website technology which facilitates e-commerce transactions. We market directly to employers and third-party recruiters. Our sales team uses a combination of telephone, email and face-to-face marketing, including personal visits to companies or their recruitment agencies, as well as appearances at industry and trade group events where diversity recruitment recruiters are in attendance. We have also formed strategic alliances with parties who are able to help extend our organic reach. In addition, we are developing purely online marketing channels to bring recruiters to us in bulk and use products based on a matching and targeting technology to facilitate sales. We have specialty units within our sales force dedicated to serving: (i) federal, state and local governments and companies and contractors who serve these governmental entities, (ii) small and medium sized businesses as defined by companies with less than 2,500 employees, and (iii) large enterprises with greater than 2,500 employees.

We sell NAPW/IAW Network membership subscriptions offline through our NAPW/IAW Network sales force, which currently includes two sales professionals, each of whom sells initial membership services. We also support online membership subscriptions through online sales via our website. We developed a secure, work-from-home technology along with a training and supervision platform aimed at reducing overhead costs, increasing per-representative profitability, and offering our sales professionals flexible working arrangements. All sales representatives are capable of selling upgraded memberships and ancillary products.

RemoteMore contracts with companies that are in need of customized software development and pairs them with developers from a database of developers. Services vary from simple software solutions to detailed programming where teams of developers work together.

Customer Success and Compliance

In addition to our sales professionals, we also employ teams to provide customer support, compliance and enhance member experience. Our customer success teams work together to improve engagement with our members and to ensure a high degree of member satisfaction and retention. Our customer success teams also work with our Development and Executive teams to identify new lead-generation, sales and membership product opportunities, and to test those, as well as new approaches to our current sales. The team works closely with customer support and sales management to ensure that sales are conducted in an ethical manner and to identify sales representatives who would benefit from enhanced training.

Our Strengths

We believe the following elements give us a competitive advantage to accomplish our mission:

- *Dedicated Focus on Diverse Professionals.* Our focus on providing career opportunities for diverse professionals differentiates us from other online job seeker websites, such as Indeed or ZipRecruiter. We provide a platform that allows employers to recruit and attract from a targeted pool of diverse candidates rather than a pool of general market candidates. It provides employers unique advantages in terms of costs savings and time and allows employers to advance their corporate recruitment strategy. Additionally, our strategic partnerships with diversity-based membership organizations such as Lean In Latinas, Kappa Alpha Psi, etc., provide our clients enhanced access to specialized talent using the PDN platform.
- *Online and In-Person Diversity Career Fair Services.* The Company has a comprehensive and coordinated method of connecting diverse job seekers with companies seeking to hire diverse employees using virtual and brick and mortar career fairs. The fairs allow us to connect with local employers, recruiters, and job seekers in specific cities across the U.S. Our career fair services allow the Company to diversify its offerings and complement its online job board services.
- *Platform That Harnesses the Power of Web Socialization.* We believe that our membership base will continue to grow and that our platform will be an increasingly powerful tool that enables our members to leverage their connections and shared information for the collective benefit of all of the participants on our platform. We believe that we are the first online professional network to focus on the diversity recruitment sector.
- *Relationships with Strategic Partners.* We consider our partner alliances to be a key value to our clients because they enable us to expand our job distribution and outreach efforts. We continue to expand our relationships with key strategic partners that we believe are valuable to our core clients. Our websites have backup and contingency plans in place in the event that an unexpected circumstance occurs.
- *Relationships with Professional Entities & Organizations.* Our team has experience working with multicultural professional organizations. We partner with a number of leading minority professional organizations, including but not limited to:
 - DisabledPersons.com
 - HireVeterans.com
 - Delta Sigma Theta
 - Iota Phi Theta
 - Kappa Alpha Psi
 - Phi Beta Sigma
 - Black Women Talk Tech
 - Job Opportunities for Disabled American Veterans (JOFDVA)
 - PR Girl Manifesto
 - National Association for the Advancement of Colored People (NAACP)
 - The National Urban League
 - TechLatino
 - Lean In Latinas
 - ERG Leadership Alliance
 - Gamma Phi Omega
 - Lambda Sigma Upsilon
 - Sigma Gamma Rho
 - The Authentic Asian
 - Alpha Phi Alpha
 - The Pride Network
 - Boston While Black
 - Kappa Delta Chi
- *Customized Technology Platform.* The current technology platform being used has been custom-designed and built to facilitate engagement, job searching, real-time job qualification, and matching.

We believe that the following elements give us a competitive advantage with respect to the NAPW Network:

- *Exclusive Focus on Professional Women.* As a result of NAPW Network’s exclusive focus on professional women, we believe that through NAPW Network we provide a secure and less intimidating environment within which our members can successfully network and establish new and lasting business relationships.
- *Attractive Industry Demographic Trends.* Favorable demographic trends regarding women’s participation in the labor force will further the growth in NAPW Network’s membership base and we have first-mover advantage with respect to generalized professional networking for women.
- *Large and Diverse National Membership Base.* The membership base of the NAPW Network is diverse in terms of ethnicity, age, income, experience, industry and occupation. It includes members from small and large corporations, as well as entrepreneurs and business owners. We believe the diversity of the NAPW Network membership base is a key component of its value.
- *Comprehensive Product and Service Offerings to Deliver Value to Members.* We believe that our comprehensive product offerings provide women valuable tools to help them advance their careers and expand their businesses. Through networking opportunities online and at local chapter events in their communities, regional events and the NAPW Network national networking conference, discounts provided on seminars, webinars and educational certification courses, and opportunities to promote themselves and their businesses, NAPW members are provided the opportunities and tools for their professional development.
- *Member Acquisition and Recurring Cash Flow.* We believe that NAPW Network’s direct marketing lead generation efforts, which utilize a combination of digital strategies, are among the most efficient in the industry as measured by our internal response and click-through rates. Additionally, in addition to an evolving eCommerce model, the Company has been actively growing a member-to-member acquisition model as we strive to move to an organic growth model. We have implemented web-based technologies to assist our members in recruiting colleagues and friends to the organization. Further, NAPW Network memberships renew annually, providing a valuable recurring stream of cash flow.

Operations: Geography

Our headquarters is located in Chicago, Illinois, and houses our key executives, as well as many of our customer support, marketing and IT personnel.

Intellectual Property

To protect our intellectual property rights, we rely on a combination of federal, state and common law rights, as well as contractual restrictions. We rely on trade secrets, copyright and trademark rights to protect our intellectual property. We pursue the registration of our domain names and trademarks in the United States. Our registered trademarks in the United States include the “iHispano” mark with stylized logo, the “Black Career Network” mark with stylized logo, the “Professional Diversity Network” mark with our tagline “the power of millions for the benefit of one,” the name “National Association of Professional Women” and “NAPW,” and the name “International Association of Women” and “IAW”, as well as others. We also own the copyrights to certain articles in NAPW publications. We strive to exert control over access to our intellectual property and customized technology by entering into confidentiality and invention assignment agreements with our employees and contractors and confidentiality agreements with third parties in the ordinary course of our business.

Our efforts to protect our proprietary rights may not be successful. Any significant impairment of our intellectual property rights could adversely impact our business or our ability to compete. In addition, protecting our intellectual property rights is costly and time-consuming. Any unauthorized disclosure or use of our intellectual property could make it more expensive to do business and adversely affect our operating results.

Competition

We face significant competition in all aspects of our business. Specifically, with respect to our members and our recruitment consumer advertising and marketing solutions, we compete with existing general market online professional networking websites, such as LinkedIn, Indeed, and Zip Recruiter, as well as ethnic minority focused social networking websites, such as Diversityjobs.com, Workplacediversity.com, and other companies such as Facebook, Google, Microsoft and Twitter that are developing or could develop competing solutions. We also generally compete with online and offline enterprises, including newspapers, television and direct mail marketers that generate revenue from recruiters, advertisers and marketers, and professional organizations. With respect to our hiring solutions, we also compete with traditional online recruiting companies such as Career Builder, talent management companies such as Taleo, and traditional recruiting firms.

Larger, more well-established companies may focus on professional networking and could directly compete with us. Other companies might also launch new competing services that we do not offer. Nevertheless, we believe that our focus on diverse online professional networking communities and the number of registered users or members, as the case may be, overall and within each affinity group that we serve, are competitive strengths in our market.

Government Regulation

We are subject to a number of federal, state and foreign laws and regulations that affect companies conducting business on the Internet. These laws are still evolving and could be amended or interpreted in ways that could be detrimental to our business. In the United States and abroad, laws relating to the liability of providers of online services for activities of their users and other third-parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement and other theories based on the nature and content of the materials searched, the advertisements posted or the content provided by users. Any court ruling or other governmental action that imposes liability on providers of online services for the activities of their users and other third parties could materially harm our business. In addition, rising concerns about the use of social networking technologies for illegal conduct, such as the unauthorized dissemination of national security information, money laundering or supporting terrorist activities may in the future produce legislation or other governmental action that could require changes to our products or services, restrict or impose additional costs upon the conduct of our business or cause users to abandon material aspects of our service.

In the area of information security and data protection, many states have passed laws requiring notification to users when there is a security incident, or security breach for personal data, or requiring the adoption of minimum information security standards that are often unclear and difficult to implement. The costs of compliance with these laws are significant and may increase in the future. Further, we may be subject to significant liabilities if we fail to comply with these laws.

We are also subject to federal, state and foreign laws regarding privacy and protection of member data. We post on our websites our privacy policy and terms of use. Compliance with privacy-related laws may be costly. However, any failure by us to comply with our privacy policy or privacy-related laws could result in proceedings against us by governmental authorities or private parties, which could be detrimental to our business. Further, any failure by us to protect our members' privacy and data could result in a loss of member confidence in us and ultimately in a loss of members and customers, which could adversely affect our business.

Because our services are accessible worldwide, certain foreign jurisdictions may claim that we are required to comply with their laws, including in jurisdictions where we have no local entity, employees or infrastructure.

Our direct marketing operations with respect to the NAPW Network are subject to various federal and state “do not call” list requirements. The Federal Trade Commission has created a national “do not call” registry. Under these federal regulations, consumers may have their phone numbers added to the national “do not call” registry. Generally, we are prohibited from calling anyone on that registry. Telemarketers are required to pay a fee to access the registry and are required to compare their call lists against the nation's “do not call” registry at least once every 31 days. The rule provides for fines of up to \$16,000 per violation and other possible penalties. These rules may be construed to limit our ability to market our products and services to new customers. Further, we may incur penalties if we do not conduct our telemarketing activities in compliance with these rules.

Seasonality

Our quarterly operating results are affected by the seasonality of employers’ businesses and hiring practices.

Employees

As of December 31, 2025, we had a total of 34 employees; 30 were full-time employees in various United States locations. We also regularly engage independent contractors to perform various services. As of December 31, 2025, we engaged 4 independent contractors. None of our employees are covered by a collective bargaining agreement. We believe that we have good relationships with our employees.

Corporate History

We were incorporated in Illinois in October 2003, under the name of IH Acquisition, LLC and changed our name to iHispano.com LLC in February 2004. In 2007, we changed our business platform and implemented technology to become the operator of communities of professional networking sites for diverse professionals. In March 2012, we changed our name to Professional Diversity Network, LLC. In March 2013, we completed our initial public offering and converted from an Illinois LLC to a Delaware corporation. We acquired the NAPW Network in September 2014.

Our principal executive offices are located at 55 E. Monroe Street, Suite 2120, Chicago, Illinois, 60603 and our telephone number is (312) 614-0950. Our Corporate website address is www.ipdn.com. References to our website addressed in this report are provided as a convenience and do not constitute and should not be viewed as an incorporation by reference of the information contained on, or available through, the website. Therefore, such information should not be considered part of this report.

ITEM 1A - RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the risks described below before making an investment decision. The risks described below are not the only ones we face. Additional risks we are not presently aware of or that we currently believe are immaterial may also impair our business operations. Our business could be harmed by any of these risks. The trading price of our Common Stock or other securities could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related to Our Business and Financial Condition

We have incurred net losses, our liquidity has been significantly reduced and we could continue to incur losses and negative cash flow in the future.

We recorded a net loss from continuing operations before interest and tax of approximately \$6.4 million for the year ended December 31, 2025, and \$2.4 million for the year ended December 31, 2024. Our revenues decreased from \$6.7 million during 2024 to \$6.5 million during 2025, and our costs and expenses increased from \$9.1 million during 2024, to \$13.0 million during 2025. In addition, we used approximately \$2.1 million in cash flow from continuing operations during the year ended December 31, 2025. Our independent registered public accounting firm has included in its audit report for the year ended December 31, 2025, an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. We will need to continue to increase revenues, reduce our corporate operating expenses, raise capital through the issuance of shares of Common Stock or enter into a strategic merger or acquisition, to achieve profitability and positive cash flow from operations. Despite our efforts, we may not achieve profitability or positive cash flow in the future, and even if we do, we may not be able to sustain being profitable.

The market for online professional networks is highly competitive, and if we are unable to compete effectively our sales and results of operations will suffer.

We face significant competition in all aspects of our business, and we expect such competition to increase, particularly in the market for online professional networks.

Our industry is rapidly evolving and becoming increasingly competitive. Larger and more established online professional networking companies, such as LinkedIn, may focus on the online diversity professional networking market and could directly compete with us. Rival companies or smaller companies, including application developers, could also launch new products and services that could compete with us and gain market acceptance quickly. Individual employers have and may continue to create and maintain their own network of diverse candidates.

We also expect that our existing competitors will focus on professional diversity recruiting. A number of these companies may have greater resources than we do, which may enable them to compete more effectively. For example, our competitors with greater resources may partner with wireless telecommunications carriers or other Internet service providers that may provide Internet users, especially those that access the Internet through mobile devices, incentives to visit our competitors' websites. Such tactics or similar tactics could decrease the number of our visits, unique visitors and number of users and members, which would materially and adversely affect our business, operating results and financial condition.

Additionally, users of online social networks, such as Facebook, may choose to use, or increase their use of, those networks for professional purposes, which may result in those users decreasing or eliminating their use of our specialized online professional network. Companies that currently do not focus on online professional diversity networking could also expand their focus to diversity networking. LinkedIn may develop its own proprietary online diversity network and compete directly against us. To the extent LinkedIn develops its own network or establishes alliances and relationships with others, our business, operating results, and financial condition could be materially harmed. Finally, other companies that provide content for professionals could develop more compelling offerings that compete with us and adversely impact our ability to keep our members, attract new members or sell our solutions to customers.

Our recent expansion into digital assets and intellectual property investments represents a shift from our historical business and may not be successful.

Beginning in 2025, we expanded beyond our historical professional networking, recruitment, and remote staffing operations to invest in musical works copyrights and digital assets and to explore certain Web3.0-related initiatives. These activities differ significantly from the businesses that have historically generated substantially all of our revenues.

This strategic expansion may not be successful. We have limited operating experience in these new areas, and these initiatives may not generate meaningful revenue or positive returns on investment. The markets for digital assets and intellectual property monetization are highly competitive, rapidly evolving, and subject to significant market volatility and regulatory uncertainty. If these new initiatives do not perform as expected, we may not recover our investments and could be required to recognize material impairment charges, which would adversely affect our financial condition and results of operations.

In addition, pursuing these initiatives requires significant management attention and financial resources that could otherwise be focused on our established operating segments. If the expansion of our business into these new areas is unsuccessful, our business, financial condition, and results of operations could be materially and adversely affected.

Investment in musical works copyrights may not generate expected returns and could result in impairment charges.

We have invested, and may continue to invest, significant capital in the acquisition of musical works copyrights. As of December 31, 2025, we had invested approximately \$7.0 million in musical works copyrights and had committed to additional payments under certain copyright acquisition agreements.

On September 3, 2025, we entered into a copyright transfer agreement with High Wave Corp, a corporation incorporated in New York and a non-affiliated accredited investor, pursuant to which we agreed to acquire forty (40) original musical works for total consideration of \$10,000,000, payable in four installments between October 15, 2025 and November 30, 2025, with ownership of each batch transferring upon payment. As of December 31, 2025, we had paid \$3,700,000 under this agreement. On December 16, 2025, the Company entered into an amendment to the copyright transfer agreement (the "First Amendment to High Wave Copyright Transfer Agreement"), pursuant to which the Company retained the right, but not the obligation, to purchase the remaining twenty-five (25) musical works for total consideration of \$6,300,000. If the Company elects to proceed with such purchase, the Company and High Wave will mutually agree on the delivery schedule and payment terms for the remaining works.

On September 12, 2025, we entered into the Copyright Agreement with Streams Ohio, a non-affiliated accredited investor. Pursuant to the Streams Ohio Copyright Agreement, the Company agreed to acquire eight (8) original musical works from the Streams Ohio. Under the terms of the Streams Ohio Copyright Agreement, consideration could be paid in cash, shares of the Company's Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of 556,000 shares of Common Stock (the "Copyright Shares"), with an aggregate value of approximately \$1,629,080, based on the closing price of \$2.93 per share on September 12, 2025, subject to the limitations of the Nasdaq Listing Rule 5635. The Copyright Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act, and/or Regulation D promulgated thereunder. The Streams Ohio Copyright Agreement contains customary representations, warranties, and covenants.

On November 24, 2025, we entered into a copyright transfer agreement with Shohan Event Organizers Co., L.L.C., a non-affiliated accredited investor. Pursuant to the Copyright Agreement, the Company agreed to acquire five (5) original musical works from the Copyright Seller. Under the terms of the Copyright Agreement, consideration could be paid in cash, shares of the Company's Common Stock, par value \$0.01 per share, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 927,600 shares of Common Stock, with an aggregate value of approximately \$1,604,748, based on the closing price of \$1.73 per share on November 24, 2025, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC. The Copyright Shares will be issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder.

The value of these assets and the returns we expect to generate from them depend on the continued commercial success, licensing demand, and audience engagement of the underlying musical compositions. Royalty income derived from musical works is inherently uncertain and may fluctuate significantly due to factors outside of our control, including changes in consumer preferences, streaming and distribution economics, pricing models adopted by digital service providers, competitive content, technological developments, changes in intellectual property laws or regulations, and general economic conditions.

Royalty collections depend on third-party publishers, administrators, performing rights organizations, digital platforms, and other intermediaries, over which we have limited control. Any failure by such parties to accurately track usage, collect royalties, or remit payments in a timely manner could adversely affect our revenues and cash flows. Musical works copyrights are intangible assets subject to periodic impairment testing under applicable accounting standards. If the actual or projected cash flows generated by these assets decline, if discount rates increase, or if market conditions deteriorate, we may be required to recognize impairment charges. Any such impairment could be material and would adversely affect our financial condition and results of operations.

Accordingly, our investments in musical works copyrights may not generate the anticipated returns, and we may not recover the full amount of our investment.

Our investment in DTT Tokens is speculative and may result in material losses and stockholder dilution.

On December 17, 2025, we acquired 25,937,800 native utility digital tokens issued by DeepradeX.ai, an Australian-based digital asset trading platform, for aggregate consideration of \$2,593,780. The board of directors of the Company approved payment of the consideration through the issuance of 1,358,000 shares of Common Stock, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC and the shares were issued on January 2, 2026. The DTT Tokens are intended solely for use on the issuer's Web3.0 platform and do not provide equity ownership, debt, governance, dividend, or profit-sharing rights. The value of the tokens depends on market adoption of the issuer's platform, overall digital asset market conditions, regulatory developments, and technological factors, all of which are highly uncertain and subject to significant volatility. We do not control the issuer's operations, and any failure of the platform to achieve adoption or comply with evolving regulations could materially reduce the value of the tokens. In addition, digital assets are subject to limited liquidity, cybersecurity risks, and evolving accounting treatment, and we may be required to record impairment charges if the value of the tokens declines. The issuance of shares as consideration for this transaction resulted in dilution to existing stockholders and may adversely affect the market price of our Common Stock.

Our business depends on strong brands, and any failure to maintain, protect and enhance our brands would hurt our ability to retain or expand our base of members, enterprises and professional organizations, or our ability to increase their level of engagement.

Maintaining, protecting, and enhancing all of our brands is critical to expanding the base of members for the TalentAlly Network and NAPW Network and increasing their engagement with the product and services offerings of the Company, and will depend largely on our ability to maintain member trust, be a technology leader and continue to provide high-quality offerings, which we may not do successfully in the future. We have devoted significant resources in developing our brands, particularly NAPW. That brand is predicated on the idea that professional women will trust it and find value in building and maintaining their professional identities and reputations on the NAPW Network platform. Despite our efforts to protect our brands and prevent their misuse, if others misuse any of our brands or pass themselves off as being endorsed or affiliated with the TalentAlly Network or the NAPW Network, it could harm our reputation and our business could suffer. If members of any of our networks or potential members determine that they can use other platforms, such as social networks, for the same purposes as or as a replacement for the TalentAlly Network or the NAPW Network, or if they choose to blend their professional and social networking activities, our brands and the business of the Company could be harmed. Members of any of our networks could find that new product or service offerings that are introduced are difficult to use or may feel that they degrade their experience with our organization, which could harm the reputation of the networks and the Company for delivering high-quality offerings. Our brands are also important in attracting and maintaining high performing employees. If we do not successfully maintain strong and trusted brands for our networks, our business can be materially and adversely affected.

If we do not continue to attract new members to the NAPW Network, or if existing NAPW Network members do not renew their subscriptions, renew at lower levels or on less favorable terms, or fail to purchase additional offerings, we may not achieve our revenue projections, and our operating results would be harmed.

Membership fees and related services from NAPW have declined in recent periods. In order to grow the NAPW Network, we must continually attract new members to the NAPW Network, sell additional product and service offerings to existing NAPW Network members and increase the level of renewals. Our ability to do so depends in large part on the success of our sales and marketing efforts. Unlike companies that provide more tangible products, the nature of our product and service offerings is such that members may decide to terminate or not renew their agreements because they do not see their cancellation as causing significant disruptions to their own businesses.

We must demonstrate to NAPW Network members that our product and service offerings provide them with access to an audience of influential, affluent, and highly educated women. However, potential members may not be familiar with our product and service offerings or may prefer other more traditional products and services for their professional advancement and networking needs. The rate at which we expand the NAPW Network's membership base or increase its members' renewal rates may decline or fluctuate because of several factors, including the prices of product and service offerings, the prices of products and services offered by competitors or reductions in their professional advancement and networking spending levels due to macroeconomic or other factors and the efficacy and cost-effectiveness of our offerings. If we do not attract new members to the NAPW Network or if NAPW Network members do not renew their agreements for our product and service offerings, renew at lower levels or on less favorable terms or do not purchase additional offerings, our revenue from the segment may fall short of our projections.

We may not be able to successfully identify and complete sufficient acquisitions to meet our growth strategy, and even if we are able to do so, we may not realize the anticipated benefits of these acquisitions.

Part of our growth strategy is to acquire companies that we believe will add to and/or expand our service offerings.

Identifying suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to identify suitable candidates or complete acquisitions in a timely manner, on a cost-effective basis or at all. Even if we complete an acquisition, we may not realize the anticipated benefits of such an acquisition. Actual cost savings and synergies which may be achieved from an acquired entity may be lower than expected and may take a longer time to achieve than we anticipate. Our acquisitions have previously required, and any similar future transactions may also require, significant efforts and expenditure, in particular with respect to integrating the acquired business with our historical business. We may encounter unexpected difficulties, or incur unexpected costs, in connection with acquisition activities and integration efforts, which include:

- conflicts and inconsistencies in information technology and infrastructures;
- inconsistencies in standards, controls, procedures and policies, business cultures and compensation structures between us and an acquired entity;
- difficulties in the retention of existing customers and attraction of new customers;
- overlap of users and members of an acquired entity and one of our websites;
- difficulties in retaining key employees;
- the identification and elimination of redundant and underperforming operations and assets;
- diversion of management's attention from ongoing business concerns;
- the possibility of tax costs or inefficiencies associated with the integration of the operations; and
- loss of customer goodwill.

If we fail to successfully complete the integration of an acquired entity, or to realize the anticipated benefits of the integration of an acquired entity, our financial condition and results of operations could be materially and adversely affected.

We rely heavily on our information systems and if our access to this technology is impaired, or we fail to further develop our technology, our business could be significantly harmed.

Our success depends in large part upon our ability to store, retrieve, process and manage substantial amounts of information, including our database of our members. To achieve our strategic objectives and to remain competitive, we must continue to develop and enhance our information systems. Our future success will depend on our ability to adapt to rapidly changing technologies, to adapt our information systems to evolving industry standards and to improve the performance and reliability of our information systems. This may require the acquisition of equipment and software and the development, either internally or through independent consultants, of new proprietary software. Our inability to design, develop, implement and utilize, in a cost-effective manner, information systems that provide the capabilities necessary for us to compete effectively would materially and adversely affect our business, financial condition and operating results.

Our direct sales strategy, which requires personal interaction with employers and third-party recruiters, may limit our ability to grow recruitment revenue and recruitment advertising revenue.

As part of our strategy to market our products and services directly to employers and third-party recruiters, we rely on our direct sales force for recruitment revenue and recruitment advertising revenue. We currently employ professionals in sales, sales support and marketing who are trained in selling our products and services. We continuously attempt to optimize the direct sales team and refine the manner in which our products and services are sold. While the Company made progress in growing its direct sales, we have not matured the sales force to the point of predictability, nor have we sold enough services to achieve profitability. There is no assurance that our direct sales strategy will yield sufficient recruitment revenue and recruitment advertising revenue in the future.

We may not timely and effectively scale and adapt our existing technology and network infrastructure to ensure that our websites are accessible within an acceptable load time.

An element that is key to our continued growth is the ability of our members and other users that we work with to access any of our websites within acceptable load times. We call this website performance. We have experienced, and may in the future experience, website disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of users accessing our websites simultaneously, and denial of service or fraud or security attacks. In some instances, we may not be able to identify the cause or causes of these website performance problems within an acceptable period of time.

If any of our websites are unavailable when users attempt to access them or they do not load as quickly as users expect, users may seek other websites to obtain the information or services for which they are looking and may not return to our websites as often in the future, or at all. This would negatively impact on our ability to attract members and other users and increase engagement on our websites. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, operating results and financial condition may be materially and adversely affected.

Our business involves higher risks associated with remote work.

RemoteMore's business heavily relies on remote working with its customers, which means many contractors will use their own personal devices and home networks to perform work tasks. This presents some of the largest risks to the worker and the business. Many personal devices lack the hardened nature of a corporate device and other security capabilities, such as encryption, auto-backups, authentication and security monitoring, which may expose our business or our customers' business to additional risk of cyber-attack. This remote working environment makes it more difficult to monitor contractor access to data, information sent and received online, and legitimacy of access.

Our systems are vulnerable to natural disasters, acts of terrorism and cyber-attacks.

Our systems are vulnerable to damage or interruption from catastrophic occurrences such as earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, cyber-attacks and similar events. For systems which are not based in cloud storage, we have implemented a disaster recovery program, maintained by a third-party vendor, which allows us to move production to a back-up data center in the event of a catastrophe. Although this program is functional, it does not yet provide a real-time back-up data center, so if our primary data center shuts down, there will be a period of time that such website will remain shut down while the transition to the back-up data center takes place. Despite any precautions we may take, the occurrence of a natural disaster or other unanticipated problems at our hosting facilities could result in lengthy interruptions in our services. Although we carry cyber security insurance, our claims may exceed the insurance coverage, and we may not be fully compensated by third party insurers in the event of service interruption or cyber-attack. Furthermore, our business may never recover from such an event.

If our security measures are compromised, or if any of our websites are subject to attacks that degrade or deny the ability of members or customers to access our solutions, members and customers may curtail or stop use of our solutions.

Our members provide us with information relevant to their professional networking and/or career-seeking experience with the option of having their information become public or remain private. If we experience compromises to our security that result in website performance or availability problems, the complete shutdown of our websites or the loss or unauthorized disclosure of confidential information, our members may lose trust and confidence in us, and will use our websites less often or stop using our websites entirely. Further, outside parties may attempt to fraudulently induce employees, members or customers to disclose sensitive information in order to gain access to our information or our members' or customers' information. Because the methods used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address these methods or to implement adequate preventative measures. Any or all of these issues could negatively impact our ability to attract new members and increase engagement by existing members, cause existing members to close their accounts or existing customers to cancel their contracts, subject us to lawsuits, regulatory fines or other action or liability, thereby materially and adversely affecting our reputation, our business, operating results and financial condition.

The widespread adoption of different smart phones, smart phone operating systems and mobile applications, or apps, could require us to make substantial expenditures to modify or adapt our websites, applications and services.

The number of people who access the Internet through devices other than personal computers, including personal digital assistants, smart phones and handheld tablets or computers, has increased dramatically in the past few years and we believe this number will continue to increase. Each manufacturer or distributor of these devices may establish unique technical standards, and our services may not work or be viewable on these devices as a result. Furthermore, as new devices and new platforms are continually released, it is difficult to predict the problems we may encounter in developing versions of our services for use on these alternative devices and we may need to devote significant resources to the creation, support and maintenance of such devices. Our websites are designed using responsive technology and are built to provide a positive user experience on a user's Internet device, whether a mobile phone, and tablet, laptop or personal computer. If we are slow to develop products and technologies that are compatible with such devices, we might fail to capture a significant share of an increasingly important portion of the market for our services.

If Internet search engines' methodologies are modified or our search result page rankings decline for other reasons, our member engagement and number of members and users could decline.

We depend in part on various Internet search engines, such as Google, Bing and Yahoo!, to direct a significant amount of traffic to our websites. Our ability to maintain the number of visitors directed to our websites is not entirely within our control. Our competitors' search engine optimization ("SEO") efforts may result in their websites receiving a higher search result page ranking than ours, or Internet search engines could revise their methodologies in an attempt to improve their search results, which could adversely affect the placement of our search result page ranking. If search engine companies modify their search algorithms in ways that are detrimental to our new user growth or in ways that make it harder for our members to use our websites, or if our competitors' SEO efforts are more successful than ours, overall growth in our member base could slow, member engagement could decrease, and we could lose existing members. These modifications may be prompted by search engine companies entering the online professional networking market or aligning with competitors. Our websites have experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future. Any reduction in the number of users directed to our websites would materially harm our business and operating results. Our platform includes connectivity across the social graph, including websites such as Facebook, LinkedIn and X (formerly Twitter). If for any reason these websites discontinue or alter their current open platform policy, it could have a negative impact on our user experience and our ability to compete in the same manner we do today.

Wireless communications providers may give their customers greater access to our competitors' websites.

Wireless communications providers may provide users of mobile devices greater access to websites that compete with our websites at more favorable rates or at faster download speeds. This could have a material adverse effect on the Company's business, operating results and financial condition. Creation of an unequal playing field in terms of Internet access could significantly benefit larger and better capitalized companies competing with us.

The effect of significant declines in our ability to generate revenue may not be reflected in our short-term results of operations.

We recognize revenue from sales of our hiring solutions over the life of a contract (typically 12 months) beginning the first month after the contract is signed. As a result, a significant portion of the revenue we report in each quarter is generated from agreements entered into during previous quarters. In addition, we may be unable to adjust our fixed costs in response to reduced revenue. Accordingly, the effect of significant declines in our ability to generate revenue may not be reflected in our short-term results of operations.

The existing global economic and financial market environment has had, and may continue to have, a negative effect on our business and operations.

Demand for our services is sensitive to changes in the level of economic activity. Many companies hire fewer employees when economic activity is slow. Following the financial crisis in 2008, and again following the development of the COVID-19 pandemic in 2020, unemployment in the United States increased and hiring activity was limited. Although the economy has begun to recover and unemployment in the United States has improved, if the economy does not continue to recover or worsens, or unemployment returns to high levels, demand for our services and our revenue may be reduced. In addition, lower demand for our services may lead to lower prices for our services. The volatility in global financial markets may also limit our ability to access the capital markets at a time when we would like, or need, to raise capital, which could have an impact on our ability to react to changing economic and business conditions. Accordingly, if the economy does not fully recover or worsens, our business, results of operations and financial condition could be materially and adversely affected.

Our growth strategy may fail as a result of changing social trends.

Our business is dependent on the continuity of certain social trends, such as the increasing socialization of the Internet, the demographic trend towards women's career advancement, the growing ethnic diversity of the United States population and labor force, a regulatory environment that promotes diversity in the workplace, the growing ethnic population's spending power and the acceptance and growth of online recruitment and advertising. Some or all of these trends may change over time. For example, increased privacy concerns may jeopardize the growth of online social and professional network websites. Furthermore, it is possible that people may not want to identify in online social or professional networks with a focus on diversity at all. Or alternatively, people who belong to more than one diversity group (such as Hispanic-American females, among others) may not be drawn to our websites, which singularly focus on one specific diversity group. In addition, a recent Supreme Court case ruled that race-conscious admissions decisions by universities are constitutionally impermissible. While the decision does not apply by its terms outside of higher education, it remains to be seen what impact it may have on private sector hiring practices in businesses and corporations or on DEI programs and initiatives generally. To the extent that the Court's decision leads corporations or other hiring entities to re-examine or scale back their diversity-related programs and initiatives, the market for some of our services may be adversely affected.

Our strategy may fail as a result of these changing social trends, and if we do not timely adjust our strategy to adapt to changing social trends, we will lose members, and our business, operating results and financial condition would be materially and adversely affected.

The regulatory environment favorable to promoting diversity in the workplace has changed.

Federal and state laws and regulations require certain companies engaged in business with governmental entities to report and promote diverse hiring practices. The repeal or modification of such laws and regulations could decrease the incentives for employers to actively seek diverse employee candidates through networks such as ours and materially affect our revenues. In January 2025, President Trump introduced Executive Orders that impact diversity initiatives in Federal programs which may trickle down to Corporations.

If our member profiles are out-of-date, inaccurate or lack the information that users and customers want to see, we may not be able to realize the full potential of our networks, which could adversely impact our future growth.

We do not impose any selective or qualification criteria on membership and do not verify that any member of a particular Company website qualifies as a member of the ethnic, cultural or other group identified by that website. If our members do not update their information or provide accurate and complete information when they join our networks or do not establish sufficient connections, the value of our networks may be negatively impacted because our value proposition as diversity professional networks and as a source of accurate and comprehensive data will be weakened. For example, our hiring solutions customers may find that certain members misidentify their ethnic, national, cultural, racial, religious or gender classification, which could result in mismatches that erode customer confidence in our solutions. Similarly, incomplete or outdated member information would diminish the ability of our marketing solutions customers to reach their target audiences and our ability to provide research data to our customers. Therefore, we must provide features and products that demonstrate the value of our networks to our members and motivate them to add additional, timely and accurate information to their profile and our networks. If we fail to successfully motivate our members to do so, our business, operating results and financial condition could be materially and adversely affected.

Failure to protect or enforce our intellectual property rights could materially harm our business and operating results.

We regard the protection of our intellectual property as critical to our success. In particular, we must maintain, protect and enhance our brands. We strive to protect our intellectual property rights by relying on federal, state and common law rights, as well as contractual restrictions. In the ordinary course, we enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information and customized technology platform. However, these contractual arrangements and the other steps we have taken to protect our intellectual property may not prevent the misappropriation of our proprietary information or deter independent development of similar technologies by others.

We pursue the registration of our domain names, trademarks, and service marks in the United States and in certain locations outside the United States. Effective trademarks, trade dress and domain names are expensive to develop and maintain, both in terms of initial and ongoing registration requirements and the costs of defending our rights. We are seeking to protect our trademarks and domain names, a process that is expensive and may not be successful.

Litigation may be necessary to enforce our intellectual property rights or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business and operating results. We may incur significant costs in enforcing our trademarks against those who attempt to imitate our brands. If we fail to maintain, protect and enhance our intellectual property rights, our business and financial condition could be materially and adversely affected.

We process, store and use personal information and other data, which subjects us to governmental regulation, enforcement actions and other legal obligations or liability related to data privacy and security, and our actual or perceived failure to comply with such obligations could materially and adversely affect our business.

We receive, store and process personal information and other member data, and we enable our members to share their personal information with each other and with third parties. There are numerous federal, state, local and foreign laws regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information and other member data, the scope of which are changing, subject to differing interpretations and may be inconsistent between countries or conflict with other rules. We generally comply with industry standards and adhere to the terms of our privacy policies and privacy-related obligations to third parties (including voluntary third-party certification bodies such as TRUSTe). We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection. However, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to users or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other member data, may result in governmental enforcement actions, litigation or public statements against us by consumer advocacy groups or others and could cause our members and customers to lose trust in us, which could have an adverse effect on our business. Additionally, if third parties we work with, such as customers, vendors or developers, violate applicable laws or our policies, such violations may also put our members' information at risk and could in turn have an adverse effect on our business.

Public scrutiny of Internet privacy issues may result in increased regulation and different industry standards, which could deter or prevent us from providing our current products and solutions to our members and customers, thereby materially harming our business.

The regulatory framework for privacy issues worldwide is currently in flux and is likely to remain so for the foreseeable future. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the Internet have recently come under increased public scrutiny. The U.S. government, including the Federal Trade Commission and the Department of Commerce, has announced that it is reviewing the need for greater regulation for the collection of information concerning consumer behavior on the Internet, including regulation aimed at restricting certain on-line tracking and targeted advertising practices. In addition, various government and consumer agencies have also called for new regulations and changes in industry practices.

Our business could be adversely affected if legislation or regulations are adopted, interpreted or implemented in a manner that is inconsistent with our current business practices or that require changes to these practices, the design of our websites, products, features or our privacy policy. In particular, the success of our business has been, and we expect will continue to be, driven by our ability to use the data that our members share with us in accordance with each of our website privacy policies and terms of use. Therefore, our business, operating results and financial condition could be materially and adversely affected by any significant change to applicable laws, regulations or industry practices regarding the use or disclosure of data our members choose to share with us, or regarding the manner in which the express or implied consent of consumers for such use and disclosure is obtained. Such changes may require us to modify our products and features, possibly in a material manner, and may limit our ability to develop new products and features that make use of the data that our members voluntarily share with us.

Our business is subject to a variety of U.S. laws and regulations, many of which are unsettled and still developing and which could subject us to claims or otherwise materially harm our business.

We are subject to a variety of laws and regulations in the United States, including laws regarding data retention, privacy and consumer protection, which are continually evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted or the content provided by users. In addition, regulatory authorities are considering a number of legislative and regulatory proposals concerning data protection and other matters that may be applicable to our business. It is difficult to predict how existing laws will be applied to our business and the new laws to which we may become subject. See the discussion included in Part 1, Item 1. “*Business—Government Regulation*” in this Annual Report.

If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain solutions, which would materially and adversely affect our business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could materially harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could materially and adversely affect our business, financial condition and results of operations.

We are currently party to litigation and may in the future be subject to additional legal proceedings and litigation, which may be costly to defend and could materially and adversely affect our business results or operating and financial condition.

We are currently party to litigation and may be party to additional lawsuits in the normal course of business. Results of the litigation to which we are a party cannot be predicted with certainty and there can be no assurance that this litigation will be resolved in our favor. We are a party to one proceeding in which the court recently granted summary judgment against NAPW on claims of failure to pay overtime wages. These matters are described in more detail under the heading “*Legal Proceedings*” in this Annual Report and our other periodic filings with the SEC. Litigation in general is often expensive and disruptive to normal business operations. We may face in the future allegations and lawsuits that we have infringed the intellectual property and other rights of third parties, including patents, privacy, trademarks, copyrights and other rights. Litigation, particularly intellectual property and class action matters may be protracted and expensive, and the results are difficult to predict. Adverse outcomes may result in significant settlement costs or judgments, including monetary damages, require us to modify our products and features while we develop non-infringing substitutes or require us to stop offering certain features.

From time-to-time, we may face claims against companies that incorporate open source software into their products, claiming ownership of, or demanding release of, the source code, the open source software and/or derivative works that were developed using such software, or otherwise seeking to enforce the terms of the applicable open source license. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our solutions, any of which could have a negative effect on our business and operating results.

Our success depends in large part upon our management and key personnel. Our inability to attract and retain these individuals could materially and adversely affect our business, results of operations and financial condition.

We are highly dependent on our management and other key employees. The skills, knowledge and experience of our management team, are critical to the growth of our business. In particular, Mr. Xun Wu our Chief Executive Officer, provides significant leadership in every aspect of our business operations and strategic direction. Mr. Wu is supported by a talented group of knowledgeable executives in business operations, sales and marketing, and information technology including Bella Gu, our Chief Financial Officer, Russell Esquivel, Jr., our Chief Revenue Officer, and Chad Hoersten, our Chief Technology Officer. Our future performance will be dependent upon the continued successful service of members of our management and key employees. We do not maintain life insurance for any of the members of our management team or other key personnel. Competition for management in our industry is intense, and although we have entered into employment agreements with certain members of our management team, we may not be able to retain our management and key personnel or attract and retain new management and key personnel in the future, which could materially and adversely affect our business, results of operations and financial conditions.

We use artificial intelligence (“AI”) technologies in our platform and the use of AI technologies presents unique risks and uncertainties to our business, results of operations and financial condition.

We have incorporated AI technologies into our platform since 2024 to enhance functionality and increase engagement among employers and job seekers. The use of AI presents significant risks and uncertainties.

AI technologies are inherently complex and may produce inaccurate, unreliable, biased, or otherwise inappropriate outputs. If the AI-enabled features of our platform generate incorrect feedback, discriminatory responses, or other flawed results, user trust and confidence in our services could be diminished, which could harm our reputation and adversely affect our business. Because our platform relates to employment and career development, the use of AI in this context may subject us to heightened scrutiny from users, regulators, and other third parties, including with respect to fairness, transparency, and compliance with applicable employment laws.

The legal and regulatory framework governing AI technologies is rapidly evolving and remains uncertain. Existing and emerging federal, state, and international laws and regulations—including those relating to automated decision-making, employment practices, data protection, algorithmic accountability, and consumer protection—may impose new or additional obligations on the use of AI. Such requirements may increase our compliance costs and administrative burdens and may require us or our third-party partners to modify, limit, delay, or discontinue certain AI-enabled features or services.

Any failure, or perceived failure, to comply with applicable laws, regulations, or industry standards, or any negative public perception regarding our use of AI, could result in legal liability, regulatory enforcement actions, reputational harm, and loss of customers.

Any of the foregoing risks could materially and adversely affect our business, financial condition, results of operations, and reputation.

Risks Related to Our Common Stock

Our significant stockholders have substantial control over the Company and could limit your ability to influence the outcome of key transactions, including changes of control.

Pursuant to a shareholders' agreement, dated as of November 6, 2016, as amended, between the Company, Cosmic Forward Limited ("CFL"), a Republic of Seychelles company, and certain other parties named therein (collectively, the "Shareholders' Agreement"), CFL, its shareholders and their respective controlled affiliates (collectively, the "CFL Group"), have a participation right with respect to any future issuances of Common Stock by the Company, such that the CFL Group may purchase an amount of shares necessary to maintain CFL's then-current beneficial ownership interest, up to a maximum of 54.64% of our then-outstanding Common Stock, on a fully-diluted basis, subject to certain exceptions. Although CFL beneficially owned approximately 3.7% of our Common Stock as of December 31, 2025, its ability to increase ownership may significantly influence all matters requiring approval by our stockholders, including the election of directors. Stockholders other than these principal stockholders may, therefore, have relatively little influence on decisions regarding such matters. These stockholders may have interests that differ from yours, and they may vote in a way with which you disagree and that may be averse to your interests. The concentration of ownership of our Common Stock may have the effect of delaying, preventing or deterring a change of control of our Company, could deprive our stockholders of an opportunity to receive a premium for their Common Stock as part of a sale of our Company and may affect the market price of our Common Stock. This concentration of ownership also limits the number of shares of stock likely to be traded in public markets and, therefore, will adversely affect liquidity in the trading of our Common Stock. This concentration of ownership of our Common Stock may also have the effect of influencing the completion of a change in control that may not necessarily be in the best interests of all of our stockholders.

The market price for our securities may be subject to wide fluctuations and the value of an investment in our Common Stock may decline.

The trading price of our Common Stock has been, and is likely to continue to be, volatile. Our closing stock price has ranged from \$1.02 to \$9.01 during the fiscal year of 2025. In addition to the factors discussed in this Annual Report, the trading price of our Common Stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- price and volume fluctuations in the stock market, including as a result of trends in the economy as a whole or relating to companies in our industry;
- actual or anticipated fluctuations in our revenue, operating results or key metrics, including our number of members and unique visitors;

- investor sentiment with respect to our competitors, our business partners and our industry in general;
- announcements by us or our competitors of significant products or features, technical innovations, strategic partnerships, joint ventures or acquisitions;
- additional shares of our Common Stock being sold into the market by us or our existing stockholders or the anticipation of such sales; and
- other events or factors, including those resulting from war or incidents of terrorism, or responses to these events.

The securities of technology companies, especially Internet companies, have experienced wide fluctuations subsequent to their initial public offerings, including trading at prices below the initial public offering prices. Factors that could affect the price of our Common Stock include risk factors described in this section. In addition, the securities markets have from time-to-time experienced significant price and volume fluctuations that are not related to the operating performance of particular industries or companies. These market fluctuations may also have a material adverse effect on the market price of our Common Stock.

Substantial future sales of shares of our Common Stock could cause the market price of our Common Stock to decline.

The market price of our Common Stock could decline as a result of (i) substantial sales of our Common Stock, particularly sales by CFL and/or our directors, executive officers, employees, or other significant stockholders, (ii) a large number of shares of our Common Stock becoming available for sale, or (iii) the perception in the market that holders of a large number of shares intend to sell their shares. CFL has the right to require the Company to register public resale under a registration statement filed with the SEC. The eventual resale of some or all of such shares, or the perception that such sale or sales could be imminent, could result in a material decline in the market value of our Common Stock. In addition, sales of securities under our “shelf” registration statement, which allows for the issuance of shares of our Common Stock, preferred stock, rights, warrants, and units from time to time up to an aggregate amount of \$45,000,000, may cause the market price of our stock to decline.

In September 2025, we entered into a securities purchase agreement (the “Securities Purchase Agreement”) with Streeterville Capital, LLC, a Utah limited liability company, pursuant to which the Company agreed to issue and sell to Streeterville shares of its Common Stock, in *one* or more pre-paid advance purchases (each, a “Pre-Paid Purchase” and collectively, the “Pre-Paid Purchases”) for an aggregate purchase price of up to \$20,000,000. See the discussion in Part I, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources”, for more information about our shares sold to Streeterville Capital, LLC to date. To the extent we utilize this Securities Purchase Agreement in the future by selling additional shares of Common Stock, the market price of our Common Stock may be adversely affected.

In April 2023, the Board of Directors adopted the Professional Diversity Network, Inc. 2023 Equity Compensation Plan (the “2023 Equity Compensation Plan”), initially reserving 750,000 shares of Common Stock for issuance to directors, officers, employees, and eligible consultants of the Company and its affiliates. Following the Company’s 10-for-1 reverse stock split in March 2025, the reserved shares were adjusted to 75,000. In December 2025, the Board approved and adopted an amendment to the 2023 Equity Compensation Plan, increasing the number of shares reserved for issuance from 75,000 to 750,000.

For more information about our equity compensation plans, please see Note 13 of our Consolidated Financial Statements included in this Annual Report.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our Company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our Common Stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, up to 1,000,000 shares of undesignated preferred stock;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors, and also specify requirements as to the form and content of a stockholder’s notice;
- that our directors may be removed only for cause and only by the affirmative vote of at least a majority of the total voting power of our outstanding capital stock, voting as a single class; and
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of Common Stock voting in any election of directors to elect all of the directors standing for election, if they should so choose).

These provisions may frustrate or prevent attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder. Finally, the potential substantial ownership of CFL may make it more difficult for any third party to effect a change in control without CFL’s approval.

We do not intend to pay dividends in the foreseeable future.

We do not intend to declare or pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Common Stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

CFL holds participation rights and other rights that could affect our ability to raise funds.

Under the Shareholders’ Agreement, we granted to the CFL Group a participation right with respect to any future issuances of Common Stock by the Company, such that the CFL Group may purchase an amount of shares necessary to maintain CFL’s then-current beneficial ownership interest, up to a maximum of 54.64% of our then-outstanding Common Stock, on a fully-diluted basis, subject to certain exceptions. This participation right could limit our ability to enter into equity financing and to raise funds from third parties.

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In connection with the stockholder's agreement with CFL and the CFL Shareholders, we also granted to CFL and the CFL Shareholders unlimited demand, shelf and piggyback registration rights, effective upon the expiration of CFL's initial lock-up period, to require us to effect a registration under the Securities Act of a resale of the shares of Common Stock held by CFL. This may create the perception of a large number of shares of our Common Stock becoming available for sale or the perception in the market that holders of a large number of shares intent to sell their shares, especially if CFL were to exercise its registration rights, thereby potentially further limiting our ability to enter into equity financings and to raise funds from third parties.

Techniques employed by short sellers may drive down the market price of the Company's Common Stock.

Short selling is the practice of selling securities that the seller does not own, but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is, therefore, in the short seller's best interests for the price of the stock to decline, many short sellers (sometime known as "disclosed shorts") publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a stock short. While traditionally these disclosed shorts were limited in their ability to access mainstream business media or to otherwise create negative market rumors, the rise of the Internet and technological advancements regarding document creation, videotaping and publication by weblog ("blogging") have allowed many disclosed shorts to publicly attack a company's credibility, strategy and veracity by means of so-called research reports that mimic the type of investment analysis performed by large Wall Street firm and independent research analysts.

These short attacks have led to the selling of shares in the market, on occasion in large scale and broad base. Issuers who have limited trading volumes and are susceptible to higher volatility levels than U.S. domestic large-cap stocks can be particularly vulnerable to such short attacks.

Reports and information have been published about us which have occasionally been followed by a decline in our stock price. It is not clear what additional effects the negative publicity will have on the Company, if any, other than potentially affecting the market price of our Common Stock. Additionally, such allegations against the Company could negatively impact its business operations and stockholders' equity, and the value of any investment in the Company's stock could be reduced.

ITEM 1B - UNRESOLVED STAFF COMMENTS

None.

ITEM 1C - CYBERSECURITY

Cybersecurity Risk Management and Strategy

We face various cyber risks, including, but not limited to, risks related to unauthorized access, misuse, data theft, computer viruses, system disruptions, ransomware, malicious software, and other intrusions. We utilize a multilayered, proactive approach, as part of our overall risk mitigation strategy, to identify, evaluate, mitigate, and prevent potential cyber and information security threats through our cybersecurity risk management efforts. Our management team engages certain outside advisors and consultants to assist in the identification, evaluation, and management of cybersecurity risks and controls. To oversee and identify risks from cybersecurity threats associated with our use of third-party service providers, we maintain third-party risk management efforts designed to help protect against the misuse of information technology and security breaches. We also maintain cyber insurance coverage; however, such insurance may not be sufficient in type or amount to cover us against claims related to security breaches, cyberattacks and other related breaches.

Our RemoteMore segment relies heavily on remote working with its customers and poses additional risks because contractors typically use their own devices in their work. RemoteMore has a number of policies in place to address these risks, including physical and electronic security measures, mandatory antivirus and antimalware software, multifactor authentication, a "principle of least privilege" policy that limits access only to what is needed for performing the employee's work tasks, and other measures.

We have not, to date, identified any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of our operations, or financial condition.

Cybersecurity Governance and Oversight

Management is responsible for the cybersecurity risk management program as well as actions to identify, assess, mitigate, and remediate material issues. The Company's cybersecurity risk management program is supervised by our Chief Technology Officer (CTO), who reports directly to the Company's Chief Executive Officer. The CTO and his team are responsible for leading cybersecurity strategy, policy, standards, architecture, and processes.

The Audit Committee of the Board of Directors is charged with oversight of cybersecurity matters and receives reports from the CTO on, among other things, the Company's cyber risks and threats, the status of projects to strengthen the Company's information security systems, and the emerging threat landscape. In accordance with our cyber incident response plan, the Audit Committee is promptly informed by management of cybersecurity incidents with the potential to materially adversely affect the Company or its information systems and is regularly updated about incidents with lesser impact potential. At least annually, the Board reviews and discusses the Company's technology strategy in combination with the Company's strategic objectives with Executive Management.

In an effort to detect and defend against cyber threats, the Company annually provides its employees with various cybersecurity and data protection training programs. These programs cover timely and relevant topics, including social engineering, phishing, password protection, confidential data protection, asset use and mobile security, and educate employees on the importance of reporting all incidents promptly.

ITEM 2 - PROPERTIES

We lease approximately 4,900 square feet of space for our headquarters in Chicago, Illinois under a lease that expires on September 30, 2027.

We believe that our current facilities are adequate to meet our current needs. We may expand our facilities or add new facilities as we add employees and enter new geographic markets, and we believe that suitable additional or alternative space will be available as needed to accommodate ongoing operations and any such growth. However, we expect to incur additional expenses in connection with such new or expanded facilities.

ITEM 3 - LEGAL PROCEEDINGS

We, and our wholly owned subsidiary, NAPW, Inc., are parties to a proceeding captioned Deborah Bayne, et al. vs. NAPW, Inc. and Professional Diversity Network, Inc., No. 18-cv-3591 (E.D.N.Y.), filed on June 20, 2018, and alleging violations of the Fair Labor Standards Act and certain provisions of the New York Labor Law. The class is defined as “all individuals employed in New York from June 20, 2012, through October 15, 2021, by NAPW and PDN to sell memberships to the women’s networking organization known as the National Association of Professional Women and the International Association of Women,” excluding corporate officers, shareholders, directors, and administrative employees. As it stands, the class currently consists of 164 putative class members and 60 opt-in plaintiffs.

The complaint alleges that NAPW (and PDN in its capacity as an alleged joint employer) violated similar provisions of the FLSA and the NYLL by (i) failing to pay overtime wages as required by both the FLSA and the NYLL, (ii) failing to provide accurate wage statements under the NYLL, and (iii) willfully violating both of those statutes. The Court, in an order issued on March 25, 2024, granted summary judgment against NAPW on the claims related to willful failure to pay overtime wages. The Court dismissed, without prejudice, claims based on failure to provide accurate wage statements under the NYLL based on lack of subject matter jurisdiction. The Court found that questions of fact remain as to whether PDN was a joint employer with NAPW. Damages remain unsettled particularly in light of the Court’s dismissal of the Plaintiff’s claims related to failure to provide accurate wage statements. During the first quarter of 2020, we recorded a \$450,000 litigation settlement reserve in the event of an unfavorable outcome in this proceeding. In the fourth quarter of 2025, we recorded an additional \$250,000 litigation settlement reserve. NAPW and PDN currently anticipate settling this matter with the plaintiffs by the third quarter of 2026.

From time to time, we are involved in legal matters arising in the ordinary course of business. While we believe that such matters are currently not material, there can be no assurance that matters arising in the ordinary course of business for which we are, or could be, involved in litigation, will not have a material adverse effect on our business, financial condition, or results of operations.

ITEM 4 - MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 - MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Listing

Our Common Stock is listed on the Nasdaq Capital Market under the symbol “IPDN”.

Holders

As of March 31, 2026, we had 53 holders of record of our Common Stock. Since certain of our shares are held by brokers and other institutions on behalf of stockholders, the foregoing number is not representative of the number of beneficial owners of our Common Stock.

Dividends

We have never declared or paid any cash dividends on our capital stock. We currently intend to use the net proceeds from any offerings of our securities and our future earnings, if any, to finance the further development and expansion of our business and do not intend or expect to pay cash dividends in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, outstanding indebtedness and plans for expansion and restrictions imposed by lenders, if any.

Recent Sales of Unregistered Securities

During the year ended December 31, 2025, the Company issued the following shares of its Common Stock in transactions not registered under the Securities Act of 1933, as amended (the “Securities Act”):

In February 2025, the Company issued 50,000 shares of its Common Stock in connection with a stock purchase agreement pursuant to which the Company acquired additional shares of RemoteMore USA, Inc. The shares were issued as consideration valued at \$300,000.

In July 2025, the Company issued 333,333 shares of its Common Stock pursuant to a warrant exchange agreement under which a holder surrendered an aggregate of 500,000 previously issued warrants in exchange for such shares.

On September 5, 2025, in connection with the closing of a Securities Purchase Agreement with Streeterville Capital, LLC, the Company issued 227,500 shares of its Common Stock as pre-delivery shares. During the fourth quarter of 2025, the Company issued an aggregate of 1,005,986 additional shares of its Common Stock to Streeterville Capital, LLC pursuant to pre-paid purchase arrangements under such agreement.

On September 12, 2025, the Company issued 556,000 shares of its Common Stock to an accredited investor pursuant to a Copyright Transfer Agreement in consideration for the acquisition of certain musical works copyrights. The musical works acquired under this agreement were recorded at a value of \$1,629,080, based on the closing price of the Company’s common stock of \$2.93 per share on September 12, 2025.

On September 12, 2025, the Company also entered into a consulting agreement with a non-affiliated accredited investor for advisory services to be provided over a twelve-month period and, as consideration, issued 550,000 shares of its Common Stock.

On November 24, 2025, the Company issued 927,600 shares of its Common Stock to a non-affiliated accredited investor pursuant to a Copyright Transfer Agreement in consideration for the acquisition of certain musical works copyrights. The musical works acquired under this agreement were recorded at a value of \$1,604,748, based on the closing price of the Company’s common stock of \$1.73 per share on November 24, 2025.

On November 27, 2025, the Company entered into a consultancy agreement with a non-affiliated accredited investor for advisory services and, as consideration, issued 898,000 shares of its Common Stock valued at \$1,616,000.

The issuances described above were made in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act and/or Rule 506 of Regulation D promulgated thereunder, as transactions not involving a public offering. The recipients represented that they were accredited investors and acquired the securities for investment purposes. The shares were issued without general solicitation or advertising.

Issuer Purchases of Equity Securities

No repurchases of our Common Stock were made by us or on our behalf during the fourth quarter of the fiscal year ended December 31, 2025.

ITEM 6 - [RESERVED]

ITEM 7 - MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes thereto in Item 8, “Financial Statements,” in Part II of this Annual Report. This discussion contains forward-looking statements, which are based on our assumptions about the future of our business. Our actual results will likely differ materially from those contained in the forward-looking statements. Please read “Special Note Regarding Forward-Looking Statements” for additional information regarding forward-looking statements used in this Annual Report.

Overview

We are an operator of professional communities with a focus on diversity, employment, education and training. We use the term “diversity” (or “diverse”) to describe communities, or “affinities,” that are distinct based on a wide array of criteria, including ethnic, national, cultural, racial, religious or gender classification. We serve a variety of such communities, including Women, Hispanic Americans, African Americans, Asian Americans, persons with disabilities, Military Professionals, and Lesbian, Gay, Bisexual, and Transgender (LGBTQ+).

We currently operate in three business segments. TalentAlly Network, our primary business segment, includes online professional job seeking communities with career resources tailored to the needs of various diverse cultural groups and employers looking to hire members of such groups. Our secondary business segment consists of the NAPW Network, a women-only professional networking organization. Our third business segment consists of RemoteMore, which connects companies with reliable, cost-efficient developers with less effort and friction, and empowers software developers to get meaningful jobs regardless of their location.

In 2025, we began evaluating and pursuing certain initiatives relating to Web3.0 technologies, digital assets, and RWA tokenization. These activities represent an expansion beyond our historical professional networking and recruitment platform operations. These initiatives include significant investments in musical works copyrights and native utility digital tokens. As of December 31, 2025, these initiatives remain in early stages of development, and we have not generated material revenue from such activities.

We believe that the combination of our solutions allows us to approach recruiting and professional networking in a unique way and thus create enhanced value for our members and customers by:

- Helping employers address their workforce diversity needs by connecting them with the right candidates from our diverse job seeking communities such as African Americans, Hispanics, Asians, Veterans, individuals with disabilities and members of the LGBTQ+ community (with the ability to roll out to our other affinities);
- Providing a robust online and in-person network for our women members to make professional and personal connections; and
- Connecting companies with reliable, cost-efficient developers to meet their software needs.

Sources of Revenue

We generate revenue from (i) paid membership subscriptions and related services, (ii) recruitment services, (iii) contracted software development, (iv) consumer advertising and consumer marketing solutions, and (v) licensing service. The following table sets forth our revenues from each significant product as a percentage of total revenue for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Year Ended December 31,	
	2025	2024
Revenues:		
Membership fees and related services	5.2%	6.4%
Recruitment services	52.8%	65.9%
Contracted software development	41.7%	27.1%
Consumer advertising and marketing solutions	0.3%	0.6%
Licensing Service	0.0%	0.0%

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Membership Fees and Related Services. We offer paid membership subscriptions through our NAPW Network, a women-only professional networking organization, operated by our wholly owned subsidiary. Members gain access to networking opportunities through a members-only website at www.iawomen.com and “virtual” events which occur in a webcast setting, as well as through in-person networking local chapters nationwide, additional career and networking events such as the National Networking Summit Series, Power Networking Events and the TalentAlly Network events. NAPW members also receive ancillary (non-networking) benefits such as educational discounts, shopping, and other membership perks. The basic package is the Initiator level, which provides online benefits only. Upgrades to an Innovator membership include the Initiator benefits, as well as membership in local chapters, and access to live in-person events. The most comprehensive level, the Influencer, provides all the aforementioned benefits plus admission to exclusive “live” events and expanded opportunities for marketing and promotion, including the creation and distribution of a press release, which is prepared by professional writers and sent over major newswires. Additionally, all memberships offer educational programs with discounts or at no cost, based on the membership level. NAPW Membership is renewable, and fees are payable on an annual or monthly basis, with the first fee payable at the commencement of membership. We offer new purchasers of our NAPW memberships the opportunity to purchase a commemorative wall plaque at the time of purchase. They may purchase up to two plaques at that time.

Recruitment Services. We provide recruitment services through TalentAlly Network to medium and large employers seeking to diversify their employment ranks. Our recruitment services include recruitment advertising, job postings, contingent search and hiring, and career fairs. The majority of recruitment services revenue comes from job recruitment advertising. We also offer to businesses subject to the regulations and requirements of the Equal Employment Opportunity Office of Federal Contract Compliance Program (“OFCCP”) our OFCCP compliance product, which combines diversity recruitment advertising with job postings and compliance services.

Contracted Software Development. RemoteMore generates revenue by providing contracted programmers to assist customers with their software solutions through customized software development.

Consumer Advertising and Marketing Solutions. We work with partner organizations to provide them with integrated job boards on their websites, which offer their members or customers the ability to post recruitment advertising and job openings. We generate revenue from fees charged for those postings.

Licensing Service. The Company’s licensing service initiatives are in the early stages of development. Since September 2025, the Company has acquired the copyrights to 28 original musical works. As of December 31, 2025, the copyright assets have not generated revenue. The Company is in the process of developing and implementing commercialization strategies, including licensing and promotional activities, for these copyright assets. While management intends to pursue revenue-generating opportunities related to these assets, there can be no assurance as to the timing or extent of any revenue that may be generated.

Cost of Revenue

Cost of revenue primarily consists of costs of producing job fair and other events, revenue-sharing with partner organizations, costs of web hosting and operating our websites for the TalentAlly Network. The cost of hosting member conferences and local chapter meetings are also included in the cost of revenue for NAPW Network. Costs of paying outside developers are included in the cost of revenue for RemoteMore.

	Year Ended December 31,	
	2025	2024
Cost of revenues:		
TalentAlly Network	29.1%	39.2%
NAPW Network	0.8%	0.6%
RemoteMore	70.1%	60.2%
Corporate Licensing Service	0.0%	0.0%

Results of Operations

Revenues

Total Revenues

The following tables set forth our revenues for the years ended December 31, 2025, and 2024:

	Year Ended December 31,		Change (Dollars)	Change (Percent)
	2025	2024		
	(in thousands)			
Revenues:				
Membership fees and related services	\$ 343	\$ 429	\$ (86)	(20.0)%
Recruitment services	3,456	4,434	(978)	(22.1)%
Contracted software development	2,727	1,830	897	49.0%
Consumer advertising and marketing solutions	21	38	(17)	(44.7)%
Licensing Service	-	-	-	0.0%
Total revenues	\$ 6,547	\$ 6,731	\$ (184)	(2.7)%

Total revenues decreased by approximately \$184,000, or 2.7%, from approximately \$6,731,000 for the year ended December 31, 2024, to approximately \$6,547,000 for the year ended December 31, 2025. The decrease was primarily attributable to an approximately \$995,000 decline in recruitment services and consumer advertising revenues related to TalentAlly operations and an approximately \$86,000 decline in membership fees and related services revenues associated with NAPW operations, compared to the same period in the prior year. Partially offsetting these decreases was an approximately \$897,000 increase in RemoteMore's contracted software development revenues compared to the same period in the prior year. The decline in TA and NAPW revenues was a result of weaker hiring demand, reduced employer spending, and lower membership activity, while the revenue from RemoteMore grew due to increased demand for remote software development and outsourced technical services. As of December 31, 2025, the copyright assets have not generated revenue.

Revenues by Segment

The following table sets forth each operating segment's revenues for the years ended December 31, 2025, and 2024:

	Year Ended December 31,		Change (Dollars)	Change (Percent)
	2025	2024		
	(in thousands)			
TalentAlly Network	\$ 3,477	\$ 4,472	\$ (995)	(22.2)%
NAPW Network	343	429	(86)	(20.0)%
RemoteMore	2,727	1,830	897	49.0%
Corporate Licensing Service	-	-	-	0.0%
Total revenues	\$ 6,547	\$ 6,731	\$ (184)	(2.7)%

During the year ended December 31, 2025, our TalentAlly Network generated approximately \$3,477,000 in revenues compared to \$4,472,000 in revenues during the year ended December 31, 2024, a decrease of approximately \$995,000 or 22.2%. The decrease was primarily due to decreases in TalentAlly's direct sales revenues of approximately \$360,000, e-commerce revenues of approximately \$134,000, revenues related to sales by our third-party partner alliance of approximately \$177,000, event sales revenue of approximately \$307,000 and other and partner sales revenues of approximately \$17,000, compared to the same period in the prior year. The decline in revenue was primarily driven by reduced demand for online recruitment and hiring solutions, consistent with broader market conditions affecting the talent acquisition industry. In addition, certain employers moderated or deferred spending on diversity, equity, and inclusion focused initiatives, which contributed to the decrease in demand for certain of our offerings. The Company continues to monitor these trends and adjust its operating strategy accordingly.

During the year ended December 31, 2025, NAPW Network revenues were approximately \$343,000, compared to revenues of \$429,000 during the year ended December 31, 2024, a decrease of approximately \$86,000 or 20.0%. The decrease in revenues was primarily due to an approximate \$54,000 decrease in renewal membership, an approximately \$27,000 decrease in new membership revenues, and an approximate \$5,000 decrease in partner sales and other revenue, as compared to the same period in the prior year. The decline was primarily driven by reduced demand for membership-based professional networking organizations, reflecting broader shifts in market preferences. In addition, reduced access to funding and capital for certain segments of entrepreneurs, including women entrepreneurs, has impacted their ability and willingness to participate in fee-based membership programs and related events, which contributed to lower membership acquisition and renewal activity during the period.

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During the year ended December 31, 2025, RemoteMore revenue was approximately \$2,727,000, compared to revenues of approximately \$1,830,000 during the same period in the prior year, an increase of approximately \$897,000. The increase was primarily driven by higher demand for remote software development services and outsourced technical solutions, reflecting broader industry trends toward distributed workforces and increased adoption of AI-related technologies. Despite the revenue growth, cost of revenues increased during the period, primarily due to higher costs associated with sourcing and retaining qualified remote developers, including increased compensation and related expenses. As a result, the gross margin for RemoteMore remained relatively consistent with the prior year.

Costs and Expenses

The following tables set forth our costs and expenses for the years ended December 31, 2025, and 2024:

	Year Ended December 31,		Change (Dollars)	Change (Percent)
	2025	2024		
	(in thousands)			
Cost and expenses:				
Cost of revenues	\$ 3,724	\$ 2,646	\$ 1,078	40.7%
Sales and marketing	1,911	2,752	(841)	(30.6)%
General and administrative	7,206	3,534	3,672	103.9%
Depreciation and amortization	158	204	(46)	(22.5)%
Total cost and expenses:	<u>\$ 12,999</u>	<u>\$ 9,136</u>	<u>\$ 3,863</u>	<u>42.3%</u>

Total costs and expenses increased for the year ended December 31, 2025, to approximately \$12,999,000 compared to \$9,136,000 for the year ended December 31, 2024. The approximate \$3,863,000, or 42.3%, increase in costs and expenses was primarily attributable to the following:

- The increase in cost of revenues of approximately \$1,078,000, as compared to the prior year, was primarily attributable to several factors. Approximately \$865,000 of the increase was related to contractor expenses for RemoteMore, and approximately \$60,000 of the increase was related to consulting services for RemoteMore, reflecting the higher revenue activity within this segment. In addition, approximately \$153,000 of the increase was attributable to labor capitalization expenses for TalentAlly’s website development. These increases collectively contributed to the overall rise in cost of revenues during the period.
- The decrease in sales and marketing expense of approximately \$841,000, as compared to the prior year, is a result of a decrease in payroll-related costs of approximately \$575,000, a decrease of approximately \$194,000 related to marketing and marketing-related consulting costs, and a decrease of approximately \$72,000 in other purchased services. The overall reduction in sales and marketing expenses was driven by lower revenue levels and improved operational efficiency, which collectively resulted in decreased spending across payroll, marketing, consulting, and other related services.
- The increase in general and administrative expenses of approximately \$3,672,000, as compared to the prior year. The increase was primarily attributable to professional consultancy services (approximately \$3,316,000) incurred in connection with the Company’s planned expansion into copyright, Web3.0, digital asset, and real-world asset platforms. These consultancy services included strategic planning, market research, platform design, and technical advisory services necessary to support the Company’s entry into these new business areas. Legal costs increased by approximately \$360,000, and filing fees increased by approximately \$136,000, primarily due to additional legal support and regulatory filings required to facilitate the Company’s expansion initiatives. Bad debt expenses increased by approximately \$129,000, mainly due to certain receivables related to partner agreements that were determined to be uncollectible in the current economic environment. Partially offsetting these increases were decreases in payroll-related costs (approximately \$180,000) resulting from lower headcount and temporary reductions in administrative staffing, decreases in insurance costs (approximately \$61,000) due to policy adjustments and renewals, and decreases in other general and administrative costs (approximately \$28,000), primarily from reduced travel and office-related expenses.
- The decrease in depreciation and amortization of approximately \$46,000, as compared to the prior year. The decrease was primarily attributable to NAPW intangible assets, for which there were no comparable expenses in the current period.

Costs and Expenses by Segment

The following table sets forth each operating segment’s costs and expenses for the years ended December 31, 2025, and 2024:

	Year Ended December 31,		Change (Dollars)	Change (Percent)
	2025	2024		
	(in thousands)			
TalentAlly Network	\$ 3,690	\$ 4,514	\$ (824)	(18.3)%
NAPW Network	476	574	(98)	(17.1)%
RemoteMore	3,050	2,144	906	42.3%
Corporate Licensing Service	3,413	-	3,413	100.0%
Corporate Overhead	2,370	1,904	466	24.5%
Total cost and expenses:	<u>\$ 12,999</u>	<u>\$ 9,136</u>	<u>\$ 3,863</u>	<u>42.3%</u>

Costs and expenses related to our TalentAlly Network decreased approximately \$824,000 or 18.3%, during the year ended December 31, 2025, as compared to the prior year. The decrease was primarily attributable to reductions in sales and marketing expenses (approximately \$741,000), driven by lower revenue levels and improved operational efficiency, which resulted in decreased spending on payroll, marketing, consulting, and other related services. General and administrative expenses decreased by approximately \$139,000, primarily due to lower payroll-related costs and reduced office-related expenses. These decreases were partially offset by an increase in cost of revenues of approximately \$49,000, primarily due to higher labor capitalization expenses for website development and incremental contractor expenses supporting operations, and an increase in depreciation and amortization expenses of approximately \$7,000, reflecting the addition of new capitalized assets during the period.

Costs and expenses related to the NAPW Network decreased approximately \$98,000, or 17.1%, during the year ended December 31, 2025, as compared to the prior year. The decrease was primarily attributable to reductions in sales and marketing expenses of approximately \$17,000, mainly due to lower membership promotion activities and reduced marketing-related consulting costs. General and administrative expenses decreased by approximately \$36,000, primarily driven by lower payroll-related costs and reduced office and administrative expenses. Depreciation and amortization expenses decreased by approximately \$56,000, reflecting the fully depreciated status of certain assets from prior periods. These decreases were partially offset by an increase in cost of revenues of approximately \$11,000, primarily due to higher operational costs required to support NAPW membership services over the long term.

Costs and expenses related to RemoteMore increased approximately \$906,000, or 42.3%, during the year ended December 31, 2025, as compared to the prior year. The increase was primarily attributable to higher contractor costs and consulting service expenses, driven by increased revenue activity and the need for additional technical and project support to meet client demand.

Corporate licensing service expenses increased approximately \$3,413,000 or 100% during the year ended December 31, 2025, as compared to the prior year. The increase was primarily attributable to professional consultancy services of approximately \$3,316,000, incurred in connection with the Company's planned expansion into copyright, Web3.0, digital asset, and real-world asset platforms, and \$97,000 legal costs. These consultancy services included strategic planning, market research, platform design, and technical advisory services necessary to support the Company's entry into these new business areas.

Corporate overhead expenses increased approximately \$466,000 or 24.5% during the year ended December 31, 2025, as compared to the prior year. The contributors to the increase included legal costs (approximately \$263,000), filing fees (approximately \$136,000), investor relations expenses (approximately \$47,000), and accounting expenses (approximately \$20,000), primarily related to legal support, regulatory filings, investor communications, and accounting support required to implement the Company's business expansion initiatives.

Income Tax Expenses (Benefit)

	<u>Year Ended December 31,</u>		<u>Change</u>	<u>Change</u>
	<u>2025</u>	<u>2024</u>	<u>(Dollars)</u>	<u>(Percent)</u>
	(in thousands)			
Income tax expenses (benefit)	\$ -	\$ 6	\$ (6)	100.0%

During the years ended December 31, 2025, and 2024, we recorded income tax expenses of \$0 and \$6,000.

Net Loss from Continuing Operations

The following table sets forth each operating segment's net income or loss for the periods presented. The period-to-period comparison is not necessarily indicative of future results.

	Year Ended December 31,		Change (Dollars)	Change (Percent)
	2025	2024		
	(in thousands)			
TalentAlly Network	\$ (273)	\$ (229)	\$ (44)	(19.2)%
NAPW Network	(134)	(146)	\$ 12	8.2%
RemoteMore	(321)	(316)	\$ (5)	(1.6)%
Corporate Licensing Service	(3,413)	-	\$ (3,413)	(100.0)%
Corporate Overhead	(2,370)	(1,904)	\$ (466)	(24.5)%
Consolidated net loss from continuing operations	<u>\$ (6,511)</u>	<u>\$ (2,595)</u>	<u>\$ (3,916)</u>	<u>(150.9)%</u>

Consolidated Net Loss from Continuing Operations. As the result of the factors discussed above, during the year ended December 31, 2025, we incurred a net loss of approximately \$6,511,000 from continuing operations, an increase in net loss of approximately \$3,916,000 or 150.9% from a net loss of \$2,595,000 for the year ended December 31, 2024.

Non-GAAP Financial Measure*Adjusted EBITDA*

We believe Adjusted EBITDA provides a meaningful representation of our operating performance that provides useful information to investors regarding our financial condition and results of operations. Adjusted EBITDA is commonly used by financial analysts and others to measure operating performance. Furthermore, management believes that this non-GAAP financial measure may provide investors with additional meaningful comparisons between current results and results of prior periods as they are expected to be reflective of our core ongoing business. However, while we consider Adjusted EBITDA to be an important measure of operating performance, Adjusted EBITDA and other non-GAAP financial measures have limitations, and investors should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Further, Adjusted EBITDA, as we define it, may not be comparable to EBITDA, or similarly titled measures, as defined by other companies.

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The following table provides a reconciliation of net loss from continuing operations to Adjusted EBITDA for the years ended December 31, 2025, and 2024, the most directly comparable GAAP measure as reported in the consolidated financial statements:

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Loss from Continuing Operations	\$ (6,511)	\$ (2,595)
Share-based compensation	3,596	175
Loss attributable to noncontrolling interest	60	84
Depreciation and amortization	158	204
Other income (expense)	59	184
Income tax expense (benefit)	-	6
Adjusted EBITDA	\$ (2,638)	\$ (1,942)

Liquidity and Capital Resources

The following table summarizes our liquidity and capital resources as of December 31, 2025, and 2024:

	As of December 31,	
	2025	2024
	(in thousands)	
Cash and cash equivalents	\$ 217	\$ 1,731
Working capital (deficit) from continuing operations	\$ (4,043)	\$ 271

As of December 31, 2025, we had cash and cash equivalents of approximately \$217,000 compared to cash and cash equivalents of approximately \$1,731,000 at December 31, 2024. Our principal sources of liquidity are our cash and cash equivalents, including net proceeds from the issuances of Common Stock. As of December 31, 2025, we had a working capital deficit from continuing operations of approximately \$4,043,000, compared to a working capital from continuing operations of approximately \$271,000 as of December 31, 2024. We had an accumulated deficit of approximately \$108,866,000 at December 31, 2025. During the years ended December 31, 2025, and 2024, we generated a net loss from continuing operations, net of tax, of approximately \$6,511,000 and \$2,595,000 and used cash from continuing operations of approximately \$2,087,000 and \$2,501,000.

During 2025, we continued our focus on cost cutting initiatives and improving our overall profitability and shareholder value through new sales and marketing initiatives and through strategic business collaborations. However, we have continued to generate negative cash flows from operations, and we expect to incur net losses for the short-term foreseeable future. These conditions raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to further implement our business plan of increased sales and market share through the generation of organic growth in revenues from our existing operating segments, raise capital, and make strategic acquisitions. The consolidated financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern.

In the first quarter of 2024, the Company issued 4,022 shares of its Common Stock to Tumim Stone Capital in connection with its committed equity line program, at a price of approximately \$23.60 per share, resulting in aggregate gross proceeds of \$95,104. In the second quarter of 2024, the Company issued 18,467 shares of its Common Stock to Tumim Stone Capital in connection with its committed equity line program, at a price range of approximately \$12.70 to \$15.60 per share, resulting in aggregate gross proceeds of \$239,885. In the third quarter of 2024, there was no Common Stock issuance to Tumim Stone Capital. In the fourth quarter of 2024, the Company issued 5,643 shares of its Common Stock to Tumim Stone Capital in connection with its committed equity line program, at a price range of approximately \$8.30 per share, resulting in aggregate gross proceeds of \$46,728. On February 25, 2025, the Company and Tumim Stone Capital both agreed to terminate the Common Stock Purchase Agreement (“Purchase Agreement”) in connection with the committed equity line program in accordance with Section 7.1 thereof, effective on the fifth business day thereafter. Consequently, no further shares of Common Stock will be sold under the Purchase Agreement.

In June, 2024, the Company entered into a stock purchase agreement with Eighty-eight Investment LLC, a Delaware limited liability company wholly owned and controlled by Mr. Xin He, our former Chief Executive Officer. This purchase of 100,000 shares of our Common Stock at a price of \$4.95 per share provided aggregate proceeds of \$495,000. The purchase price represented the last consolidated closing bid price on the Nasdaq Capital Market prior to the execution of the agreement, in accordance with the requirements of Nasdaq Listing Rule 5635(c) and applicable Nasdaq interpretations.

In September, 2024, the Company entered into a stock purchase agreement with Yu Tian, an individual and a resident of the People’s Republic of China, in connection with the purchase by Yu Tian of 39,867 shares of Common Stock at a price of approximately \$3.01 per share for aggregate gross proceeds of \$120,000.

In November 2024, the Company entered into a stock purchase agreement with a single institutional investor, in connection with the purchase thereby of 140,000 shares of Common Stock, and 110,000 pre-funded warrants to purchase Common Stock (the “Pre-Funded Warrants”) in a registered direct offering at a price of \$8.00 per share (or \$7.90 per Pre-Funded Warrant) for aggregate gross proceeds of \$1,989,000.

In December 2024, the Company entered into a Profit Participation Agreement with Koala Malta Limited, a private limited liability company registered under the laws of Malta to purchase a 6% right in QBSG Limited to receive all distributions and dividends which may be declared and/or distributed by the QBSG Limited on an annual basis in terms of applicable law, along with all rights, title, and interest from the Koala Malta Limited. The consideration of the profit participation is \$1,200,000, including \$700,000 cash and \$500,000 value of the Company’s Common Stock, or a total of 113,636 shares at a price of \$4.40 per share. In addition to the 9% share purchase from QBSG Limited in September 2022, the Company now owns the right to receive 15% of all distributions and dividends by QBSG Limited.

In December 2024, the Company entered into a stock purchase agreement with Aurous Vertex Limited (the “Investor”), a British Virgin Islands company, in connection with the purchase by the Investor of 250,000 shares of Common Stock at a price of \$6.00 per share for aggregate gross proceeds of \$1.5 million. In the agreement, Aurous Vertex Limited has an option to purchase an additional 100,000 shares of Common Stock at a subsequent closing. The purchase price per share of the additional 100,000 shares of Common Stock will be the lesser of (a) \$6.00 per share and (b) the closing price of the Common Stock on the date that Investor delivers its written notice to the Company of its election to purchase the Second Closing Shares as described above.

In February 2025, the Company received a Written Notice from a single institutional investor to exercise 110,000 Pre-Funded Warrants originally purchased in November 2024 at a price of \$7.90 per warrant. In connection with the exercise, the institutional investor paid an additional \$0.10 per share—bringing the total purchase price to \$8.00 per share—for the issuance of 110,000 shares of Common Stock, resulting in additional gross proceeds of \$11,000 to the Company.

In February 2025, the Company entered into a stock purchase agreement (the “SPA”) with Boris Krastev Ventures UG (the “Seller”), pursuant to which the Company shall acquire 1,000,000 shares of Common Stock (the “Acquisition”) of RemoteMore USA, Inc., a Delaware corporation (“RemoteMore” or the “Target

Company”) for a purchase price of \$300,000, which was paid to the Seller at the closing of the Acquisition through the issuance of 50,000 newly issued restricted shares of the Company’s Common Stock, at a price of \$6.00 per share (the “Shares”). The closing of the Acquisition is subject to satisfaction of certain closing conditions set forth in the SPA. Prior to the Acquisition, the Company held 8,262,500 shares of the Target Company, representing a majority interest in the Target Company. Upon the closing of the Acquisition, the Company’s ownership increased to approximately 82.625% of the Target Company’s outstanding shares.

In February 2025, Aurous Vertex Limited delivered a Written Notice to the Company exercising its option to purchase an additional 100,000 shares of Common Stock at a purchase price per share of \$3.385, the closing price of the Company’s Common Stock on February 25, 2025. On March 24, 2025, upon the satisfaction or waiver of the closing conditions, the Company issued an additional 100,000 shares of Common Stock to Aurous Vertex Limited.

In March 2025, the Company filed a certificate of amendment to its amended and restated certificate of incorporation in order to implement a 10-for-1 reverse stock split, through which each ten shares of Common Stock issued and outstanding were combined and changed into one share of Common Stock. All share amounts and share prices in this annual report on Form 10-K have been adjusted to give effect to the reverse stock split.

In July 2025, the Company completed a warrant exchange transaction pursuant to a Warrant Exchange Agreement (the “Exchange Agreement”) with certain holder (the “Holder”) of 250,000 Series A warrants (the “Series A Warrants”) entered on June 30, 2025, each to purchase one share of the Common Stock of the Company, and 250,000 Series B warrants (the “Series B Warrants”, and collectively with the Series A Warrants, the “Warrants”), each to purchase one share of Common Stock of the Company at an exercise price of \$6.80 per share. The Warrants were issued on November 20, 2024 to the Holder in connection with a registered direct offering and concurrent private placement of warrants which closed on November 20, 2024. Pursuant to the Exchange Agreement, the Holder agreed to surrender 500,000 Warrants for cancellation and the Company agreed, in exchange, to issue an aggregate of 333,333 shares of Common Stock to the Holder.

In August 2025, the Company secured approximately \$320,000 of short-term debt, which is interest-free and non-material in amount. The proceeds from this financing are classified as a cash inflow from financing activities in the accompanying consolidated statements of cash flows. The debt was obtained to provide additional liquidity to support the Company’s operations and strategic initiatives and does not impose any significant financial obligations.

In September 2025, the Company entered into a copyright transfer agreement (the “High Wave Copyright Transfer Agreement”) with High Wave Corp (“High Wave”), under which High Wave agreed to assign to the Company the copyrights and related rights of *forty* (40) original musical works, including all copyrights and related rights such as reproduction, performance, broadcasting, and adaptation. The total purchase consideration is \$10,000,000, payable in four installments between October 15 and November 30, 2025, with ownership of each batch of works transferring upon payment. High Wave warranted full ownership and non-infringement of the works, waived all moral rights, and agreed not to resell or license them. As of December 31, 2025, the Company had paid \$3,700,000 under the High Wave Agreement to purchase 15 original musical works. On December 16, 2025, the Company entered into an amendment to the copyright transfer agreement (the “First Amendment to High Wave Copyright Transfer Agreement”), pursuant to which the Company retained the right, but not the obligation, to purchase the remaining twenty-five (25) musical works for total consideration of \$6,300,000. If the Company elects to proceed with such purchase, the Company and High Wave will mutually agree on the delivery schedule and payment terms for the remaining works.

In September 2025, Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with Streeterville Capital, LLC, a Utah limited liability company, pursuant to which the Company agreed to issue and sell to Streeterville shares of its Common Stock, in one or more pre-paid advance purchases (each, a “Pre-Paid Purchase” and collectively, the “Pre-Paid Purchases”) for an aggregate purchase price of up to \$20,000,000. The Company also agreed to issue to Streeterville 22,197 shares of Common Stock (the “Commitment Shares”) as consideration for Streeterville’s commitment, after Shareholder Approval (as defined below) is obtained, and 227,500 shares of Common Stock for \$2,275 as pre-delivery shares (the “Pre-Delivery Shares”), which Pre-Delivery Shares were issued at the closing of the transactions contemplated by the Securities Purchase Agreement. The transactions closed on September 5, 2025 (the “Closing Date”). The proceeds from the Pre-Paid Purchases were expected to be used for working capital and other corporate purposes, including repayment of debt, strategic and other general corporate purposes. The Securities Purchase Agreement provides for an initial Pre-Paid Purchase in the principal amount of up to \$8,655,000 (the “Initial Pre-Paid Purchase”), an original issue discount of up to \$640,000 and transaction expenses of \$15,000, the terms of which are set forth on secured prepaid purchase #1 (“Pre-Paid Purchase #1”). The Company received \$3,397,725 in cash proceeds under the Initial Pre-Paid Purchase and \$2,275 for the Pre-Delivery Shares on the Closing Date. The Initial Pre-Paid Purchase accrues interest at the rate of 8% per annum. Within thirty (30) days after closing, Streeterville would fund the remaining \$4,602,275.00 under the Initial Pre-Paid Purchase into a deposit account (the “Deposit Account”) of the Company’s wholly-owned subsidiary, IPDN Holdings, LLC, a Utah limited liability company (“IPDN Holdings”), secured by a deposit account control agreement (the “DACA”), a guaranty (the “Guaranty”) by IPDN Holdings, and a pledge agreement (the “Pledge Agreement”) by the Company pledging 100% of the equity interests in IPDN Holdings, subject to certain conditions: (i) the DACA, the Guaranty and the Pledge Agreement are each executed and delivered to Streeterville, (ii) the Deposit Account has been opened, (iii) no Event of Default (as defined in the Initial Pre-Paid Purchase) under the Initial Pre-Paid Purchase has occurred, and (iv) trading in the Common Stock is not suspended, halted, chilled, frozen, reached zero bid or otherwise ceased trading on the Nasdaq Capital Market. On October 7, 2025, Streeterville funded the remaining \$4,602,275.00 to the Deposit Account. In the fourth quarter of 2025, the Company issued 1,005,986 shares of its Common Stock to Streeterville Capital, LLC, at a price range of \$1.31 to \$2.70 per share, resulting in aggregate gross proceeds of \$2,250,000.

In September 2025, the Company entered into the Copyright Agreement with Streams Ohio, a non-affiliated accredited investor. Pursuant to the Streams Ohio Copyright Agreement, the Company agreed to acquire eight (8) original musical works from the Streams Ohio. Under the terms of the Streams Ohio Copyright Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of 556,000 shares of Common Stock (the “Copyright Shares”), with an aggregate value of approximately \$1,629,080, based on the closing price of \$2.93 per share on September 12, 2025, subject to the limitations of the Nasdaq Listing Rule 5635. The Copyright Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act, and/or Regulation D promulgated thereunder. The Streams Ohio Copyright Agreement contains customary representations, warranties, and covenants.

In September 2025, the Company entered into the B&W Capital Consulting Agreement with B&W Capital, a non-affiliated accredited investor. Under the B&W Capital Consulting Agreement, the Company engaged the Consultant to provide strategic, business development, investor relations and capital markets advisory services for a period of 12 months, unless terminated earlier pursuant to the terms therein. As consideration for such services, the Board approved the issuance of 550,000 shares of Common Stock (the “Consulting Shares”), also subject to the limitations of the Nasdaq Listing Rule 5635. The Consulting Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act and/or Regulation D promulgated thereunder. The B&W Capital Consulting Agreement contains customary representations, warranties and covenants.

In November 2025, the Company entered into a copyright transfer agreement with Shohan Event Organizers Co., L.L.C. , a non-affiliated accredited investor. Pursuant to the Copyright Agreement, the Company agreed to acquire five (5) original musical works from the Copyright Seller. Under the terms of the Copyright Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, par value \$0.01 per share, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 927,600 shares of Common Stock, with an aggregate value of approximately \$1,604,748, based on the closing price of \$1.73 per share on November 24, 2025, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC. The Copyright Shares will be issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder.

In November 2025, the Company entered into a consultancy agreement with Deeptrade PTY LTD , a non-affiliated accredited investor. Pursuant to the Consultancy Agreement, the Consultant agreed to provide the Company with professional consultancy services relating to the Company’s intended expansion into Web3.0, digital asset, and real-world-asset platform for a total consideration of \$1,616,000. Under the terms of the Consultancy Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, par value \$0.01 per share, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 898,000 shares of Common Stock, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC (the “Consultancy Shares”). The Consultancy Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder. The Consultancy Agreement contains customary representations, warranties and covenants.

In December 2025, in connection with the closing of the Company’s equity financing, the outstanding \$150,000 convertible note issued in July 2025, together with accrued interest, was converted into 101,351 shares of the Company’s common stock at a conversion price of \$1.48 per share. Upon conversion, the carrying amount of the convertible note, including accrued interest, was reclassified to Common Stock and additional paid-in capital. No gain or loss was recognized upon conversion.

In December 2025, the Company entered into a purchase agreement with DeeptradeX.ai, an Australian-based digital asset trading platform, pursuant to which the Company agreed to acquire an aggregate of 25,937,800 native utility digital tokens issued by the Seller (the “DTT Tokens”). The DTT Tokens are intended to function as a medium of exchange for services on the Seller’s Web3.0 digital asset platform and do not represent equity, debt, dividends, governance rights or profit-sharing interests. The total consideration for the DTT Tokens is \$2,593,780, payable, at the Company’s election, in cash, shares of Common Stock, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 1,358,000 shares of Common Stock, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC and the shares were issued on January 2, 2026. The Consideration Shares was be issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act, and/or Regulation D promulgated thereunder. The DTT Tokens will be delivered to a wallet address designated by the Company and will be subject to a 12-month lock-up period followed by a 24-month linear vesting period, with releases occurring automatically pursuant to an immutable smart contract. The Purchase Agreement contains customary representations, warranties and covenants, including representations regarding regulatory compliance, token functionality and indemnification for certain regulatory matters.

While we believe that our cash and cash equivalents of approximately \$217,000, at December 31, 2025, and cash flow from operations, may be sufficient to meet our working capital requirements for the fiscal year 2026, our available funds and cash flow from operations may not be sufficient to meet our working capital requirements without the need to increase revenues or raise capital by the issuance of Common Stock. There can be no assurances that our business plans and actions will be successful, that we will generate anticipated revenues, or that unforeseen circumstances will not require additional funding sources in the future or effectuate plans to conserve liquidity. Future efforts to raise additional funds may not be successful or they may not be available on acceptable terms, if at all. Cash and cash equivalents consist primarily of cash on deposit with banks and investments in money market funds.

Our TalentAlly Network sells recruitment services to employers, generally on a one-year contract basis. This revenue is also deferred and recognized over the life of the contract. Our payment terms for TalentAlly Network customers range from 30 to 60 days. We consider the difference between the payment terms and payment receipts a result of transit time for invoice and payment processing and to date have not experienced any liquidity issues as a result of the payments extending past the specified terms. Our NAPW network collects membership fees generally at the commencement of the membership term or at renewal periods thereafter. The memberships we sell are for one year and we defer recognition of the revenue from membership sales and renewals and recognize it ratably over the twelve-month period.

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Cash (used in) provided by continued operations		
Operating activities	\$ (2,087)	\$ (2,501)
Investing activities	(5,004)	(963)
Financing activities	6,827	4,568
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Net (decrease) increase in cash, cash equivalents, and restricted cash from continuing operations	<u>\$ (264)</u>	<u>\$ 1,104</u>

Cash and Cash Equivalents

The Company considers cash and cash equivalents to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less.

Restricted Cash

Restricted cash represents proceeds from the Company’s stock issuances held in a designated holding account and subject to contractual and administrative restrictions on use. These restrictions limit the Company’s ability to access the funds until specified conditions are satisfied. As of December 31, 2025, the Company had \$1,250,000 of restricted cash, which is presented separately from cash and cash equivalents on the consolidated balance sheets. The timing of the release of such funds is dependent upon the satisfaction of the applicable conditions, and there can be no assurance as to when such restrictions will be lifted. Upon release, the amounts will be reclassified to cash and cash equivalents and may be used for general corporate purposes.

Net Cash Used in Operating Activities

Net cash used in operating activities from continuing operations during the year ended December 31, 2025 was \$2,087,000. We had a net loss from continuing operations of \$6,511,000 during the year ended December 31, 2025, which included share-based compensation expense of approximately \$3,596,000, depreciation and amortization expense of approximately \$158,000, the provision for losses on accounts receivable of approximately \$143,000, noncash lease expense of approximately \$91,000, and unrealized loss on investment of \$44,000. Changes in operating assets and liabilities provided approximately \$392,000 of cash increase during the year ended December 31, 2025, consisting primarily of an approximate \$582,000 increase in accounts payable, an approximate \$470,000 increase in accrued expenses, an approximate \$268,000 decrease in accounts receivable, and an approximate \$25,000 increase in other current liabilities, which was partially offset by an approximate \$649,000 decrease in deferred revenues, an approximate \$196,000 increase in prepaid expenses and other assets, and an approximate \$108,000 decrease in lease liability.

Net cash used in operating activities from continuing operations during the year ended December 31, 2024 was \$2,501,000. We had a net loss from continuing operations of \$2,595,000 during the year ended December 31, 2024, which included share-based compensation expense of \$175,000 and depreciation and amortization expense of \$204,000, the provision for losses on accounts receivable of approximately \$14,000, and noncash lease expense of \$91,000. Changes in operating assets and liabilities provided approximately \$577,000 of cash decrease during the year ended December 31, 2024, consisting primarily of a \$99,000 increase in accounts receivable, which was partially offset by an approximate \$159,000 decrease in prepaid expenses and other assets, \$369,000 decrease in accounts payable, and a \$158,000 decrease in deferred revenues, \$106,000 decrease in lease liability, and \$4,000 decrease in accrued expenses.

Net Cash Used in Investing Activities

Net cash used in investing activities from continuing operations during the year ended December 31, 2025 was approximately \$5,004,000, which is primary related to the \$1,300,000 investment in 13% of AI Geometric Ltd's outstanding shares, the \$3,700,000 purchase of intangible assets, and approximately \$4,000 in purchases of property and equipment.

During the year ended December 31, 2024, net cash used in investing activities from continuing operations was approximately \$963,000, which consisted primarily of \$700,000 related to the purchase of QBSG Limited's profit share, approximately \$242,000 in costs associated with internally developed technology and approximately \$21,000 associated with the purchases of computer equipment.

Net Cash Provided by Financing Activities

Net cash provided by financing activities from continuing operations during the year ended December 31, 2025, was approximately \$6,827,000, which reflected the proceeds from the sale of Common Stock, and debt that was both interest-free and non-material, as described above.

Net cash provided by financing activities from continuing operations during the year ended December 31, 2024, was approximately \$4,568,000, which reflected the proceeds from the sale of Common Stock, and no-controlling interests as described above.

Off-Balance Sheet Arrangements

Since inception, we have not engaged in any off-balance sheet activities as defined in Regulation S-K Item 303(a)(4).

Critical Accounting Policies and Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of these consolidated financial statements requires us to exercise considerable judgment with respect to establishing sound accounting policies and in making estimates and assumptions that affect the reported amounts of our assets and liabilities, our recognition of revenues and expenses, and disclosure of commitments and contingencies at the date of the consolidated financial statements.

Management conducts an annual review of the fair value of the company's Level 3 investments. The valuation methodologies employed rely on significant unobservable inputs, including projected cash flows, applicable discount rates, market data from publicly traded companies within the relevant industry, and information derived from recent merger and acquisition activity. These inputs are evaluated to ensure the fair value measurements reflect current market conditions and provide a reasonable basis for financial reporting.

We base our estimates on our historical experience, knowledge of our business and industry, current and expected economic conditions, the attributes of our products, the regulatory environment, and in certain cases, the results of outside appraisals. We periodically re-evaluate our estimates and assumptions with respect to these judgments and modify our approach when circumstances indicate that modifications are necessary. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

While we believe that the factors we evaluate provide us with a meaningful basis for establishing and applying sound accounting policies, we cannot guarantee that the results will always be accurate. Since the determination of these estimates requires the exercise of judgment, actual results could differ from such estimates.

While our significant accounting policies are more fully described in Note 3 to our consolidated financial statements included at the end of this Annual Report, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating our reported financial results and affect the more significant judgments and estimates that we use in the preparation of our consolidated financial statements.

Accounts Receivable and Allowance for Credit Losses

Our accounts receivable consists principally of uncollateralized amounts billed to customers. These receivables are generally due within 30 to 90 days of the period in which the corresponding sales occur and do not bear interest. They are recorded at net realizable value less an allowance for credit losses and are classified as account receivable, net on the consolidated balance sheets.

We adopted ASU 2016-13, Financial Instruments - Credit Losses, in the first quarter of fiscal 2023. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. Prior to the adoption of this accounting standard, we recorded incurred loss reserves against receivable balances based on current and historical information.

We consider both current conditions and reasonable and supportable forecasts of future conditions when evaluating expected credit losses for uncollectible receivable balances. In our determination of the allowance for credit losses, we pool receivables by days outstanding and apply an expected credit loss percentage to each pool. The expected credit loss percentage is determined using historical loss data adjusted for current conditions and forecasts of future economic conditions. Current conditions considered include predefined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

We are not party to any off-balance sheet arrangements that would require an allowance for credit losses in accordance with this accounting standard.

Goodwill and Intangible Assets

The Company accounts for goodwill and intangible assets in accordance with ASC 350, Intangibles – Goodwill and Other (“ASC 350”). ASC 350 requires that goodwill and other intangibles with indefinite lives should be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value.

Goodwill is tested for impairment at the reporting unit level on an annual basis (December 31 for the Company) and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company considers its market capitalization and the carrying value of its assets and liabilities, including goodwill, when performing its goodwill impairment test.

When conducting its annual goodwill impairment assessment, the Company initially performs a qualitative evaluation of whether it is more likely than not that goodwill is impaired. If it is determined by a qualitative evaluation that it is more likely than not that goodwill is impaired, the Company then compares the fair value of the Company’s reporting unit to its carrying or book value. If the fair value of the reporting unit exceeds its carrying value, goodwill is not impaired and the Company is not required to perform further testing. If the carrying value of a reporting unit exceeds its fair value, the Company will measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

The Company’s critical accounting estimates include the valuation of intangible assets acquired, the determination of the useful lives of finite-lived intangible assets, the assessment of impairment of long-lived assets, and the timing of when such assets are placed into service and begin amortization. These estimates require significant management judgment and are based on assumptions regarding future cash flows, market conditions, and the timing of commercialization. Due to the inherent uncertainty associated with these estimates, actual results may differ from those estimates, and such differences could have a material impact on the Company’s financial condition and results of operations.

The Company determines the fair value of intangible assets using valuation techniques appropriate for the nature of the asset, including the income approach, market approach, or cost approach. These valuation techniques require the use of significant estimates and assumptions, including projected future cash flows, discount rates, market multiples, and other relevant factors. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Changes in the underlying assumptions could materially affect the estimated fair value of intangible assets and any related impairment charges.

Copyright assets are classified as finite-lived intangible assets and are amortized over their estimated useful lives, which are based on the pattern in which the economic benefits are expected to be consumed. Amortization commences when the assets are placed into service and are ready for their intended use. The Company evaluates these assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Crypto assets are recorded at fair market value and classified as intangible assets on the consolidated balance sheet. These assets are initially recognized at cost and subsequently remeasured at fair value at each reporting date, with changes in fair value recognized in the consolidated statements of operations. Fair value is determined using quoted market prices in active markets for identical assets. Gains and losses resulting from changes in fair value are recognized in earnings in the period in which they occur.

Capitalized Technology Costs

We account for capitalized technology costs in accordance with ASC 350-40, Internal-Use Software (“ASC 350-40”). In accordance with ASC 350-40, we capitalize certain external and internal computer software costs incurred during the application development stage. The application development stage generally includes software design and configuration, coding, testing and installation activities. Training and maintenance costs are expensed as incurred, while upgrades and enhancements are capitalized if it is probable that such expenditures will result in additional functionality. Capitalized software costs are amortized over the estimated useful lives of the software assets on a straight-line basis, generally not exceeding three years.

Business Combinations

ASC 805, Business Combinations (“ASC 805”), applies the acquisition method of accounting for business combinations to all acquisitions where the acquirer gains a controlling interest, regardless of whether consideration was exchanged. ASC 805 establishes principles and requirements for how the acquirer : a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree; b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. Accounting for acquisitions requires the Company to recognize, separately from goodwill, the assets acquired, and the liabilities assumed at their acquisition-date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred and the net of the acquisition-date fair values of the assets acquired and the liabilities assumed. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, the estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of comprehensive loss.

Revenue Recognition

Our principal sources of revenue are recruitment revenue, consumer marketing and consumer advertising revenue, membership subscription fees, and contracted software development. Recruitment revenue includes revenue recognized from direct sales to customers for recruitment services and events, as well as revenue from our direct ecommerce sales. Revenues from recruitment services are recognized when the services are performed, evidence of an arrangement exists, the fee is fixed or determinable and collectability is probable. Our recruitment revenue is derived from agreements through single and multiple job postings, recruitment media, talent recruitment communities, basic and premier corporate memberships, hiring campaign marketing and advertising, e-newsletter marketing and research and outreach services.

Consumer marketing and consumer advertising revenue is recognized either based upon a fixed-fee for revenue-sharing agreements in which payment is required at the time of posting or billed based upon the number of impressions (the number of times an advertisement is displayed) recorded on the websites as specified in the customer agreement.

Revenue generated from NAPW Network membership subscriptions is recognized ratably over the 12-month membership period, although members pay their annual fees at the commencement of the membership period. We also offer monthly membership for which we collect fees on a monthly basis and we recognize revenue in the same month as the fees are collected. Revenue from related membership services is derived from fees for development and set-up of a member’s personal on-line profile and/or press release announcements. Fees related to these services are recognized as revenue at the time the on-line profile is complete and press release is distributed.

Revenues generated from RemoteMore consist of contracts entered into to provide customers with software solutions and are recognized in the month work is performed.

Revenue Concentration

We, in alliance with another company, partner to sell two recruitment services products. This alliance member previously built, hosted, and managed our job boards and website in addition to billing customers, collecting fees, and providing customer services. For the years ended December 31, 2025, and 2024, we recorded approximately 0.9% and 4.6% of our recruitment services revenue from this alliance sales relationship.

Lease Obligations

We leases office space under a non-cancelable operating lease that expires through September 2027. Our facility lease provides for periodic rent increases and may contain escalation clauses and renewal options. Our lease terms include options to extend the lease if we are reasonably certain of being exercised.

We recognizes operating lease expense on a straight-line basis over the lease term and variable lease payments are expensed as incurred. Lease costs are primarily recorded within SG&A expenses in the Company’s consolidated statements of loss and comprehensive loss.

We determine if a contract contains a lease at lease inception. If the borrowing rate implicit in the lease is not determinable, we use its incremental borrowing rate (“IBR”) based on information available at lease commencement including prevailing financial market conditions to determine the present value of future lease payments. We have elected the option to combine lease and non-lease components as a single component for our entire population of lease assets.

Operating lease assets and lease liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent the right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, and lease incentives. We have elected not to apply the recognition requirements to short-term leases of 12 months or less and instead recognizes lease payments as expense on a straight-line basis over the lease term. Our lease agreement does not contain any material residual value guarantees or material restrictive covenants. Leased assets are presented net of accumulated amortization.

Variable lease payment amounts that cannot be determined at the commencement of the lease, such as increases in lease payments based on changes in index rates or usage, are not included in the ROU assets or liabilities; instead, these are expensed as incurred and recorded as variable lease expense.

Recent Accounting Pronouncements

See Note 3 to our consolidated financial statements.

Special Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K, including Part I, Item 1. “*Business*” and Part II, Item 7. “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements concern expectations, beliefs, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Specifically, this Annual Report contains forward-looking statements regarding:

- our beliefs regarding our ability to capture and capitalize on market trends;
- our expectations on the future growth and financial health of the online diversity recruitment industry and the industry participants, and the drivers of such growth;
- our expectations regarding continued membership growth;
- our beliefs regarding the increased value derived from the synergies among our segments; and
- our beliefs regarding our liquidity requirements, the availability of cash and capital resources to fund our business in the future and intended use of liquidity.

These and other forward-looking statements reflect our current views about future events and are subject to risks, uncertainties and assumptions. We wish to caution readers that certain important factors may have affected, and could in the future affect, our actual results and could cause actual results to differ significantly from those expressed in any forward-looking statement. The most important factors that could prevent us from achieving our goals, and cause the assumptions underlying forward-looking statements and the actual results to differ materially from those expressed in or implied by those forward-looking statements include, but are not limited to, the following:

- our ability to raise funds in the future to support operations;
- our business and operating strategies and plans for the development of existing and new businesses, ability to implement such strategies and plans and expected time;
- failure to realize synergies and other financial benefits from mergers and acquisitions within expected time frames, including increases in expected costs or difficulties related to integration of merger and acquisition partners;
- inability to identify and successfully negotiate and complete additional combinations with potential merger or acquisition partners;
- our history of operating losses;
- our limited operating history in a new and unproven market;
- increasing competition in the market for online professional networks;
- our ability to comply with increasing governmental regulation and other legal obligations related to privacy;
- our ability to adapt to changing technologies and social trends and preferences;
- our ability to attract and retain a sales and marketing team, management and other key personnel and the ability of that team to execute on the Company’s business strategies and plans;
- our ability to obtain and maintain intellectual property protection for our intellectual property;
- the outcome of current or future litigation regarding our business, including intellectual property claims;
- general and economic business conditions; and
- legal and regulatory developments, including those affecting the market for services focused on the promotion of workplace diversity and other services we provide.

Additional factors, risks and uncertainties that may affect our results, are discussed in Item 1A. “*Risk Factors*” of this Annual Report beginning on page 13, and in our subsequent filings with the SEC. You should consider these factors, risks and uncertainties when evaluating any forward-looking statements and you should not place undue reliance on any forward-looking statement. Forward-looking statements represent our views as of the date of this Annual Report, and we undertake no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date of this Annual Report.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Company's consolidated financial statements required by this item are included on pages F-1 through F-27 of this Annual Report. See Item 15(a)(1) for a listing of financial statements provided.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A - CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of December 31, 2025, our management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), under the supervision of and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer. Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective on December 31, 2025, and during the period prior to and including the date of this report.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Management's Report on Internal Control over Financial Reporting

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer (principal executive officer), is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. We have designed our internal controls to provide reasonable assurance that our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP), and include those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorization of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our management conducted an evaluation of the effectiveness of our internal controls over financial reporting as of December 31, 2025. In making this evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in its 2013 *Internal Control — Integrated Framework*.

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our internal controls over financial reporting were effective as of the end of the period covered in this Annual Report on Form 10-K.

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this Annual Report on Form 10-K.

Limitations on the Effectiveness of Controls

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute assurance. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during our fiscal quarter ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B - OTHER INFORMATION

(a) None.

(b) During the three months ended December 31, 2025, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements as defined in Item 408 of Regulation S-K.

ITEM 9C – DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

With the exception of the description of our Code of Business Conduct and Ethics below, the information required by this item is incorporated herein by reference from the discussion under the headings “Directors and Director Compensation,” “Corporate Governance,” “Executive Officers” and “Other Matters—Delinquent Section 16(a) Reports” in our definitive Proxy Statement to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The code of business conduct and ethics is available on our corporate website at www.ipdn.com. Any amendment to, or waiver from, a provision of such code of ethics will be posted on our website. Information on the Company’s website is not incorporated by reference herein.

ITEM 11 - EXECUTIVE COMPENSATION

Information regarding director and executive compensation is incorporated by reference from the discussion under the headings “Directors and Director Compensation” and “Executive Officers and Executive Compensation” in our definitive Proxy Statement to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Certain of the information required by this item is incorporated herein by reference from the discussion under the heading “Security Ownership of Certain Beneficial Holders and Management” in our definitive Proxy Statement to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

Securities Authorized for Issuance under Equity Compensation Plans

In April 2023, the Board of Directors adopted the Professional Diversity Network, Inc. 2023 Equity Compensation Plan (the “2023 Equity Compensation Plan”), initially reserving 750,000 shares of Common Stock for issuance to directors, officers, employees, and eligible consultants of the Company and its affiliates. Following the Company’s 10-for-1 reverse stock split in March 2025, the reserved shares were adjusted to 75,000. In December 2025, the Board approved and adopted an amendment to the 2023 Equity Compensation Plan, increasing the number of shares reserved for issuance from 75,000 to 750,000.

The 2023 Equity Compensation Plan supersedes and replaces the 2013 Equity Compensation Plan (“2013 Plan”), and no new awards will be granted under the 2013 Plan. Any awards outstanding under the 2013 Plan remain subject to and will be paid under the 2013 Plan. No new awards will be issued under the 2013 Plan.

The following table provides information as of December 31, 2025, with respect to shares of our Common Stock that may be issued under our existing equity compensation plans:

Equity Compensation Plan Information

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted - average exercise price of outstanding options	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
2013 Equity Compensation Plan (1)	1,500	\$ 44.60	-
2023 Equity Compensation Plan (2)	63,684	-	435,189
Equity compensation plans not approved by our shareholders	-	-	-
Total	65,184	\$ 44.60	435,189

(1) Includes outstanding stock options to purchase shares of our Common Stock pursuant to the Company’s 2013 Equity Compensation Plan, as amended.

(2) Includes outstanding restricted stock awards pursuant to the Company’s 2023 Equity Compensation Plan.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference from the discussion under the headings “Certain Transactions and Business Relationships” and “Corporate Governance” in our definitive Proxy Statement to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

ITEM 14 - PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent registered public accounting firm is SR CPA & Co. (Auditor Firm ID No. 7249). The information required by this item is incorporated herein by reference from the discussion under the heading “Ratification of Appointment of Independent Registered Public Accounting Firm” in our definitive Proxy Statement to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025 in connection with our 2026 Annual Meeting of Stockholders.

PART IV

ITEM 15 - EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

1. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements on page F-1 are filed as part of this report.

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2. Financial Statement Schedules

The financial statement schedules have been omitted because they are not applicable or because the required information is given in the consolidated financial statements and notes thereto.

3. Exhibits

The exhibits listed on the Index to Exhibits (pages 41 through 42) are filed as part of this Annual Report.

ITEM 16. FORM 10-K SUMMARY

None.

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger among the Company, NAPW Merger Sub, Inc., NAPW, Inc. and Matthew B. Proman, dated as of July 11, 2014 (incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on July 14, 2014).
2.2	Stock Purchase Agreement, dated as of August 12, 2016, by and between Professional Diversity Network, Inc. and Cosmic Forward Limited, including as Exhibit A the form of Stockholders' Agreement (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on August 15, 2016).
3.1 (i) (a)	Amended and Restated Certificate of Incorporation of the Company, as amended through October 17, 2016 (incorporated herein by reference to Exhibit 3.1 of the Company's Registration Statement on Form S-3 filed with the SEC on October 18, 2021).
3.1 (i) (b)	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company, dated January 3, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on January 4, 2023).
3.1 (i) (c)	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company, dated March 7, 2025 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on March 7, 2025).
3.1 (ii)	Second Amended and Restated Bylaws of the Company, as amended (incorporated herein by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed with the SEC on November 8, 2016).
4.1	Common Stock Certificate (incorporated herein by reference to Exhibit 4.1 of Amendment No. 12 to the Company's Registration Statement on Form S-1 (No. 333-181594), filed with the SEC on February 28, 2013).
4.2	Description of securities registered under Section 12 of the Exchange Act (incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 (No. 333-260316), filed with the SEC on October 18, 2021).
10.1	Stockholders' Agreement, dated as of November 7, 2016, by and among Professional Diversity Network, Inc., Cosmic Forward Limited, Maoji (Michael) Wang, Jingbo Song, Yong Xiong Zheng and Nan Nan Kou (incorporated herein by reference to Exhibit 4.9 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2016).
10.2#	Amended and Restated Professional Diversity Network, Inc. 2013 Equity Compensation Plan (incorporated herein by reference to Appendix A to the Company's proxy statement on Schedule 14A filed with the SEC on April 30, 2021).
10.3#	Professional Diversity Network, Inc. 2023 Equity Compensation Plan (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 21, 2023).
10.4#	Employment Agreement between the Company and Adam He, dated as of July 18, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on July 24, 2023).
10.5	Stock Purchase Agreement dated September 27, 2022 between the Company and Koala Malta Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed September 30, 2022).
10.6	Shareholders' Agreement dated September 27, 2022, among the Company, Koala Malta Limited and Koala Crypto Limited (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed September 30, 2022).
10.7	Charge over Shares dated September 27, 2022, relating to Koala Crypto Limited (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed September 30, 2022).
10.8	Guarantee and Indemnity dated September 27, 2022, by Koala Capital Limited (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed September 30, 2022).
10.9	Form of Securities Purchase Agreement between the Company and the Investors (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed December 20, 2022).
10.10	Common Stock Purchase Agreement date June 30, 2023 between the Company and Tumim Stone Capital LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 30, 2023).
10.11	Stock Purchase Agreement date March 13, 2023 between the Company and Yiran Gu (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 15, 2023).
10.12	Stock Purchase Agreement date December 10, 2023 between the Company and Cosmic Forward Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 14, 2023).
10.13	Stock Purchase Agreement dated June 28, 2024 between the Company and Eighty-eight Investment LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on July 1, 2024).
10.14	Stock Purchase Agreement dated September 26, 2024 between the Company and Yu Tian (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on September 30, 2024).
10.15	Securities Purchase Agreement by and between the Company and the Investor (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on November 20, 2024).
10.16	Placement Agency Agreement, dated November 18, 2024, by and between the Company and A.G.P./Alliance Global Partners (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with SEC on November 20, 2024).
10.17	Profit Participation Agreement, dated December 5, 2024 between the Company and Koala Malta Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on December 10, 2024).
10.18	Stock Purchase Agreement, dated December 5, 2024 between the Company and Koala Malta Limited (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with SEC on December 10, 2024).
10.19	Stock Purchase Agreement, dated December 19, 2024 between the Company and Aurous Vertex Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on December 23, 2024).
10.20	Stock Purchase Agreement, dated January 26, 2025 between the Company and AI Geometric Ltd (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on January 30, 2025).
10.21	Stock Purchase Agreement, dated February 25, 2025 between the Company and Boris Krastev Ventures UG (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on March 3, 2025).
10.22	Warrant Exchange Agreement, dated June 30, 2025 between the Company and Certain Holder (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on July 1, 2025).

10.23	Form of Convertible Note Purchase Agreements (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on July 11, 2025).
10.24	Form of Convertible Promissory Notes (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with SEC on July 11, 2025).
10.25	Employment Agreement, dated July 22, 2025, by and between Professional Diversity Network, Inc. and Xun Wu (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on July 23, 2025).
10.26	Independent Director Service Agreement, dated July 22, 2025, by and between Professional Diversity Network, Inc. and Haixia Lu (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with SEC on July 23, 2025).
10.27	Form of Director and Executive Officer's Indemnification Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with SEC on July 23, 2025).
10.28	Employment Agreement, dated August 8, 2025, by and between Professional Diversity Network, Inc. and Yiran Gu (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on August 11, 2025).
10.29	Securities Purchase Agreement, dated September 5, 2025, by and between Professional Diversity Network, Inc., Inc. and Streeterville Capital, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on September 5, 2025).
10.30	Copyright Transfer Agreement, dated September 12, 2025, by and between Professional Diversity Network, Inc., Inc. and Streams Ohio Corp. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with SEC on September 18, 2025).
10.31	Consulting Agreement, dated September 12, 2025, by and between Professional Diversity Network, Inc., Inc. and B&W Capital Group LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with SEC on September 18, 2025).
10.32	Copyright Transfer Agreement, dated September 3, 2025, by and between Professional Diversity Network, Inc., Inc. and High Wave Corp (incorporated by reference to Exhibit 10.18 to the Company's Current Report on Form 10-Q filed with SEC on November 14, 2025).
10.33	Copyright Transfer Agreement, dated November 24, 2025, by and between Professional Diversity Network, Inc. and Shohan Event Organizers Co., L.L.C. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 25, 2025).
10.34	Consultancy Agreement, dated November 27, 2025, by and between Professional Diversity Network, Inc. and Deeprade PTY LTD (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 28, 2025).
10.35	Amendment to the Copyright Transfer Agreement, dated December 16, 2025, by and between Professional Diversity Network, Inc., Inc. and High Wave Corp
10.36	Purchase Agreement, dated December 17, 2025, by and between Professional Diversity Network, Inc. and DeepradeX.ai (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 17, 2025).
21*	List of Subsidiaries of the Company
23.1*	Consent of Sassetti, LLC
23.2*	Consent of SR CPA & Co
24	Powers of Attorney (included on the signature page to this report)
31.1*	Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a) or Rule 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a) or Rule 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97	Professional Diversity Network, Inc. Policy for the Recovery of Erroneously Awarded Compensation (incorporated by reference to Exhibit 97 to the Company's Annual Report on Form 10-K filed with SEC on March 31, 2025)
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)

* Filed herewith

Denotes a management contract or compensation plan or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on March 31, 2026.

PROFESSIONAL DIVERSITY NETWORK, INC.

By: /s/ Xun Wu
Name: Xun Wu
Title: Chief Executive Officer
(Principal Executive Officer)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Professional Diversity Network Inc

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Professional Diversity Network Inc and its subsidiaries (collectively, the “Company”) as of December 31, 2025, and the related consolidated statement of operations and comprehensive loss, changes in shareholders’ equity, and cash flows for each of the year ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025, and the consolidated results of its operations and its cash flows for the year ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has incurred recurring operating losses, has a significant accumulated deficit, and will need to raise additional funds to meet its obligations and the costs of its operations. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ SR CPA & Co

SR CPA & Co.

Hong Kong

March 31, 2026

We have served as the Company’s auditor since 2025.

PCAOB ID No. 7249



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Professional Diversity Network, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Professional Diversity Network, Inc. (the Company) as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has incurred recurring operating losses, has a significant accumulated deficit, and will need to raise additional funds to meet its obligations and the costs of its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition

Critical Audit Matter Description

As described in Note 5 to the consolidated financial statements, the Company derives its revenue from multiple sources, including recruitment services, contracted software development, and membership fees. Most contracts have one performance obligation and are recognized at a point in time contemporaneous when the service is performed or with the date of the event. The Company has other agreements for services that may stretch over longer periods of time or contain multiple performance obligations which are accounted for separately, if they are distinct that require further analysis to determine proper recognition.

How the Critical Audit Matter was Addressed in the Audit

To address this matter in our audit, we obtained an understanding of the design and implementation of internal controls as they relate to the revenue process, including the various revenue streams. Our audit procedures included, among others, reading the contract or sales order from the customer to identify the performance obligation(s), including any distinct performance obligations, and evaluating timing of revenue recognition for a sample of sales transactions. A sample of transactions from the billing system was traced to source data as well as cash receipts.

Investment Valuation

Critical Audit Matter Description

As described in Note 8, the Company's valuation of the Level 3 investment in Profit Participation Rights involves the calculation of estimated fair value of QBSG Limited, a non-public entity. The Company uses the discounted cash flow model to estimate fair value, among other models, which requires management to make significant estimates and assumptions related to forecasts of future revenue and operating margin. In addition, the discounted cash flow model requires the Company to select an appropriate weighted average cost of capital based on current market conditions as of December 31, 2024. Changes in these assumptions could have a significant impact on the fair value. In turn, a high degree of auditor judgment was required when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions, related to the forecasts of revenue and operating margin and selection of the weighted average cost of capital.

How the Critical Audit Matter was Addressed in the Audit

To address this matter in our audit, we obtained an understanding of the design and implementation of internal controls as they relate to management's evaluation of the inputs to the estimated fair value. Our audit procedures included evaluating the reasonableness of the valuation models, methodology and significant assumptions, including comparing forecasts to internal communications to management and the board of directors. We tested the mathematical accuracy of the Company's calculation of the weighted average cost of capital and compared value to peer companies in similar industries.

Sassetti LLC

We have served as the Company's auditor since 2022.

Oak Brook, Illinois

March 31, 2025

2107 Swift Drive Ste 210 • Oak Brook, IL 60523 • P 708.386.1433 • F 708.386.0139 • www.sassetti.com

Professional Diversity Network, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2025	2024
Current Assets:		
Cash and cash equivalents	\$ 216,954	\$ 1,731,155
Restricted cash	1,250,000	-
Accounts receivable, net	807,660	1,218,679
Other receivables	200,993	12,577
Prepaid expense and other current assets	84,190	264,117
Total current assets	2,559,797	3,226,528
Property and equipment, net	36,434	48,956
Capitalized technology, net	219,297	327,372
Goodwill	1,417,753	1,417,753
Intangible assets, net	9,629,008	134,733
Right-of-use assets	149,525	226,704
Security deposits	49,755	49,755
Other assets	3,806,000	2,550,000
Total assets	\$ 17,867,569	\$ 7,981,801
Current Liabilities:		
Accounts payable	\$ 737,877	\$ 155,661
Accrued expenses	1,333,570	863,888
Deferred revenue	1,193,267	1,842,036
Other current liabilities	3,235,530	-
Lease liability, current portion	102,581	94,248
Total current liabilities	6,602,825	2,955,833
Lease liability, non-current portion	82,484	185,064
Total liabilities	6,685,309	3,140,897
Commitments and contingencies	-	-
Stockholders' Equity		
Common stock, \$0.01 par value; 45,000,000 shares authorized, 7,298,358 shares and 1,823,327 shares issued as of December 31, 2025 and 2024, and 7,298,306 and 1,823,275 shares outstanding as of December 31, 2025 and 2024	72,983	18,233
Additional paid in capital	120,579,209	107,755,971
Accumulated other comprehensive income	-	-
Accumulated deficit	(108,865,674)	(102,414,683)
Treasury stock, at cost; 52 and 52 shares at December 31, 2025 and 2024	(37,117)	(37,117)
Total Professional Diversity Network, Inc. stockholders' equity	11,749,401	5,322,404
Non-controlling interest	(567,141)	(481,500)
Total stockholders' equity	11,182,260	4,840,904
Total liabilities and stockholders' equity	\$ 17,867,569	\$ 7,981,801

The accompanying notes are an integral part of these consolidated financial statements.

Professional Diversity Network, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year Ended December 31,	
	2025	2024
Revenues:		
Membership fees and related services	\$ 342,446	\$ 428,612
Recruitment services	3,456,212	4,434,235
Contracted software development	2,726,849	1,830,018
Consumer advertising and marketing solutions	21,232	37,740
Total revenues	6,546,739	6,730,605
Costs and expenses:		
Cost of revenues	3,724,111	2,646,425
Sales and marketing	1,911,586	2,752,173
General and administrative	7,205,700	3,533,351
Depreciation and amortization	157,926	203,801
Total costs and expenses	12,999,323	9,135,750
Loss from continuing operations	(6,452,584)	(2,405,145)
Other income (expense)		
Interest and other income (expense), net	(58,764)	(184,221)
Other income (expense), net	(58,764)	(184,221)
Loss before income tax benefit	(6,511,348)	(2,589,366)
Income tax benefit (expense)	-	(6,321)
Loss from continuing operations, net of tax	(6,511,348)	(2,595,687)
Loss from discontinued operations	-	-
Net loss including non-controlling interests	\$ (6,511,348)	\$ (2,595,687)
Net loss attributable to non-controlling interests	60,357	83,722
Net loss attributable to Professional Diversity Network, Inc.	(6,450,991)	(2,511,965)
Other comprehensive loss, net of tax:		
Net loss attributable to Professional Diversity Network, Inc.	\$ (6,450,991)	\$ (2,511,965)
Foreign currency translation adjustment	-	-
Comprehensive loss	\$ (6,450,991)	\$ (2,511,965)
Basic and diluted loss per share:		
Continuing operations	\$ (2.11)	\$ (2.07)
Net loss per share	\$ (2.11)	\$ (2.07)
Weighted-average outstanding shares used in computing net loss per common share:		
Basic and diluted	3,080,246	1,252,300

The accompanying notes are an integral part of these consolidated financial statements.

Professional Diversity Network, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Non- controlling Interest in Subsidiary	Total Stockholders' Equity
	Shares	Amount			Shares	Amount			
Balance at December 31, 2023	1,145,201	\$ 11,452	\$ 102,976,542	\$ (99,902,718)	52	\$ (37,117)	\$ -	\$ (479,918)	\$ 2,568,241
Sale of Common Stock	557,999	5,580	4,480,137	-	-	-	-	-	4,485,717
Issuance of Common Stock	113,636	1,136	498,864	-	-	-	-	-	500,000
Share-based compensation	6,439	65	175,428	-	-	-	-	-	175,493
Amortization of commitment fee	-	-	(375,000)	-	-	-	-	-	(375,000)
Changes in Noncontrolling Interests	-	-	-	-	-	-	-	82,140	82,140
Net loss	-	-	-	(2,511,965)	-	-	-	(83,722)	(2,595,687)
Balance at December 31, 2024	1,823,275	\$ 18,233	\$ 107,755,971	\$ (102,414,683)	52	\$ (37,117)	\$ -	\$ (481,500)	\$ 4,840,904
Sale of Common Stock	1,722,845	17,228	6,032,184	-	-	-	-	-	6,049,412
Issuance of Common Stock	1,968,284	19,683	3,675,365	-	-	-	-	-	3,695,048
Share-based compensation	1,783,902	17,839	3,577,905	-	-	-	-	-	3,595,744
Amortization of commitment fee	-	-	(187,500)	-	-	-	-	-	(187,500)
Changes in Noncontrolling Interests	-	-	(274,716)	-	-	-	-	(25,284)	(300,000)
Net loss	-	-	-	(6,450,991)	-	-	-	(60,357)	(6,511,348)
Balance at December 31, 2025	7,298,306	\$ 72,983	\$ 120,579,209	\$ (108,865,674)	52	\$ (37,117)	\$ -	\$ (567,141)	\$ 11,182,260

The accompanying notes are an integral part of these financial statements.

Professional Diversity Network, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Loss from continuing operations	\$ (6,511,348)	\$ (2,595,687)
Adjustments to reconcile net loss from continuing operations to net cash used in operating activities - continuing operations:		
Depreciation and amortization	157,926	203,801
Noncash lease expense	91,389	91,387
Stock-based compensation expense	3,595,744	175,493
Provision for doubtful accounts	142,618	13,986
Loss on seizure of cash	-	184,055
Unrealized loss on investment	44,000	-
Loss on disposal of property, plant and equipment	-	2,024
Changes in operating assets and liabilities, net of effects of discontinued operations:		
Accounts receivable	268,400	(98,597)
Prepaid expenses and other current assets	(195,989)	159,089
Accounts payable	582,216	(369,194)
Accrued expenses	469,681	(3,996)
Other current liabilities	24,946	-
Lease liability	(108,457)	(106,006)
Deferred revenue	(648,769)	(157,805)
Net cash used in operating activities - continuing operations	(2,087,643)	(2,501,450)
Net cash used in operating activities	(2,087,643)	(2,501,450)
Cash flows from investing activities:		
Costs incurred to develop technology	-	(242,020)
Purchases of property and equipment	(3,995)	(20,873)
Payments to acquire investments	(1,300,000)	(700,000)
Purchases of intangible assets	(3,700,000)	-
Net cash used in investing activities - continuing operations	(5,003,995)	(962,893)
Net cash used in investing activities	(5,003,995)	(962,893)
Cash flows from financing activities:		
Proceeds from the sale of Common Stock	6,052,746	4,485,717
Proceeds from (Repayment of) short-term debt	774,691	-
Proceeds from Noncontrolling Interests	-	82,140
Net cash provided by financing activities - continuing operations	6,827,437	4,567,857
Net cash provided by financing activities	6,827,437	4,567,857
Effect of exchange rate fluctuations on cash and cash equivalents		
Net (decrease) increase in cash, cash equivalents, and restricted cash	(264,201)	1,103,514
Cash, cash equivalents, and restricted cash, beginning of period	1,731,155	627,641
Cash, cash equivalents, and restricted cash, end of period	1,466,954	1,731,155
Supplemental disclosures of other cash flow information:		
Non-cash stock issuance for commitment funding	\$ -	\$ -
Non-cash stock issuance for acquisition of Expo Experts	\$ -	\$ -
Non-cash stock issuance for investment in QBSG Limited	\$ -	\$ 500,000
Non-cash stock issuance for additional interest in RemoteMore USA, Inc.	\$ 300,000	\$ -
Non-cash amortization of commitment funding	\$ 187,500	\$ 375,000
Non-cash stock issuance for acquisition of copyright	\$ 3,233,828	\$ -
Conversion from Note Payable to Common Stock	\$ 157,887	\$ -
Acquisition of DTT Tokens	\$ 2,593,780	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

Professional Diversity Network, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Professional Diversity Network, Inc. is both the operator of the TalentAlly Network (the “Company,” “we,” “our,” “us,” “PDN” or the “Professional Diversity Network”) and a holding company for NAPW, Inc., a wholly-owned subsidiary of the Company and the operator of the National Association of Professional Women (the “NAPW Network” or “NAPW”). The TalentAlly Network operates online professional networking communities with career resources specifically tailored to the needs of different diverse cultural groups including Women, Hispanic-Americans, African-Americans, Asian-Americans, persons with disabilities, Military Professionals, Lesbians, Gay, Bisexual, Transgender and Queer (LGBTQ+), and Students and Graduates seeking to transition from education to career. The networks’ purposes, among others, are to assist its registered users in their efforts to connect with like-minded individuals, identify career opportunities within the network and connect with prospective employers. The Company’s technology platform is integral to the operation of its business.

The NAPW Network is a networking organization for professional women, whereby its members can develop their professional networks, further their education and skills, and promote their business and career accomplishments. NAPW provides its members with opportunities to network and develop valuable business relationships with other professionals through its website, as well as at events hosted at its local chapters across the country.

RemoteMore USA is an innovative, global entity that provides remote-hiring marketplace services for developers and companies. Companies are connected with reliable, cost-efficient, vetted developers, and empower every developer to find a meaningful job regardless of their location.

During fiscal year 2025, the Company initiated a strategic transformation to expand beyond its traditional online professional networking and talent marketplace operations and into Web3.0, copyrights, digital asset, and real-world asset (“RWA”) platform initiatives. This transformation reflects management’s objective to diversify revenue streams, integrate emerging technologies, and position the Company within blockchain-enabled digital ecosystems, particularly in Asia-Pacific markets. Management’s strategic plan may involve additional investments in technology, partnerships, and human capital to support these initiatives.

2. Going Concern and Management’s Plans

At December 31, 2025, the Company’s principal sources of liquidity were its cash and cash equivalents and the net proceeds from the sale of common stock, par value \$0.01 per share (“Common Stock”) during the twelve months ended December 31, 2025.

The Company had an accumulated deficit of \$108,865,674 on December 31, 2025. During the year ended December 31, 2025, the Company generated a net loss from continuing operations of \$6,452,584 and used cash in continuing operations during the twelve months ended December 31, 2025, of \$2,087,643. On December 31, 2025, the Company had a cash balance of \$216,954. Total revenues during the year ended December 31, 2025, were \$6,546,739 compared to total revenues of \$6,730,605 during the year ended December 31, 2024. The Company had a working capital deficit from continuing operations of \$4,043,028 and a working capital from continuing operations of \$270,695 on December 31, 2025, and 2024. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company’s ability to further implement its business plan, raise capital through the issuance of Common Stock, and generate revenues. The consolidated financial information contained herein does not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Management believes that its available cash on hand and cash flow from operations may be sufficient to meet our working capital requirements through the fiscal period ending December 31, 2026, however in order to accomplish our business plan objectives, the Company will need to continue its cost reduction efforts, increase revenues, raise capital through the issuance of Common Stock, or through a strategic merger or acquisition. There can be no assurances that our business plans and actions will be successful, that we will generate anticipated revenues, or that unforeseen circumstances will not require additional funding sources in the future or require an acceleration of plans to conserve liquidity. Future efforts to improve liquidity through the issuance of our Common Stock may not be successful, or if available, they may not be available on acceptable terms.

3. Summary of Significant Accounting Policies

Basis of Presentation - The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates - The preparation of consolidated financial statements in conformity with 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. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future intervening events. Accordingly, the actual results could differ significantly from estimates.

Significant estimates underlying the consolidated financial statements include the fair value of acquired assets and liabilities associated with acquisitions; assessment of goodwill impairment, other intangible assets and long-lived assets for impairment; allowances for credit losses and assumptions related to the valuation allowances on deferred taxes, impact of applying the revised federal tax rates on deferred taxes, the valuation of stock-based compensation and the valuation of stock warrants.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and those subsidiaries where less than 50% is owned but consolidation is required. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash Equivalents - The Company considers cash equivalents to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less.

Accounts Receivable and Allowance for Credit Losses - The Company's accounts receivable consists principally of uncollateralized amounts billed to customers. These receivables are generally due within 30 to 90 days of the period in which the corresponding sales occur and do not bear interest. They are recorded at net realizable value less an allowance for credit losses and are classified as account receivable, net on the consolidated balance sheets.

The Company considers both current conditions and reasonable and supportable forecasts of future conditions when evaluating expected credit losses for uncollectible receivable balances. In our determination of the allowance for credit losses, we pool receivables by days outstanding and apply an expected credit loss percentage to each pool. The expected credit loss percentage is determined using historical loss data adjusted for current conditions and forecasts of future economic conditions. Current conditions considered include predefined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

The Company is not party to any off-balance sheet arrangements that would require an allowance for credit losses in accordance with this accounting standard.

Allowance for Credit Losses

The following table summarizes the activity related to the Company's allowance for credit losses:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Balance, beginning of period	\$ 61,923	\$ 66,526
Provision for credit losses	142,618	13,986
Write-offs	(11,638)	(18,589)
Balance, end of period	<u>\$ 192,903</u>	<u>\$ 61,923</u>

The numbers presented above relate solely to our portfolio of trade accounts receivable as no allowance for credit losses was recognized on other receivables as presented on our consolidated balance sheets.

Other Receivables - Other receivables represent amounts that are owed to the Company that are not considered trade receivables. The Company periodically reviews its other receivables for credit risk to determine whether an allowance is necessary and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of December 31, 2025, the balance in other receivables as reported on the consolidated balance sheet was deemed collectible.

Property and Equipment - Property and equipment are stated at cost, including any cost to place the property into service, less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, which currently range from three to five years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the lease. Maintenance, repairs and minor replacements are charged to operations as incurred; major replacements and betterments are capitalized. The cost of any assets sold or retired and related accumulated depreciation are removed from the accounts at the time of disposition, and any resulting profit or loss is reflected in income or expense for the period. Depreciation expense for the years ended December 31, 2025, and 2024 was \$16,517 and \$11,936, respectively, and is recorded in depreciation and amortization expense in the accompanying consolidated statements of operations. Accumulated depreciation as of December 31, 2025, and 2024, was \$53,251 and \$36,734, respectively.

Lease Obligations - The Company leases office space under a non-cancelable operating lease that expires through September 2027. The Company's facility lease provides for periodic rent increases and may contain escalation clauses and renewal options. The Company's lease terms include options to extend the lease if they are reasonably certain of being exercised.

The Company recognizes operating lease expense on a straight-line basis over the lease term and variable lease payments are expensed as incurred. Lease costs are primarily recorded within SG&A expenses in the Company's consolidated statements of loss and comprehensive loss.

The Company determines if a contract contains a lease at lease inception. If the borrowing rate implicit in the lease is not determinable, the Company uses its incremental borrowing rate ("IBR") based on information available at lease commencement including prevailing financial market conditions to determine the present value of future lease payments. The Company has elected the option to combine lease and non-lease components as a single component for the Company's entire population of lease assets.

Operating lease assets and lease liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent the right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, and lease incentives. The Company has elected not to apply the recognition requirements to short-term leases of 12 months or less and instead recognizes lease payments as expense on a straight-line basis over the lease term. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Leased assets are presented net of accumulated amortization. Variable lease payment amounts that cannot be determined at the commencement of the lease, such as increases in lease payments based on changes in index rates or usage, are not included in the ROU assets or liabilities; instead, these are expensed as incurred and recorded as variable lease expense.

Capitalized Technology Costs - In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350-40, Internal-Use Software, the Company capitalizes certain external and internal computer software costs incurred during the application development stage. The application development stage generally includes software design and configuration, coding, testing and installation activities. Training and maintenance costs are expensed as incurred, while upgrades and enhancements are capitalized if it is probable that such expenditures will result in additional functionality. Capitalized software costs are amortized over the estimated useful lives of the software assets on a straight-line basis, generally not exceeding three years.

Business Combinations - ASC 805, Business Combinations ("ASC 805"), applies the acquisition method of accounting for business combinations to all acquisitions where the acquirer gains a controlling interest, regardless of whether consideration was exchanged. ASC 805 establishes principles and requirements for how the acquirer: a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree; b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. Accounting for acquisitions requires the Company to recognize, separately from goodwill, the assets acquired, and the liabilities assumed at their acquisition-date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred and the net of the acquisition-date fair values of the assets acquired and the liabilities assumed. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, the estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the interim financial information. (See Note 4 – Business Combinations.)

Goodwill and Intangible Assets - The Company accounts for goodwill and intangible assets in accordance with ASC 350, Intangibles – Goodwill and Other ("ASC 350"). ASC 350 requires that goodwill and other intangibles with indefinite lives should be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value. (See Note 4 – Business Combinations and Note 7 – Intangible Assets.)

Goodwill is tested for impairment at the reporting unit level on an annual basis (December 31) and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company considers its market capitalization and the carrying value of its assets and liabilities, including goodwill, when performing its goodwill impairment test.

When conducting its annual goodwill impairment assessment, the Company initially performs a qualitative evaluation of whether it is more likely than not that goodwill is impaired. If it is determined by a qualitative evaluation that it is more likely than not that goodwill is impaired, the Company then compares the fair value of the Company's reporting unit to its carrying or book value. If the fair value of the reporting unit exceeds its carrying value, goodwill is not impaired and the Company is not required to perform further testing. If the carrying value of a reporting unit exceeds its fair value, the Company will measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

Contingent Liabilities – Our determination of the treatment of contingent liabilities in the consolidated financial statements is based on our view of the expected outcome of the applicable contingency. In the ordinary course of business, we consult with legal counsel on matters related to litigation and other experts both within and outside our Company. We accrue a liability if the likelihood of an adverse outcome is probable and the amount of loss is reasonably estimable. We disclose the matter, but do not accrue a liability if the likelihood of an adverse outcome is reasonably possible and an estimate of loss is not determinable. Legal and other costs incurred in conjunction with loss contingencies are expensed as incurred.

Treasury Stock – Treasury stock is recorded at cost as a reduction of stockholders' equity in the accompanying consolidated balance sheets.

Revenue Recognition – Revenue is recognized when all of the following conditions exist: (1) persuasive evidence of an arrangement exists, (2) services are performed, (3) the sales price is fixed or determinable, and (4) collectability is reasonably assured. (See Note 5 – Revenue Recognition.)

Deferred revenue includes customer payments, which are received prior to performing services and revenues are recognized as benefits are provided to the customer. Annual membership fees collected at the time of enrollment are recognized as revenue ratably over the membership period, which are typically for a 12-month membership period.

Advertising and Marketing Expenses – Advertising and marketing expenses are expensed as incurred or the first time the advertising takes place. The production costs of advertising are expensed the first time the advertising takes place. For the years ended December 31, 2025, and 2024, the Company incurred advertising and marketing expenses of \$508,088 and \$746,490. These amounts are included in sales and marketing expenses in the accompanying consolidated statements of operations and comprehensive loss.

Concentrations of Credit Risk - Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents and accounts receivable. The Company places its cash with high credit quality institutions. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation insurance limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on the account.

Income Taxes - The Company accounts for income taxes in accordance with ASC 740, Income Taxes, which requires that the Company recognize deferred tax liabilities and assets based on the differences between the financial statement basis and tax basis of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company estimates the degree to which tax assets and credit carryforwards will result in a benefit based on expected profitability by tax jurisdiction. A valuation allowance for such tax assets and loss carryforwards is provided when it is determined to be more likely than not that the benefit of such deferred tax asset will not be realized in future periods. If it becomes more likely than not that a tax asset will be used, the related valuation allowance on such assets would be reduced.

ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with ASC 740-20 and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits as of December 31, 2025. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company may be subject to potential income tax examinations by Federal or state tax authorities. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws. Management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. Tax years that remain open for assessment for Federal and state tax purposes include the years ended December 31, 2022 through 2024.

The Company's policy for recording interest and penalties associated with audits is to record such expenses as a component of income tax expense. There were no amounts accrued for penalties or interest as of December 31, 2025.

Fair Value of Financial Assets and Liabilities - Financial instruments, including cash and cash equivalents, short-term investments and accounts payable, are carried at cost. Management believes that the recorded amounts approximate fair value due to the short-term nature of these instruments.

Net Loss per Share - The Company computes basic net loss per share by dividing net loss available to common stockholders by the weighted average number of common shares outstanding for the period and excludes the effects of any potentially dilutive securities. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into Common Stock using the "treasury stock" and/or "if converted" methods as applicable. The computation of basic net loss per share for the years ended December 31, 2025, and 2024, excludes the potentially dilutive securities summarized in the table below because their inclusion would be anti-dilutive.

	As of December 31,	
	2025	2024
Stock options	1,500	1,500
Unvested restricted stock	63,684	24,653
Total dilutive securities	65,184	26,153

Recent Accounting Pronouncements

ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). In November 2024, the Financial Accounting Standards Board (“FASB”) issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures. The ASU requires a public business entity to provide disaggregated disclosures of certain categories of expenses on an annual and interim basis including purchases of inventory, employee compensation, depreciation, and intangible asset amortization for each income statement line item that contains those expenses. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

ASU 2025-01, Income Statement—Expense Disaggregation Disclosures (Issued January 2025). In January 2025, the FASB issued ASU 2025-01, which clarifies the effective date of prior guidance requiring enhanced disaggregation of certain expense captions presented on the income statement. The amendments are effective for annual periods beginning after December 15, 2026, and interim periods thereafter. The Company is currently assessing the impact of this guidance.

ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Current Receivables. In May 2025, the FASB issued ASU 2025-05, which provides additional guidance and a practical expedient related to measuring expected credit losses for current accounts receivable and contract assets. The amendments are effective for fiscal years beginning after December 15, 2025, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40) (Issued June 2025). In June 2025, the FASB issued ASU 2025-06, which modernizes the accounting for internal-use software by clarifying when capitalization begins and simplifying certain development stage guidance. The amendments are effective for fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating the potential impact of this guidance.

4. Business Combinations

RemoteMore USA, Inc.

On September 20, 2021, the Company acquired a 45.62% interest in RemoteMore, a software developer recruiting company, for an estimated total purchase price of \$1,363,333, paying \$863,333 in cash and \$500,000 to be paid within one year of the acquisition date, or until certain factors of the agreement were met.

In February 2022, in connection with the September 2021 acquisition of the 45.62% interest in RemoteMore, and as a component of the aforementioned \$500,000 remaining purchase price payment, the Company issued 13,986 shares of its Common Stock, with a value of \$400,000, to the co-founders of RemoteMore. In January 2023, the Company exercised its option to purchase an additional 20% interest in RemoteMore at a purchase price of \$116,667.

In May 2023, the Company acquired an additional 7% interest in RemoteMore for approximately \$235,000. The acquisition interest and price were based on the original valuation of RemoteMore in September 2021. This acquisition increased the Company’s interest in RemoteMore to 72.62%.

In April 2024, the Company and the minority group made an aggregate \$300,000 capital injection while maintaining the same percentage of control of interest.

In February 2025, the Company acquired an additional 10.01% interest for approximately \$300,000 for a total of 82.63% interest in RemoteMore.

In November 2025, the Company acquired an additional 1.95% ownership interest through the conversion of a \$43,800 loan, increasing its total interest in RemoteMore to 84.58%.

5. Revenue Recognition

The Company recognizes revenue under the core principle of ASC 606 – Revenue from Contracts with Customers (“ASC 606”), to depict the transfer of control to its customers in an amount reflecting the consideration to which it expects to be entitled. In order to achieve that core principle, the Company has applied the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

The Company’s contracts with customers may provide for multiple promised goods and services. The Company typically analyzes the contract and identifies the performance obligations by evaluating whether the promised goods and services are capable of being distinct within the context of the contract at contract inception. Promised goods and services that are not distinct at contract inception are combined. The next step after identifying the performance obligations is determining the transaction price, which includes the impact of variable consideration, based on contractually fixed amounts and an estimation of variable consideration. The Company allocates the transaction price to each performance obligation based on relative stand-alone selling price. Judgment is exercised to determine the stand-alone selling price of each distinct performance obligation. The Company estimates the standalone selling price by reference to the total transaction price less the sum of the observable stand-alone selling prices of other goods or services promised in the contract. In general, transaction price is determined by estimating the fixed amount of consideration to which we are entitled for transfer of goods and services and all relevant sources and components of variable consideration. Revenues are generally recognized when control of the promised goods or services is transferred to their customers either at a point in time or over time, in an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services.

Many of the Company’s contracts have one performance obligation and all consideration is allocated to that performance obligation and recognized at a point in time contemporaneous when the service is performed or with the date of the event.

Payment is typically due in full, at net 30, from the moment control of the goods or services have begun to transfer, unless both parties have negotiated an installment-based payment arrangement through the term of the contract. The Company may have contracts where there is an extended timing difference between payment and the time when control of the goods or services is transferred, or has begun transferring, to the customer.

Nature of Goods and Services

The following is a description of principal activities from which the Company generates its revenue:

Recruitment Services

The Company’s recruitment services revenue is derived from the Company’s agreements through single and multiple job postings, recruitment media, talent recruitment communities, basic and premier corporate memberships, hiring campaign marketing and advertising, e-newsletter marketing and research and outreach services. Recruitment revenue includes revenue recognized from direct sales to customers for recruitment services and events, as well as revenue from the Company’s direct e-commerce sales. Direct sales to customers are most typically a twelve-month contract for services and as such the revenue for each contract is recognized ratably over its twelve-month term. Event revenue is recognized in the period that the event takes place and e-commerce sales are for sixty-to-ninety-day job postings and the revenue from those sales are recognized when the service is provided. The Company’s recruitment services mainly consist of the following products:

- On-line job postings to our diversity sites and to our broader network of websites including the National Association for the Advancement of Colored People, National Urban League, Kappa Alpha Psi, Phi Beta Sigma and many other partner organizations;
- OFCCP job promotion and recordation services;
- Diversity job fairs, both in person and virtual fairs;
- Diversity recruitment job advertising services; and
- Diversity executive staffing services.

Membership Fees and Related Services

Membership fees of longer than one month are collected up-front and member benefits become available immediately; however, those benefits must remain available over the 12-month membership period. At the time of enrollment, membership fees are recorded as deferred revenue and are recognized as revenue ratably over the 12-month membership period. Members who are enrolled in this plan may cancel their membership in the program at any time and receive a partial refund (amount remaining in deferred revenue) or due to consumer protection legislation, a full refund based on the policies of the member's credit card company.

Monthly membership revenues are recognized in the same month fees are collected.

Revenue from related membership services is derived from fees for development and set-up of a member's personal on-line profile and/or press release announcements. Fees related to these services are recognized as revenue at the time the on-line profile is complete and press release is distributed.

Products offered to members relate to custom made plaques. Product sales are recognized as deferred revenue at the time the initial order is placed. Revenue is then recognized at the time these products are shipped. The Company's shipping and handling costs are included in cost of sales in the accompanying consolidated statements of operations.

Contracted Software Development

Revenues for RemoteMore are generated from providing customized software solutions to customers and are recognized in the period work is performed.

Consumer Advertising and Marketing Solutions

The Company provides career opportunity services to its various partner organizations through advertising and job postings on their websites. The Company works with its partners to develop customized websites and job boards where the partners can generate advertising, job postings and career services to their members, students and alumni. Consumer advertising and marketing solutions revenue is recognized as jobs are posted to their hosted sites.

Revenue Concentration

We, in alliance with another company, partner to sell two recruitment services products. This alliance member previously built, hosted, and managed our job boards and website in addition to billing customers, collecting fees, and providing customer services. For the year ended December 31, 2025, and 2024, the Company recorded approximately 0.9% and 4.6% of its recruitment services revenue from this alliance sales relationship, respectively.

Disaggregation of revenue

Revenue is disaggregated by product line (see Note 16 - Segment Information).

Contract Balances

The Company's rights to consideration for work completed, but not billed at the reporting date, is classified as a receivable, as it has an unconditional right to payment or only conditional for the passage of time. The Company has no recorded contract assets as of December 31, 2025, and 2024.

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Consideration received in advance from customers is recorded as a contract liability, if a contract exists under ASC 606, until services are delivered, or obligations are met and revenue is earned. Contract liability represents the excess of amounts invoiced over amounts recognized as revenues. Contract liabilities to be recognized in the succeeding twelve-month period are classified as current contract liabilities and the remaining amounts, if any, are classified as non-current contract liabilities. Contract liabilities of \$1,193,267 and \$1,842,036 are included in current deferred revenues, on the consolidated balance sheets as of December 31, 2025 and December 31, 2024.

For the years ended December 31, 2025 and 2024, we recognized revenue associated with contract liabilities that were included in the contract liabilities balance at the beginning of the period as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Balance, beginning of period	\$ 1,842,036	\$ 1,999,841
Recognized revenue associated with contract liabilities	(3,796,674)	(4,820,422)
Amounts collected or invoiced	3,147,905	4,662,617
Balance, end of period	<u>\$ 1,193,267</u>	<u>\$ 1,842,036</u>

Deferred revenue includes customer payments which are received prior to performing services and revenues are recognized upon the completion of these services. Annual membership fees collected at the time of enrollment are recognized as revenue ratably over the membership period, which are typically for a 12-month membership period.

Transaction price allocated to the remaining performance obligations

The Company applies the optional exemptions and does not disclose: a) information about remaining performance obligations that have an original expected duration of one year or less or b) transaction price allocated to unsatisfied performance obligations for which variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation in accordance with the series guidance.

The typical duration of all event related and other contracts is one year or less and, as a result, the Company applies the optional exemptions and does not disclose information about remaining performance obligations that have an original expected duration of one year or less.

6. Capitalized Technology

Capitalized Technology, net is as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Capitalized cost:		
Balance, beginning of period	\$ 327,372	\$ 186,103
Additional capitalized cost	-	242,019
Provision for amortization	(108,075)	(100,750)
Balance, end of period	<u>\$ 219,297</u>	<u>\$ 327,372</u>

Amortization expense related to capitalized technology of \$108,075 and \$100,750 for the years ended December 31, 2025, and 2024, respectively, is recorded in depreciation and amortization expense in the accompanying consolidated statements of operations.

7. Intangible Assets

Intangible assets, net is as follows:

<u>December 31, 2025</u>	<u>Useful Lives (Years)</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
Long-lived intangible assets:				
Sales Process	10	\$ 2,130,956	\$ (2,130,956)	\$ -
Paid Member Relationships	5	803,472	(803,472)	-
Member Lists	5	8,186,181	(8,186,181)	-
Developed Technology	3	648,000	(648,000)	-
Trade Name/Trademarks	4	442,500	(442,500)	-
Contracts acquired in RemoteMore acquisition (months)	3 - 12	1,377,083	(1,377,083)	-
Copyrights	5 - 15	6,933,828	-	6,933,828
		<u>20,522,020</u>	<u>(13,588,192)</u>	<u>6,933,828</u>
Indefinite-lived intangible assets:				
Trade name				101,400
Crypto				2,593,780
Intangible assets, net				<u>\$ 9,629,008</u>

December 31, 2024	Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Long-lived intangible assets:				
Sales Process	10	\$ 2,130,956	\$ (2,130,956)	\$ -
Paid Member Relationships	5	803,472	(803,472)	-
Member Lists	5	8,186,181	(8,152,848)	33,333
Developed Technology	3	648,000	(648,000)	-
Trade Name/Trademarks	4	442,500	(442,500)	-
Contracts acquired in RemoteMore acquisition (months)	3 - 12	1,377,083	(1,377,083)	-
		13,588,192	(13,554,859)	33,333
Indefinite-lived intangible assets:				
Trade name				101,400
Intangible assets, net				<u>\$ 134,733</u>

On September 3, 2025, the Company entered into a copyright transfer agreement (the “High Wave Copyright Transfer Agreement”) with High Wave Corp (“High Wave”), under which High Wave agreed to assign to the Company the copyrights and related rights of *forty* (40) original musical works, including all copyrights and related rights such as reproduction, performance, broadcasting, and adaptation. The total purchase consideration is \$10,000,000, payable in *four* installments between *October 15* and *November 30, 2025*, with ownership of each batch of works transferring upon payment. High Wave warranted full ownership and non-infringement of the works, waived all moral rights, and agreed *not* to resell or license them. As of *December 31, 2025*, the Company had paid \$3,700,000 under the High Wave Agreement. On December 16, 2025, the Company entered into an amendment to the copyright transfer agreement (the “First Amendment to High Wave Copyright Transfer Agreement”), pursuant to which the Company retained the right, but not the obligation, to purchase the remaining twenty-five (25) musical works for total consideration of \$6,300,000. If the Company elects to proceed with such purchase, the Company and High Wave will mutually agree on the delivery schedule and payment terms for the remaining works.

On September 12, 2025, the Company entered into the Copyright Agreement with Streams Ohio, a non-affiliated accredited investor. Pursuant to the Streams Ohio Copyright Agreement, the Company agreed to acquire eight (8) original musical works from the Streams Ohio. Under the terms of the Streams Ohio Copyright Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of 556,000 shares of Common Stock (the “Copyright Shares”), with an aggregate value of approximately \$1,629,080, based on the closing price of \$2.93 per share on September 12, 2025, subject to the limitations of the Nasdaq Listing Rule 5635. The Copyright Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act, and/or Regulation D promulgated thereunder. The Streams Ohio Copyright Agreement contains customary representations, warranties, and covenants.

On November 24, 2025, the Company entered into a copyright transfer agreement with Shohan Event Organizers Co., L.L.C. , a non-affiliated accredited investor. Pursuant to the Copyright Agreement, the Company agreed to acquire five (5) original musical works from the Copyright Seller. Under the terms of the Copyright Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, par value \$0.01 per share, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 927,600 shares of Common Stock, with an aggregate value of approximately \$1,604,748, based on the closing price of \$1.73 per share on November 24, 2025, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC. The Copyright Shares will be issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder.

On December 17, 2025, the Company entered into a purchase agreement with DeeptradeX.ai, an Australian-based digital asset trading platform, pursuant to which the Company agreed to acquire an aggregate of 25,937,800 native utility digital tokens issued by the Seller (the “DTT Tokens”). The DTT Tokens are intended to function as a medium of exchange for services on the Seller’s Web3.0 digital asset platform and do not represent equity, debt, dividends, governance rights or profit-sharing interests. The total consideration for the DTT Tokens is \$2,593,780, payable, at the Company’s election, in cash, shares of Common Stock, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 1,358,000 shares of Common Stock, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC and the shares were issued on January 2, 2026. The Consideration Shares was be issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act, and/or Regulation D promulgated thereunder. The DTT Tokens will be delivered to a wallet address designated by the Company and will be subject to a 12-month lock-up period followed by a 24-month linear vesting period, with releases occurring automatically pursuant to an immutable smart contract. The Purchase Agreement contains customary representations, warranties and covenants, including representations regarding regulatory compliance, token functionality and indemnification for certain regulatory matters. The Company measures the digital tokens at fair value on a recurring basis, and such measurements are classified within Level 1 of the fair value hierarchy.

Amortization expense related to intangible assets of \$33,333 and \$91,114 for the years ended *December 31, 2025*, and *2024*, respectively, is recorded in depreciation and amortization expense in the accompanying consolidated statements of operations.

8. Notes Payable and Convertible Notes

On *July 7, 2025* and *July 9, 2025*, Company entered into *two* separate convertible note purchase agreements (each, a “Convertible Note Purchase Agreement” and together, the “Convertible Note Purchase Agreements”) with *two* non-affiliated accredited investors (the “Convertible Note Purchasers”). Pursuant to the Convertible Note Purchase Agreements, the Company issued and sold to the Convertible Note Purchasers unsecured convertible promissory notes on *July 7, 2025* and *July 9, 2025*, in the principal amounts of \$250,000 (the “First Note”) and \$150,000 (the “Second Note”, and together with the First Note, the “Notes”), respectively, for aggregate gross proceeds of \$400,000. The First Note is convertible, at the option of the Convertible Note Purchasers, into restricted shares of the Company’s Common Stock, at a conversion price equal to the greater of (i) a floor price of \$0.47 (subject to adjustment for stock splits and similar events), and (ii) 80% of the lowest of (A) the 15-day average closing price, (B) the 10-day volume-weighted average price (“VWAP”), or (C) the lowest 3-day VWAP during the 45 trading days immediately prior to the date of the applicable conversion notice. The Second Note is convertible, at the option of the Convertible Note Purchasers, into restricted shares of the Company’s Common Stock, at a conversion price equal to the greater of (i) a floor price of \$0.47 (subject to adjustment for stock splits and similar events), and (ii) 80% of the lowest of the 15-day average closing price preceding the date of the applicable conversion notice. The Notes bear interest at a rate of 12% per annum and mature 360 days after the applicable purchase price payment date. The Notes contain customary events of default, including non-payment and insolvency-related events. Upon an event of default, the interest rate increases to 18% per annum, and the Convertible Note Purchasers *may* accelerate the Notes and pursue additional remedies. These transactions were previously reported on Current Reports on Form 8-K filed on *July 1, 2025* and *July 11, 2025*, respectively.

On *December 17, 2025*, in connection with the closing of the Company’s equity financing, the outstanding \$150,000 convertible note issued in July 2025, together with accrued interest, was converted into 101,351 shares of the Company’s common stock at a conversion price of \$1.48 per share. Upon conversion, the carrying amount of the convertible note, including accrued interest, was reclassified to Common Stock and additional paid-in capital. No gain or loss was recognized upon conversion.

9. Long-term Investments

On *September 27, 2022*, the Company entered into a Stock Purchase Agreement (the “Koala SPA”) with Koala Malta Limited, a private limited liability company registered under the laws of Malta (“Koala”). Upon the execution of the Koala SPA, the Company purchased 65,700 issued ordinary shares of Koala Crypto Limited (now renamed as QBSG Limited (“QBSG”)) from Koala, representing 9% of the total issued share capital of QBSG, and in exchange, the Company issued 86,339 shares of its Common Stock to Koala in a private placement (the “Consideration Shares”) valued at \$1,350,000. As allowed under ASC 321-10-35, the Company has elected to measure the equity investment in QBSG at cost as QBSG is a private company and does *not* have a readily determinable fair value. The Company evaluates the investment for any impairment annually. The shares of QBSG are recorded in the consolidated balance sheet as ‘other assets’.

Upon execution of the Koala SPA, the Company, Koala and QBSG also entered into a Shareholders’ Agreement. The Shareholders’ Agreement imposes certain transfer restrictions on Koala and the Company as shareholders of QBSG, provides for certain governance and approval rights among the parties, and gives the Company a put option with respect to its investment in QBSG in the event of a change of control of Koala. At the same time, Alan Tak Wai Yau, an individual and the majority shareholder of Koala Capital Limited, which is the parent company of Koala (“Koala Capital”), provided the Company with a share charge over 15 percent of the issued share capital of Koala Capital (the “Share Charge”) and Koala Capital provided the Company with a guaranty and indemnity (the “Guarantee”), which Share Charge and Guarantee were granted as security for a number of Koala’s obligations as set forth therein including obtaining the lifting of the voluntary suspension of QBSG’s virtual financial assets license by the Malta Financial Services Authority (“MFSA”). Koala Capital had submitted and responded to all queries raised by the MFSA, and the authorization/supervision unit has approved its application. To enhance the governance of QBSG’s profits and dividends, QBSG has agreed to assign *one* board seat to the Company’s CEO.

On *December 5, 2024*, the Company entered into a Profit Participation Agreement (the “PPA”) with Kola Malta Limited, a private limited liability company registered under the laws of Malta. Upon the execution of the PPA, the Company purchased a 6% right in QBSG, as the target, previously Koala Crypto Limited, to receive all distributions and dividends which *may* be declared and/or distributed by QBSG on an annual basis in terms of applicable law, along with all rights, title, and interest from Koala. The consideration of the profit participation (the “Profit Participation”) is \$1,200,000, including \$700,000 cash and \$500,000 value of the Company’s Common Stocks, or a total of 113,636 shares at a price of \$4.40 per share. In addition to the 9% share purchase from Koala in *September 2022*, the Company now owns the right to receive 15% of all distributions and dividends by QBSG.

As the Profit Participation investment does *not* include the ownership of equity of QBSG, only the right to future distributions, the Profit Participation investment does *not* meet the criteria to be recorded under ASC 321-10-35 and is subject to fair value accounting standards. As of *December 31, 2024*, the Company holds a Level 3 investment recorded at a cost of \$1,200,000, representing 6% of all distributions and dividends from QBSG.

The fair value of the investment is estimated using a combination of valuation methodologies, including Discounted Cash Flow (“DCF”) analysis, Relative Valuation, and Transaction Comparables, resulting in an average fair value estimate of \$1,156,000. These methods incorporate significant unobservable inputs, such as a weighted average cost of capital of 15%, a long-term revenue growth rate of 10%, a long-term pre-tax operating margin of 15%, a 20% discount for lack of control, and a 40% discount for lack of marketability. The valuation also considers market data from publicly traded companies in the crypto infrastructure and digital asset services sectors, as well as data from recent merger and acquisition transactions within the industry. The inputs and estimates used *may* be subject to change as more current information becomes available and accordingly the actual results could differ significantly from those estimates. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to *one* or more future confirming events, including regulation changes in Malta, inability of QBSG to meet revenue and income forecasts or QBSG’s inability to pay dividends, all of which could significant decrease the value of the Company’s investment. Accordingly, the actual results could differ significantly from those estimates. As of *December 31, 2025*, the Company holds a Level 3 investment recorded at \$1,156,000.

There was *no* activity in Level 3 investments other than the acquisition of the Profit Participation investment. Level 3 investments balance was as follows:

December 31, 2025	
Balance, beginning of period	\$ 1,200,000
Transfer in	-
Unrealized loss	(44,000)
Ending balance	1,156,000
Amount of unrealized loss for the period included in income relating to assets held at the end of the reporting period	(44,000)
December 31, 2024	
Balance, beginning of period	\$ -
Transfer in	1,200,000
Unrealized loss	-
Ending balance	1,200,000

On January 26, 2025, the Company entered into a Stock Purchase Agreement (the “SPA”) with AI Geometric Ltd., a company organized under the laws of the United Kingdom of Great Britain and Northern Ireland (the “Seller”). Pursuant to the SPA, the Company acquired 1,300 shares of the Seller, representing 13% of the Seller’s issued and outstanding shares, for total consideration of \$1,300,000 (the “Transaction”). The Company’s Board of Directors approved the Transaction on January 17, 2025, and the closing occurred on January 27, 2025. The investment does not provide the Company with significant influence over the Seller and, accordingly, is accounted for under ASC 321, *Investments—Equity Securities*. Because AI Geometric Ltd. is a private company and its shares do not have a readily determinable fair value, the Company has elected the measurement alternative under ASC 321- 10- 35- 2. Under this method, the investment is measured at cost, less impairment, and adjusted for observable price changes in orderly transactions for identical or similar investments of the same issuer. The Company evaluates the investment for impairment on a periodic basis and when events or circumstances indicate that the carrying amount may not be recoverable. No impairment charges or observable price adjustments were recorded during the year ended December 31, 2025. The investment in AI Geometric Ltd. is presented within “Other assets” in the consolidated balance sheet.

As of December 31, 2025, long-term investments totaling \$3,806,000 were presented within “Other assets” in the consolidated balance sheet.

10. Accrued Liabilities

As of December 31, 2025, and 2024, accrued liabilities consisted of the following:

	Ended December 31,	
	2025	2024
Litigation reserve	\$ 700,000	\$ 450,000
Contractor expenses	286,243	170,841
Illinois franchise tax	80,496	94,080
Accrued payroll	189,611	78,466
Accrued legal fees	5,500	5,500
Accrued Board of Director fees	41,195	42,499
Accrued revenue sharing agreements	26,338	14,053
Other	4,187	8,449
Total accrued liabilities	<u>\$ 1,333,570</u>	<u>\$ 863,888</u>

11. Commitments and Contingencies

Lease Obligations

The Company leases its corporate headquarters. The office lease is for 4,902 square feet of office space and the lease term is for 84 months, commencing on October 1, 2020. The Company made approximately \$108,000 and \$106,000 of cash payments for lease expenses related to the office space for the years ended December 31, 2025, and 2024. The weighted average remaining lease term for the years ended December 31, 2025, and 2024, are 1.75 years and 2.75 years. The weighted average discount rate for operating leases for the years ended December 31, 2025, and 2024, is 6.0%

As of December 31, 2025, the aggregate future lease payments under all operating leases are as follows:

	Operating
2026	\$ 110,908
2027	84,560
Total lease payments	195,468
Less: present value discount	10,403
Present value of lease liabilities	<u>\$ 185,065</u>

As of December 31, 2025, and 2024, right of use assets were \$149,525 and \$226,704, and related lease obligations remaining, related to the Company's office lease, were \$185,065 and \$279,312, as recorded on the Company's consolidated balance sheets.

Legal Proceedings

The Company and its wholly owned subsidiary, NAPW, Inc., are parties to a proceeding captioned Deborah Bayne, et al. vs. NAPW, Inc. and Professional Diversity Network, Inc., No. 18-cv-3591 (E.D.N.Y.), filed on June 20, 2018, and alleging violations of the Fair Labor Standards Act and certain provisions of the New York Labor Law. The class is defined as “all individuals employed in New York from June 20, 2012 through October 15, 2021 by NAPW and PDN to sell memberships to the women’s networking organization known as the National Association of Professional Women and the International Association of Women,” excluding corporate officers, shareholders, directors and administrative employees. As it stands, the class currently consists of 164 putative class members and 60 opt-in plaintiffs.

The complaint alleges that NAPW (and PDN in its capacity as an alleged joint employer) violated similar provisions of the FLSA and the NYLL by (i) failing to pay overtime wages as required by both the FLSA and the NYLL, (ii) failing to provide accurate wage statements under the NYLL, and (iii) willfully violating both of those statutes. The Court, in an order issued on March 25, 2024, granted summary judgment against NAPW on the claims related to willful failure to pay overtime wages. The Court dismissed, without prejudice, claims based on failure to provide accurate wage statements under the NYLL based on lack of subject matter jurisdiction. The Court found that questions of fact remain as to whether PDN was a joint employer with NAPW. Damages remain unsettled particularly in light of the Court’s dismissal of the Plaintiff’s claims related to failure to provide accurate wage statements. During the first quarter of 2020, we recorded a \$450,000 litigation settlement reserve in the event of an unfavorable outcome in this proceeding. In the fourth quarter of 2025, we recorded an additional \$250,000 litigation settlement reserve. NAPW and PDN currently anticipate settling this matter with the plaintiffs by the third quarter of 2026.

General Legal Matters

From time-to-time, the Company is involved in legal matters arising in the ordinary course of business. While the Company believes that such matters are currently not material, there can be no assurance that matters arising in the ordinary course of business for which the Company is, or could be, involved in litigation, will not have a material adverse effect on its business, financial condition or results of operations.

12. CFL, Deeptrade PTY LTD and Shohan Event Organizers Co. L.L.C. Transaction

On August 12, 2016, the Company entered into a stock purchase agreement (the “Purchase Agreement”), with CFL, a Republic of Seychelles company wholly-owned by a group of Chinese investors. Pursuant to the Purchase Agreement, the Company agreed to issue and sell to CFL, and CFL agreed to purchase, upon the terms and subject to the conditions set forth in the Purchase Agreement, a number of shares of the Company’s Common Stock, par value \$0.01 per share (the “Common Stock”), such that CFL would hold shares of Common Stock equal to approximately 51% of the outstanding shares of Common Stock, determined on a fully-diluted basis, after giving effect to the consummation of the transactions contemplated by the Purchase Agreement.

At the closing of the CFL Transaction, the Company entered into a Stockholders’ Agreement, dated November 7, 2016 (the “Stockholders’ Agreement”) with CFL and each of its shareholders: Maoji (Michael) Wang, Jingbo Song, Yong Xiong Zheng and Nan Kou (the “CFL Shareholders”). The Stockholders’ Agreement sets forth the agreement of the Company, CFL and the CFL Shareholders relating to board representation rights, transfer restrictions, standstill provisions, voting, registration rights and other matters following the closing of the Share Issuance and Sale.

On September 22, 2021, the Company entered into a stock purchase agreement with CFL, in which the Company sold 47,438 shares of its Common Stock at a price per share of \$21.00 for gross proceeds of approximately \$1,000,000. On October 30, 2021, CFL entered into a transfer stock agreement with a former shareholder of the Company to purchase an additional 37,587 shares of its Common Stock.

In December 2023, we entered into a stock purchase agreement with CFL, in which we sold 12,267 shares of our Common Stock at a price per share of \$16.30 for gross proceeds of approximately \$200,000.

As of December 31, 2025, CFL beneficially held 269,227 shares of the Company’s outstanding Common Stock equal to approximately 3.7% of the outstanding class.

In November, 2025, the Company entered into a copyright transfer agreement with Shohan Event Organizers Co., L.L.C., a non-affiliated accredited investor. Pursuant to the Copyright Agreement, the Company agreed to acquire five (5) original musical works from the Copyright Seller. Under the terms of the Copyright Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, par value \$0.01 per share, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 927,600 shares of Common Stock, with an aggregate value of approximately \$1,604,748, based on the closing price of \$1.73 per share on November 24, 2025, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC. The Copyright Shares will be issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder. The Copyright Agreement contains customary representations, warranties and covenants.

As of December 31, 2025, Shohan Event Organizers Co., L.L.C. beneficially held 927,600 shares of the Company’s outstanding Common Stock equal to approximately 12.7% of the outstanding class.

In November, 2025, the Company entered into a consultancy agreement with Deeptrade PTY LTD, a non-affiliated accredited investor. Pursuant to the Consultancy Agreement, the Consultant agreed to provide the Company with professional consultancy services relating to the Company’s intended expansion into Web3.0, digital asset, and real-world-asset platform for a total consideration of \$1,616,000. Under the terms of the Consultancy Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, par value \$0.01 per share, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 898,000 shares of Common Stock, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC. The Consultancy Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder. The Consultancy Agreement contains customary representations, warranties and covenants.

As of December 31, 2025, Deeptrade PTY LTD beneficially held 898,000 shares of the Company’s outstanding Common Stock equal to approximately 12.3% of the outstanding class.

13. Stockholders’ Equity

Effective January 5, 2023, the Company filed a certificate of amendment to its Amended and Restated Certificate of Incorporation in order to implement a 2-for-1 reverse stock split, through which each two shares of Common Stock issued and outstanding were combined and changed into one share of Common Stock. All share amounts and share prices in this annual report on Form 10-K have been adjusted to give effect to the reverse stock split.

Effective March 13, 2025, the Company filed a certificate of amendment to its Amended and Restated Certificate of Incorporation in order to implement a 10-for-1 reverse stock split, through which each ten shares of Common Stock issued and outstanding were combined and changed into one share of Common Stock. All share amounts and share prices in this annual report on Form 10-K have been adjusted to give effect to the reverse stock split.

Preferred Stock – The Company has no preferred stock issued. The Company’s amended and restated certificate of incorporation and amended and restated bylaws include provisions that allow the Company’s Board of Directors to issue, without further action by the stockholders, up to 1,000,000 shares of undesignated preferred stock.

Common Stock – The Company has one class of Common Stock outstanding with a total number of shares authorized of 45,000,000. As of December 31, 2025, the Company had 7,298,306 shares of Common Stock outstanding.

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In the first quarter of 2024, the Company issued 4,022 shares of its Common Stock to Tumim Stone Capital in connection with its committed equity line program, at a price of approximately \$23.60 per share, resulting in aggregate gross proceeds of \$95,104. In the second quarter of 2024, the Company issued 18,467 shares of its Common Stock to Tumim Stone Capital in connection with its committed equity line program, at a price range of approximately \$12.70 to \$15.60 per share, resulting in aggregate gross proceeds of \$239,885. In the third quarter of 2024, there was no Common Stock issuance to Tumim Stone Capital. In the fourth quarter of 2024, the Company issued 5,643 shares of its Common Stock to Tumim Stone Capital in connection with its committed equity line program, at a price range of approximately \$8.30 per share, resulting in aggregate gross proceeds of \$46,728. On February 25, 2025, the Company and Tumim Stone Capital both agreed to terminate the Common Stock Purchase Agreement (“Purchase Agreement”) in connection with the committed equity line program in accordance with Section 7.1 thereof, effective on the fifth business day thereafter. Consequently, no further shares of Common Stock will be sold under the Purchase Agreement.

In June, 2024, the Company entered into a stock purchase agreement with Eighty-eight Investment LLC, a Delaware limited liability company wholly owned and controlled by Mr. Xin He, our former Chief Executive Officer. This purchase of 100,000 shares of our Common Stock at a price of \$4.95 per share provided aggregate proceeds of \$495,000. The purchase price represented the last consolidated closing bid price on the Nasdaq Capital Market prior to the execution of the agreement, in accordance with the requirements of Nasdaq Listing Rule 5635(c) and applicable Nasdaq interpretations.

In September, 2024, the Company entered into a stock purchase agreement with Yu Tian, an individual and a resident of the People’s Republic of China, in connection with the purchase by Yu Tian of 39,867 shares of Common Stock at a price of approximately \$3.01 per share for aggregate gross proceeds of \$120,000.

In November 2024, the Company entered into a stock purchase agreement with a single institutional investor, in connection with the purchase thereby of 140,000 shares of Common Stock, and 110,000 pre-funded warrants to purchase Common Stock (the “Pre-Funded Warrants”) in a registered direct offering at a price of \$8.00 per share (or \$7.90 per Pre-Funded Warrant) for aggregate gross proceeds of \$1,989,000.

In December 2024, the Company entered into a Profit Participation Agreement with Koala Malta Limited, a private limited liability company registered under the laws of Malta to purchase a 6% right in QBSG Limited to receive all distributions and dividends which may be declared and/or distributed by the QBSG Limited on an annual basis in terms of applicable law, along with all rights, title, and interest from the Koala Malta Limited. The consideration of the profit participation is \$1,200,000, including \$700,000 cash and \$500,000 value of the Company’s Common Stock, or a total of 113,636 shares at a price of \$4.40 per share. In addition to the 9% share purchase from QBSG Limited in September 2022, the Company now owns the right to receive 15% of all distributions and dividends by QBSG Limited.

In December 2024, the Company entered into a stock purchase agreement with Aurous Vertex Limited (the “Investor”), a British Virgin Islands company, in connection with the purchase by the Investor of 250,000 shares of Common Stock at a price of \$6.00 per share for aggregate gross proceeds of \$1.5 million. In the agreement, Aurous Vertex Limited has an option to purchase an additional 100,000 shares of Common Stock at a subsequent closing. The purchase price per share of the additional 100,000 shares of Common Stock will be the lesser of (a) \$6.00 per share and (b) the closing price of the Common Stock on the date that Investor delivers its written notice to the Company of its election to purchase the Second Closing Shares as described above.

In February 2025, the Company received a Written Notice from a single institutional investor to exercise 110,000 Pre-Funded Warrants originally purchased in November 2024 at a price of \$7.90 per warrant. In connection with the exercise, the institutional investor paid an additional \$0.10 per share—bringing the total purchase price to \$8.00 per share—for the issuance of 110,000 shares of Common Stock, resulting in additional gross proceeds of \$11,000 to the Company.

In February 2025, the Company entered into a stock purchase agreement (the “SPA”) with Boris Krastev Ventures UG (the “Seller”), pursuant to which the Company shall acquire 1,000,000 shares of Common Stock (the “Acquisition”) of RemoteMore USA, Inc., a Delaware corporation (“RemoteMore” or the “Target Company”) for a purchase price of \$300,000, which was paid to the Seller at the closing of the Acquisition through the issuance of 50,000 newly issued restricted shares of the Company’s Common Stock, at a price of \$6.00 per share (the “Shares”). The closing of the Acquisition is subject to satisfaction of certain closing conditions set forth in the SPA. Prior to the Acquisition, the Company held 8,262,500 shares of the Target Company, representing a majority interest in the Target Company. Upon the closing of the Acquisition, the Company’s ownership increased to approximately 82.625% of the Target Company’s outstanding shares.

In February 2025, Aurous Vertex Limited delivered a Written Notice to the Company exercising its option to purchase an additional 100,000 shares of Common Stock at a purchase price per share of \$3.385, the closing price of the Company’s Common Stock on February 25, 2025. On March 24, 2025, upon the satisfaction or waiver of the closing conditions, the Company issued an additional 100,000 shares of Common Stock to Aurous Vertex Limited.

In March 2025, the Company filed a certificate of amendment to its amended and restated certificate of incorporation in order to implement a 10-for-1 reverse stock split, through which each ten shares of Common Stock issued and outstanding were combined and changed into one share of Common Stock. All share amounts and share prices in this annual report on Form 10-K have been adjusted to give effect to the reverse stock split.

In July 2025, the Company completed a warrant exchange transaction pursuant to a Warrant Exchange Agreement (the “Exchange Agreement”) with certain holder (the “Holder”) of 250,000 Series A warrants (the “Series A Warrants”) entered on June 30, 2025, each to purchase one share of the Common Stock of the Company, and 250,000 Series B warrants (the “Series B Warrants”), and collectively with the Series A Warrants, the “Warrants”), each to purchase one share of Common Stock of the Company at an exercise price of \$6.80 per share. The Warrants were issued on November 20, 2024 to the Holder in connection with a registered direct offering and concurrent private placement of warrants which closed on November 20, 2024. Pursuant to the Exchange Agreement, the Holder agreed to surrender 500,000 Warrants for cancellation and the Company agreed, in exchange, to issue an aggregate of 333,333 shares of Common Stock to the Holder.

In September 2025, the Company entered into a copyright transfer agreement (the “High Wave Copyright Transfer Agreement”) with High Wave Corp (“High Wave”), under which High Wave agreed to assign to the Company the copyrights and related rights of forty (40) original musical works, including all copyrights and related rights such as reproduction, performance, broadcasting, and adaptation. The total purchase consideration is \$10,000,000, payable in four installments between October 15 and November 30, 2025, with ownership of each batch of works transferring upon payment. High Wave warranted full ownership and non-infringement of the works, waived all moral rights, and agreed not to resell or license them. As of December 31, 2025, the Company had paid \$3,700,000 under the High Wave Agreement to purchase 15 original musical works. As of December 31, 2025, the Company had no further obligation to make additional payments or to acquire the remaining twenty-five (25) original musical works for the remaining aggregate purchase consideration of \$6,300,000.

In September 2025, Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with Streeterville Capital, LLC, a Utah limited liability company, pursuant to which the Company agreed to issue and sell to Streeterville shares of its Common Stock, in one or more pre-paid advance purchases (each, a “Pre-Paid Purchase” and collectively, the “Pre-Paid Purchases”) for an aggregate purchase price of up to \$20,000,000. The Company also agreed to issue to Streeterville 22,197 shares of Common Stock (the “Commitment Shares”) as consideration for Streeterville’s commitment, after Shareholder Approval (as defined below) is obtained, and 227,500 shares of Common Stock for \$2,275 as pre-delivery shares (the “Pre-Delivery Shares”), which Pre-Delivery Shares were issued at the closing of the transactions contemplated by the Securities Purchase Agreement. The transactions closed on September 5, 2025 (the “Closing Date”). The proceeds from the Pre-Paid Purchases were expected to be used for working capital and other corporate purposes, including repayment of debt, strategic and other general corporate purposes. The Securities Purchase Agreement provides for an initial Pre-Paid Purchase in the principal amount of up to \$8,655,000 (the “Initial Pre-Paid Purchase”), an original issue discount of up to \$640,000 and transaction expenses of \$15,000, the terms of which are set forth on secured prepaid purchase #1 (“Pre-Paid Purchase #1”). The Company received \$3,397,725 in cash proceeds under the Initial Pre-Paid Purchase and \$2,275 for the Pre-Delivery Shares on the Closing Date. The Initial Pre-Paid Purchase accrues interest at the rate of 8% per annum. Within thirty (30) days after closing, Streeterville would fund the remaining \$4,602,275.00 under the Initial Pre-Paid Purchase into a

deposit account (the “Deposit Account”) of the Company’s wholly-owned subsidiary, IPDN Holdings, LLC, a Utah limited liability company (“IPDN Holdings”), secured by a deposit account control agreement (the “DACA”), a guaranty (the “Guaranty”) by IPDN Holdings, and a pledge agreement (the “Pledge Agreement”) by the Company pledging 100% of the equity interests in IPDN Holdings, subject to certain conditions: (i) the DACA, the Guaranty and the Pledge Agreement are each executed and delivered to Streeterville, (ii) the Deposit Account has been opened, (iii) no Event of Default (as defined in the Initial Pre-Paid Purchase) under the Initial Pre-Paid Purchase has occurred, and (iv) trading in the Common Stock is not suspended, halted, chilled, frozen, reached zero bid or otherwise ceased trading on the Nasdaq Capital Market. On October 7, 2025, Streeterville funded the remaining \$4,602,275.00 to the Deposit Account. In the fourth quarter of 2025, the Company issued 1,005,986 shares of its Common Stock to Streeterville Capital, LLC, at a price range of \$1.31 to \$2.70 per share, resulting in aggregate gross proceeds of \$2,250,000.

In September 2025, the Company entered into the Copyright Agreement with Streams Ohio, a non-affiliated accredited investor. Pursuant to the Streams Ohio Copyright Agreement, the Company agreed to acquire eight (8) original musical works from the Streams Ohio. Under the terms of the Streams Ohio Copyright Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of 556,000 shares of Common Stock (the “Copyright Shares”), with an aggregate value of approximately \$1,629,080, based on the closing price of \$2.93 per share on September 12, 2025, subject to the limitations of the Nasdaq Listing Rule 5635. The Copyright Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act, and/or Regulation D promulgated thereunder. The Streams Ohio Copyright Agreement contains customary representations, warranties, and covenants.

In September 2025, the Company entered into the B&W Capital Consulting Agreement with B&W Capital, a non-affiliated accredited investor. Under the B&W Capital Consulting Agreement, the Company engaged the Consultant to provide strategic, business development, investor relations and capital markets advisory services for a period of 12 months, unless terminated earlier pursuant to the terms therein. As consideration for such services, the Board approved the issuance of 550,000 shares of Common Stock (the “Consulting Shares”), also subject to the limitations of the Nasdaq Listing Rule 5635. The Consulting Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act and/or Regulation D promulgated thereunder. The B&W Capital Consulting Agreement contains customary representations, warranties and covenants.

In November 2025, the Company entered into a copyright transfer agreement with Shohan Event Organizers Co., L.L.C. , a non-affiliated accredited investor. Pursuant to the Copyright Agreement, the Company agreed to acquire five (5) original musical works from the Copyright Seller. Under the terms of the Copyright Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, par value \$0.01 per share, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 927,600 shares of Common Stock, with an aggregate value of approximately \$1,604,748, based on the closing price of \$1.73 per share on November 24, 2025, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC. The Copyright Shares will be issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder.

In November 2025, the Company entered into a consultancy agreement with Deeptrade PTY LTD , a non-affiliated accredited investor. Pursuant to the Consultancy Agreement, the Consultant agreed to provide the Company with professional consultancy services relating to the Company’s intended expansion into Web3.0, digital asset, and real-world-asset platform for a total consideration of \$1,616,000. Under the terms of the Consultancy Agreement, consideration could be paid in cash, shares of the Company’s Common Stock, par value \$0.01 per share, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 898,000 shares of Common Stock, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC. The Consultancy Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder. The Consultancy Agreement contains customary representations, warranties and covenants.

In December 2025, in connection with the closing of the Company’s equity financing, the outstanding \$150,000 convertible note issued in July 2025, together with accrued interest, was converted into 101,351 shares of the Company’s common stock at a conversion price of \$1.48 per share. Upon conversion, the carrying amount of the convertible note, including accrued interest, was reclassified to Common Stock and additional paid-in capital. No gain or loss was recognized upon conversion.

In December 2025, the Company entered into a purchase agreement with DeeptradeX.ai, an Australian-based digital asset trading platform, pursuant to which the Company agreed to acquire an aggregate of 25,937,800 native utility digital tokens issued by the Seller (the “DTT Tokens”). The DTT Tokens are intended to function as a medium of exchange for services on the Seller’s Web3.0 digital asset platform and do not represent equity, debt, dividends, governance rights or profit-sharing interests. The total consideration for the DTT Tokens is \$2,593,780, payable, at the Company’s election, in cash, shares of Common Stock, or a combination thereof. The board of directors of the Company approved payment of the consideration through the issuance of 1,358,000 shares of Common Stock, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC and the shares were issued on January 2, 2026. The Consideration Shares was be issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act, and/or Regulation D promulgated thereunder. The DTT Tokens will be delivered to a wallet address designated by the Company and will be subject to a 12-month lock-up period followed by a 24-month linear vesting period, with releases occurring automatically pursuant to an immutable smart contract. The Purchase Agreement contains customary representations, warranties and covenants, including representations regarding regulatory compliance, token functionality and indemnification for certain regulatory matters.

Total shares issued during fiscal year 2025 were as follows:

	Common Stock		Additional	Total Cash
	Shares	Amount	Paid -in Capital	Received or Receivable from Stock Issuances (\$)
Armistice Capital	443,333	\$ 4,433	\$ 9,900	\$ 14,334
Aurous Vertex Limited	100,000	1,000	337,500	338,500
B&W Capital Group LLC	550,000	5,500	1,606,000	-
Boris Krastev Ventures UG	50,000	500	299,500	-
Megan Bozzuto	29,412	294	49,706	50,000
Deeptrade Pty Ltd	898,000	8,980	1,607,020	-
Shohan Event Organizers Co. LLC	927,600	9,276	1,595,472	-
Streams Ohio Corp.	657,351	6,574	1,780,394	-
Streeterville Capital	1,505,672	15,057	5,635,165	5,650,000
Reverse Split Cash in Lieu payment	(42)	(1)	(87)	(88)
Vesting of grants to Board of Directors*	39,705	397	61,802	-
Grants to management/employees*	274,000	2,740	315,080	-
Total	5,475,031	\$ 54,750	\$ 13,297,452	\$ 6,052,746

* see Note 14 – Stock-Based Compensation – *Restricted Stock*

14. Stock-Based Compensation

Equity Incentive Plans – The Company’s 2013 Equity Compensation Plan (the “2013 Plan”) was adopted for the purpose of providing equity incentives to employees, officers, directors and consultants including options, restricted stock, restricted stock units, stock appreciation rights, other equity awards, annual incentive awards and dividend equivalents. Through a series of amendments to the 2013 Plan, the total number of authorized shares available for issuance of Common Stock under the Plan was 75,000 shares.

On April 11, 2023, the Board of Directors adopted a new equity incentive plan, the Professional Diversity Network, Inc. 2023 Equity Compensation Plan (the “2023 Equity Compensation Plan”). The 2023 Equity Compensation Plan was approved by the Company’s stockholders on June 15, 2023. The 2023 Equity Compensation Plan supersedes and replaces the 2013 Plan, and no new awards will be granted under the 2013 Plan. Any awards outstanding under the 2013 Plan remain subject to and will be paid under the 2013 Plan. The 2023 Equity Compensation Plan reserves 750,000 shares of Common Stock for issuance of awards to directors, officers, employees and qualifying consultants of the Company and its affiliates.

Stock Options

The fair value of options is estimated on the date of grant using the Black-Scholes option pricing model. The valuation determined by the Black-Scholes pricing model is affected by the Company’s stock price, as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The risk-free rate is based on the U.S. Treasury rate for the expected life at the time of grant, volatility is based on the average long-term implied volatilities of peer companies, the expected life is based on the estimated average of the life of options using the simplified method, and forfeitures are estimated on the date of grant based on certain historical data. The Company utilizes the simplified method to determine the expected life of its options due to insufficient exercise activity during recent years as a basis from which to estimate future exercise patterns. The expected dividend assumption is based on the Company’s history and expectation of dividend payouts.

Forfeitures are required to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

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The following table summarizes the Company's stock option activity for the years ended December 31, 2025, and 2024:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value (in thousands)
Outstanding - January 1, 2025	1,500	\$ 44.60	4.2	\$ -
Granted	-	-		
Exercised	-	-		
Forfeited	-	-		
Outstanding - December 31, 2025	<u>1,500</u>	<u>\$ 44.60</u>	<u>3.2</u>	<u>\$ -</u>
Exercisable at December 31, 2025	<u>1,500</u>	<u>\$ 44.60</u>	<u>3.2</u>	<u>\$ -</u>
	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value (in thousands)
Outstanding - January 1, 2024	3,306	\$ 90.04	5.7	\$ -
Granted	-	-		
Exercised	-	-		
Forfeited	(1,806)	-		
Outstanding - December 31, 2024	<u>1,500</u>	<u>\$ 44.60</u>	<u>4.2</u>	<u>\$ -</u>
Exercisable at December 31, 2024	<u>1,500</u>	<u>\$ 44.60</u>	<u>4.2</u>	<u>\$ -</u>

There were no stock options granted in fiscal 2025 or 2024.

The Company recorded non-cash stock-based compensation expense of approximately \$0 and \$0 as a component of general and administrative expenses in the accompanying consolidated statements of operations for the years ended December 31, 2025, and 2024, pertaining to stock options awards.

Warrants

As of December 31, 2025, and 2024, there were no warrants outstanding and exercisable.

Restricted Stock

A summary of restricted stock activity for the years ended December 31, 2025, and 2024 is as follows:

	Number of Shares
Outstanding - January 1, 2024	11,733
Granted	28,890
Forfeited	(4,847)
Vested	(11,123)
Outstanding - December 31, 2024	24,653
Granted	377,389
Forfeited	-
Vested	(338,358)
Outstanding - December 31, 2025	63,684

During the year ended December 31, 2025 the Company granted 63,684 restricted stock units (“RSUs”) to non-employee directors as partial compensation for their service as a director. The aggregate grant date fair value of the combined awards amounted to approximately \$121,507. The RSU award to the Board member fully vests on the one-year anniversary after the date of grant. The Company also granted 274,000 RSUs to certain officers and managers with immediate vesting. The aggregate grant date fair value of the combined awards amounted to approximately \$317,820.

During the year ended December 31, 2024 the Company granted 20,653 restricted stock units (“RSUs”) to non-employee directors as partial compensation for their service as a director. The aggregate grant date fair value of the combined awards amounted to approximately \$121,849. The RSU award to the Board member fully vests on the one-year anniversary after the date of grant. The Company also granted 40,000 RSUs to certain officers and managers with immediate vesting. The aggregate grant date fair value of the combined awards amounted to approximately \$23,600.

The Company recorded non-cash stock-based compensation expense of approximately \$368,000 and \$175,000 as a component of general and administrative expenses in the accompanying consolidated statements of operations for the years ended December 31, 2025, and 2024, respectively, pertaining to restricted stock awards.

Total unrecognized stock-based compensation expense related to unvested restricted stock at December 31, 2025 was approximately \$83,699 and is expected to be recognized through the third quarter of 2026.

During the year ended December 31, 2025 the Company issued a total of 1,448,000 shares of Common Stock to non-affiliated consultants in exchange for strategic, business development, investor relations, and professional consultancy services.

B&W Capital Consulting Agreement: In September 2025, the Company engaged B&W Capital, a non-affiliated accredited investor, to provide strategic, business development, investor relations, and capital markets advisory services for a period of 12 months. The Board approved the issuance of 550,000 shares of Common Stock (the “Consulting Shares”) as consideration.

Deeprade Consultancy Agreement: In November 2025, the Company engaged Deeprade PTY LTD, a non-affiliated accredited investor, to provide professional consultancy services related to the Company’s expansion into Web3.0, digital asset, and real-world-asset platforms. The Board approved payment of the consideration through the issuance of 898,000 shares of Common Stock, with an aggregate fair value of \$1,616,000.

The Consulting Shares and Consultancy Shares were issued subject to the limitations of Nasdaq Listing Rule 5635 and in reliance on exemptions from registration under Section 4(a)(2) of the Securities Act of 1933, as amended, and/or Regulation D. The fair value of these shares is recognized as consulting expense over the respective service periods.

15. Income Taxes

The Company has the following net deferred tax assets and liabilities:

	December 31,	
	2025	2024
Goodwill and intangible assets	\$ 283,993	\$ 425,865
Developed technology	(14,838)	2,866
Property and equipment	(7,246)	(12,565)
Other deferred tax assets	414,021	320,815
Settlements	121,950	121,950
Stock based compensation	195,978	103,551
Net operating loss	11,863,418	10,365,248
Valuation allowance	(12,857,276)	(11,327,730)
Net deferred tax liability	<u>\$ -</u>	<u>\$ -</u>

The benefit for income taxes for the years ended December 31, 2025, and 2024, consists of the following:

	Year Ended December 31,	
	2025	2024
Federal:		
Current provision	\$ -	\$ -
Deferred tax benefit	-	-
	<u>\$ -</u>	<u>\$ -</u>
State:		
Current provision	\$ -	\$ 6,321
Deferred tax benefit	-	-
	<u>\$ -</u>	<u>\$ 6,321</u>
Foreign:		
Current provision	\$ -	\$ -
Deferred provision (benefit)	-	-
	<u>\$ -</u>	<u>\$ -</u>
Income tax expense benefit	<u>\$ -</u>	<u>\$ 6,321</u>

A reconciliation of taxes at the federal statutory rate to our provision for (benefit from) income taxes for the year ended December 31, 2025, and 2024 is as follows (in thousands, except for percentages):

	Year Ended December 31,	
	2025	2024
Expected federal statutory rate	21.0%	21.0%
State income taxes, net of federal benefit	6.1%	6.1%
Valuation allowance	(23.5)%	(21.9)%
Permanent items	(0.4)%	(1.0)%
Other	(3.2)%	(4.2)%
	<u>0.0%</u>	<u>(0.0)%</u>

	Year Ended December 31,	
	2025	2024
Expected federal statutory amount	\$ (1,366)	\$ (546)
State income taxes, net of federal benefit	(397)	(159)
Valuation allowance	1,530	570
Permanent items	24	27
Other	209	108
	<u>\$ -</u>	<u>\$ -</u>

The valuation allowance at December 31, 2025 was \$12,857,276. The net change in the valuation allowance during the year ended December 31, 2025 was an increase of \$1,529,546. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on consideration of these items, management has determined that enough uncertainty exists relative to the realization of the deferred income tax asset balances to warrant the application of a valuation allowance as of December 31, 2025.

At December 31, 2025, the Company had U.S. federal, Illinois, and New York net operating loss carryforwards of approximately \$45,149,000, \$26,698,000, and \$11,995,000 respectively. Of the federal amount, \$19,304,000 expires between 2034 and 2038, and \$25,845,000 has an indefinite carryforward period. The Illinois losses may be carried forward 12 years and begin to expire in 2026. The New York losses may be carried forward 20 year and begin to expire in 2035. Certain tax attributes are subject to an annual limitation as a result of changes in ownership as defined under Internal Revenue Code Section 382. The Company files tax returns in multiple jurisdictions and is subject to examination in these jurisdictions. Significant jurisdictions in the U.S. include New York and Illinois.

16. Segment Information

The Company operates in the following segments: (i) TalentAlly Network, which maintains and operates job board software and hosts career fairs, (ii) NAPW Network, a professional networking organization that addresses personal and professional development opportunities for women, (iii) RemoteMore (beginning in fiscal 2021) which provides companies with talented engineers to provide solutions to their software needs, (iv) Corporate Licensing Service, and (v) Corporate Overhead.

The Company's CEO and CFO comprise the executive committee. The responsibility of the executive committee is to collectively assess performance and make resource allocation decisions related to the entity's operating segments. The CEO operates more as a strategic decision maker for the organization as a whole. The executive committee is the CODM because the committee is the highest level of management that performs these functions.

The following tables present key financial information of the Company's reportable segments as of and for the years ended December 31, 2025, and 2024:

	Year Ended December 31, 2025					Consolidated
	TalentAlly	NAPW	RemoteMore Contracted Software Development Service	Corporate Licensing Service	Corporate Overhead	
Membership fees and related services	\$ -	\$ 342,446	\$ -	\$ -	\$ -	\$ 342,446
Recruitment services	3,456,212	-	-	-	-	3,456,212
Contracted software development	-	-	2,726,849	-	-	2,726,849
Consumer advertising and marketing solutions	21,232	-	-	-	-	21,232
Total revenues	3,477,444	342,446	2,726,849	-	-	6,546,739
Income (loss) from continuing operations	(212,101)	(133,847)	(323,462)	(3,412,500)	(2,370,674)	(6,452,584)
Depreciation and amortization	152,260	405	5,261	-	-	157,926
Income tax expense (benefit)	-	-	-	-	-	-
Net income (loss) from continuing operations	(272,984)	(133,846)	(321,344)	(3,412,500)	(2,370,674)	(6,511,348)
	As of December 31, 2025					
Goodwill	\$ 465,752	\$ -	\$ 952,001	\$ -	\$ -	\$ 1,417,753
Intangibles assets, net	9,629,008	-	-	-	-	9,629,008
Assets from continuing operations, net of eliminations	18,753,293	17,854	(903,578)	-	-	17,867,569

	Year Ended December 31, 2024					Consolidated
	TalentAly	NAPW	RemoteMore Contracted Software Development Service	Corporate	Corporate	
	Recruitment Services	Membership Services	Licensing Service	Overhead		
Membership fees and related services	\$ -	\$ 428,612	\$ -	\$ -	\$ -	\$ 428,612
Recruitment services	4,434,235	-	-	-	-	4,434,235
Contracted software development	-	-	1,830,018	-	-	1,830,018
Consumer advertising and marketing solutions	37,740	-	-	-	-	37,740
Total revenues	4,471,975	428,612	1,830,018	-	-	6,730,605
Income (loss) from continuing operations	(41,847)	(145,273)	(313,757)	-	(1,904,268)	(2,405,145)
Depreciation and amortization	145,270	56,695	1,836	-	-	203,801
Income tax expense (benefit)	5,471	-	850	-	-	6,321
Net income (loss) from continuing operations	(228,684)	(146,535)	(316,200)	-	(1,904,268)	(2,595,687)

As of December 31, 2024						
Goodwill	\$ 465,752	\$ -	\$ 952,001	\$ -	\$ -	\$ 1,417,753
Intangibles assets, net	134,733	-	-	-	-	134,733
Assets from continuing operations, net of eliminations	8,793,043	30,342	(841,584)	-	-	7,981,801

17. Employee benefit plans

The Company's employee benefit plans currently consist of a defined contribution plan for all U.S. employees. The Company does not offer any other postretirement benefit plans, such as retiree medical and dental benefits or deferred compensation agreements to its employees or officers.

U.S. regular, full-time employees are eligible to participate in the Professional Diversity Network Inc. 401(k) Plan ("PDN Plan"), which is a qualified defined contribution plan under section 401(k) of the Internal Revenue Service Code. Under the PDN Plan, employees are eligible to participate after meeting eligibility requirements and employees are always fully vested in their own contributions. Effective January 1, 2021, the Company has elected to match up to 5% of eligible employee contributions. The contribution expense for the PDN Plan was approximately \$61,555 and \$82,000 for the years ended December 31, 2025, and 2024, respectively.

18. Subsequent Events

The Company has evaluated subsequent events through the filing of this Form 10-K, and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.

On January 2, 2026, the Company issued 1,358,000 shares of its Common Stock, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC, to DeepradeX.ai, an Australian-based digital asset trading platform. The issuance was made pursuant to a purchase agreement entered into in December 2025, under which the Company agreed to acquire an aggregate of 25,937,800 native utility digital tokens issued by the seller (the "DTT Tokens"). The DTT Tokens are intended to function as a medium of exchange for services on the seller's Web3.0 digital asset platform and do not represent equity, debt, dividends, governance rights, or profit-sharing interests. The total consideration for the DTT Tokens is \$2,593,780, payable, at the Company's election, in cash, shares of Common Stock, or a combination thereof. The Board of Directors of the Company approved payment of the consideration through the issuance of the 1,358,000 shares of Common Stock. The Consideration Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) of the Securities Act, and/or Regulation D promulgated thereunder. The DTT Tokens will be delivered to a wallet address designated by the Company and will be subject to a 12-month lock-up period followed by a 24-month linear vesting period, with releases occurring automatically pursuant to an immutable smart contract. The purchase agreement contains customary representations, warranties, and covenants, including representations regarding regulatory compliance, token functionality, and indemnification for certain regulatory matters.

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Xun Wu, and his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with all and any other regulatory authority, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated as of March 31, 2026.

/s/ Xun Wu
Xun Wu
Chief Executive Officer (Principal Executive Officer)

/s/ Bella Gu
Bella Gu
Chief Financial Officer (Principal Financial Officer)

/s/ Cheung Wai Kee
Cheung Wai Kee
Director

/s/ Tai Song
Tai Song
Director

/s/ Haixia Lu
Haixia Lu
Director

/s/ Sze Lok Patrick Wong
Sze Lok Patrick Wong
Director

/s/ Shaikh Ali Sultan Al Nuaimi
Shaikh Ali Sultan Al Nuaimi
Director

/s/ Hao Zhang
Hao Zhang
Chair of Board, Director

First Amendment To High Wave Copyright Transfer Agreement

This First Amendment to Copyright Transfer Agreement (“Amendment”) is made and entered into as of **December 16, 2025** (“Amendment Effective Date”), by and between:

Party A (Assignor):

High Wave Corp

Party B (Assignee):

Professional Diversity Network, Inc.

Party A and Party B may hereinafter be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Party A and Party B entered into that certain **Copyright Transfer Agreement dated September 3, 2025** (the “Original Agreement”), pursuant to which Party A agreed to transfer to Party B certain copyrights to forty (40) original musical works;

WHEREAS, as of the Amendment Effective Date, Party B has paid **Three Million Seven Hundred Thousand United States Dollars (USD \$3,700,000)** to Party A, and Party A has delivered **fifteen (15) musical works**, the copyrights of which have been transferred to Party B;

WHEREAS, the Parties wish to amend the Original Agreement to modify the remaining payment and purchase obligations.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. Confirmation of Works Delivered and Payment

The Parties acknowledge and agree that:

- (a) Party B has paid **USD \$3,700,000** to Party A; and
- (b) Party A has delivered **fifteen (15) musical works**, and Party B has received full ownership and copyright to those works pursuant to the Original Agreement.

2. No Current Obligation for Remaining Payment

The Parties agree that **Professional Diversity Network, Inc. (Party B) shall have no obligation to pay the remaining Six Million Three Hundred Thousand United States Dollars (USD \$6,300,000)** under the Original Agreement as of Fiscal Year 2025.

3. Optional Future Purchase Right

Party B shall retain the **right, but not the obligation**, to purchase the remaining **twenty- five (25) musical works** from Party A for a total consideration of **USD \$6,300,000**.

If Party B elects to proceed with such purchase, the Parties shall mutually agree on the delivery schedule and payment timing for the remaining works.

4. No Further Obligation if Option Not Exercised

If Party B elects **not to proceed with the purchase of the remaining twenty-five (25) musical works**, Party B shall have **no further payment obligation**, and Party A shall retain all rights and ownership to those remaining works.

5. Ownership of Delivered Works

Party B shall retain **full and exclusive ownership of the fifteen (15) musical works already delivered**, and Party A confirms that all copyrights and related rights to those works have been validly transferred to Party B.

6. Confirmation of Remaining Terms

Except as expressly modified by this Amendment, **all other terms and conditions of the Original Agreement shall remain in full force and effect to the extent applicable**.

7. Counterparts

This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the Amendment Effective Date set forth above.

Party A (Assignor)

High Wave Corp

By: 

 Name: Robert Owen

Title: CEO
Date: 12/16/2025

Party B (Assignee)
Professional Diversity Network, Inc.

By: Xun Wu
Name: Xun Wu
Title: CEO
Date: 12/16/2025

Professional Diversity Network, Inc.

Subsidiaries
As of March 31, 2026

Subsidiary	Jurisdiction of Incorporation or Formation
NAPW, Inc.	Delaware
RemoteMore USA, Inc.	Delaware
TalentAlly, LLC	Delaware
Colorful Japan	Tokyo



Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (File #333-272156, File #333-269304 and File #333-260316) and Form S-8 (File #333-272702, File #333-265644, File #333-211382 and File #333-203156) of Professional Diversity Network, Inc. (the Company) of our report dated March 31, 2025, relating to the consolidated financial statements, which appears in this Annual Report on Form 10-K and this Form 8-K. Our report contains an explanatory paragraph regarding the Company's ability to continue as a going concern.

/s/ Sasseti LLC

Oak Brook, IL
March 31, 2026

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements on Form S-3 [File #333-272156, File #333-269304 and File #333-260316] and Form S-8 [File #333-272702, File #333-265644, File #333-211382 and File #333-203156] of our report dated March 31, 2026, relating to the consolidated financial statements and financial statement schedules of Professional Diversity Network, Inc. Our report contains an explanatory paragraph regarding Professional Diversity Network, Inc.'s ability to continue as a going concern.

/s/SR CPA & Co
Hong Kong
March 31, 2026

CERTIFICATIONS

I, Xun Wu, certify that:

1. I have reviewed this annual report on Form 10-K of Professional Diversity Network, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer 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: March 31, 2026

/s/ Xun Wu

Xun Wu
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Yiran Gu, certify that:

1. I have reviewed this annual report on Form 10-K of Professional Diversity Network, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer 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: March 31, 2026

/s/ Yiran Gu

Yiran Gu

Chief Financial Officer

(Principal Financial Officer)

CERTIFICATION PURSUANT TO 18
U.S.C. SECTION 1350

In connection with the Annual Report of Professional Diversity Network, Inc. (the "Registrant") on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "report"), I, Xun Wu, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, that to my knowledge:

- (1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: March 31, 2026

/s/ Xun Wu
Xun Wu
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO 18
U.S.C. SECTION 1350

In connection with the Annual Report of Professional Diversity Network, Inc. (the "Registrant") on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "report"), I, Yiran Gu, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, that to my knowledge:

- (1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: March 31, 2026

/s/ Yiran Gu
Yiran Gu
Chief Financial Officer
(Principal Financial Officer)
