UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2024

OR

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

Commission file number: 001-40146

FORIAN INC.

(Exact name of registrant as specified in its charter)

Delaware	**85-3467693**
(State of Other Jurisdiction of incorporation or Organization)	(I.R.S. Employer Identification No.)
41 University Drive, Suite 400, Newtown, PA	**18940**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (267) 225-6263

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

Title of Each Class	Trading Symbol(s)	Name Of Each Exchange On Which Registered
Common Stock, $0.001 Par Value per Share	FORA	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 (§232.0405 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," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☒
			Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant 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. ☐

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 Section 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 28, 2024 (last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $42 million based on the closing sale price as reported on Nasdaq. Shares of voting stock held by each executive officer and director of the registrant, together with voting stock held by affiliates of the registrant's executive officers and directors, have been excluded from this calculation given that such persons may be deemed to be affiliates of the registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of April 9, 2025, there were 31,193,563 shares outstanding of the registrant's common stock, including shares of unvested restricted stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to the 2025 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2024.

EXPLANANTORY NOTE

Restatement of Previously Issued Consolidated Financial Statements

On March 30, 2025, the Audit Committee (the ''Audit Committee'') of the Board of Directors (the ''Board'') of Forian Inc. (''Forian'' or the ''Company''), based on the recommendation of, and after discussion with, the Company's management and independent registered public accounting firm, determined that the Company's previously issued unaudited and audited consolidated financial statements as of and for each of the quarterly and year to date periods in 2023 and the quarterly period ended September 30, 2024 (the ''Non-Reliance Periods'') should no longer be relied upon.

During the course of the audit of the Company's 2024 financial statements, management of the Company, after discussion with its independent registered public accounting firm, determined that under ASC 606*, Revenue from Contracts with Customers* (''ASC 606''), aggregate annual minimum payments for certain contracts should be recognized on a straight line basis over the life of the contract, as opposed to individually in the year in which the minimum fee applies under the terms of the contract. As a result, the Company restated its previously reported financial statements for the each of the periods ended March 31, 2023, June 30, 2023, September 31, 2023 and December 31, 2023. The Company determined that the impact on its financial results for the quarterly period ended September 30, 2024 was not material and no restatement was required. The restatement applied to the application of ASC 606 to a limited number of contracts where the Company may earn variable fees based on customer sales over certain thresholds specified in the contract and had no impact on the Company's cash flows. The restatement increased revenues and sales and marketing expenses for all periods since the Company's inception as a public company in 2021, increasing previously reported revenues by $1.7 million and previously reported net income by $1.5 million, each on a cumulative basis.

This Annual Report on Form 10-K includes restated Condensed Consolidated Financial Statements as of and for each of the Non-Reliance Periods.

Refer to ''*Note 20 – Restatement of Previously Issued Financial Statements*'', in *"Item 8. Financial Statements and Supplementary Data"* for additional information.

Items Restated in this Form 10-K

The following items have been restated, as appropriate, to correct the restatements noted above:

- Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation
- Part II, Item 8. Financial Statements and Supplementary Data
- Part IV, Item 15. Exhibits and Financial Statement Schedules

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including "*Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*," contains forward-looking statements. All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including statements regarding our future results of operations and financial position, business strategy, prospective products, product approvals, research and development costs, timing and likelihood of success, plans and objectives of management for future operations and future results of anticipated products, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this Annual Report on Form 10-K are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K and are subject to a number of risks, uncertainties and assumptions described under the sections in this Annual Report on Form 10-K titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Annual Report on Form 10-K. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

As used in this Annual Report on Form 10-K, the terms "Forian," "registrant," the "Company," "we," "us," and "our" mean Forian Inc. and its subsidiaries unless the context indicates otherwise.

PART I

Item 1. Business

Overview

Forian is a leading provider of data science driven information and analytics solutions to the life science, healthcare and financial services industries. We provide a unique suite of data management capabilities and proprietary enriched information and analytics solutions to optimize and measure operational, clinical and financial performance for our customers. Our subscription and services-based solutions cover the life sciences, pharmaceutical services, healthcare payer and provider and financial services industries.

Forian was founded on October 15, 2020, as a wholly owned subsidiary of Medical Outcomes Research Analytics, LLC (''MOR''), which was founded on May 6, 2019, in connection with the business combination transactions described below. On October 16, 2020, Forian entered into a definitive agreement with Helix Technologies, Inc. (''Helix'') and MOR, pursuant to which DNA Merger Sub, Inc., a wholly owned subsidiary of Forian (''Merger Sub''), merged with and into Helix, with Helix surviving the merger as a wholly owned subsidiary of Forian (the ''Merger''). On March 2, 2021, Forian entered into a definitive agreement with the equity holders of MOR pursuant to which the equity holders of MOR contributed their interests in MOR to Forian in exchange for shares of Forian common stock (the ''Contribution'' and together with the Merger, the ''Business Combination''). Following consummation of the Business Combination on March 2, 2021, Forian became the parent company of both Helix and MOR. On March 3, 2021, Forian's common stock, par value $0.001 per share, commenced trading on the Nasdaq Capital Market (''Nasdaq'') under the ticker symbol ''FORA.''

On February 10, 2023, Helix completed the sale of 100% of the outstanding capital stock of its wholly owned subsidiary, Bio-Tech Medical Software, Inc., a Florida corporation (''BioTrack''), to BT Assets Group Inc., a Delaware corporation and a wholly owned subsidiary of Alleaves Inc., a Delaware corporation (''Alleaves'') (the ''BioTrack Transaction''). BioTrack's primary business was the provision of software solutions to state governments and licensees within the cannabis industry. As a result of the BioTrack Transaction, as of February 10, 2023, we no longer provide software solutions to the cannabis industry; however, we retained certain license rights with respect to transactional data processed by the BioTrack point of sale software solution for future use in our information offerings. The results of the BioTrack business, together with the prior security monitoring and web services businesses sold on March 3, 2022 and October 31, 2022, respectively (collectively, the ''Helix Businesses''), are presented as discontinued operations in the Consolidated Statements of Operations and, as such, have been excluded from continuing operations. Refer to ''*Note 4 – Discontinued Operations*'' in ''*Item 8. Financial Statements and Supplemental Data.*''

On October 31, 2024, Forian completed the acquisition of 100% of the outstanding membership interests of Kyber Data Science LLC, a Delaware limited liability company (''Kyber''), from Cowen Inc. and IMcK Holdings LLC. Kyber offers healthcare information products and solutions to the financial services industry, including hedge funds, mutual funds, pension funds and similar investment funds.

Our principal executive offices are located at 41 University Drive, Suite 400, Newtown, Pennsylvania 18940 and our primary website address is www.forian.com. The reference to the Forian website address does not constitute incorporation by reference into this Annual Report on Form 10-K of the information contained at or available through our website.

Our Business

Forian is derived from Greek work, *plirofoía*, meaning information or intelligence. We leverage our expertise in data management and data science to cleanse, link and enhance structured and unstructured datapoints to generate information products for healthcare and financial services customers. Our solutions sit atop a massive and perpetually growing expanse of large-scale data assets in our cloud-based proprietary data factory. We create data-based subscription products that have a wide breadth of use across the fragmented U.S. healthcare ecosystem. Our offerings include, but are not limited to, innovative commercial, Real World Evidence (''RWE'') and market access solutions and proprietary data-driven insights to optimize the operational, clinical and financial performance of our customers.

As the costs of healthcare delivery and research rapidly increase, entities within the healthcare ecosystem are increasingly interested in understanding the healthcare professional and patient journeys. This understanding helps them grasp the costs, value and efficacy of healthcare products and services. By comprehending these healthcare journeys, which is best accomplished with a data-first approach, entities can enhance their commercial effectiveness. They can better target and segment customers and understand how access to products and services based on insurance coverage impacts health outcomes differently. Additionally, emerging therapeutics are increasingly becoming part of the patient journey and may offer greater pharmacoeconomic benefit and generate superior outcomes. However, adoption of alternative therapies is consistently thwarted by a lack of trusted information. Forian is uniquely positioned to overcome this challenge by leveraging different sources of linked data to provide mission critical clinical and commercial intelligence to customers across traditional healthcare and emerging therapeutic markets. Our agile structure has allowed us to build market-driven product and service offerings, as described in this Annual Report on Form 10-K, that deliver value to customers at various stages of maturity by providing proprietary data insights to drive business and product innovation.

Our Markets

According to the Centers for Medicare & Medicaid Services, U.S. healthcare spending is roughly 17% of GDP and the market has been expanding and evolving rapidly over the past decade due to an aging population, innovations in treatments and a reimagining of service delivery. There has been a growing emphasis on digitizing medical records and providing access to those records to providers and patients in support of more efficient and effective care. Disparate, unconnected systems, new diagnostics and treatment protocols are all generating new sources of data. In addition, data is being generated from retailers, social media and the internet. Collectively, the expansion of the volume and type of data has created challenges in making information interoperable and actionable. New and existing sources of data are often unstructured, preventing the seamless ability to derive valuable insights. New systems and solutions are needed to provide accessible and statistically significant data sets that offer the ability to conduct longitudinal analyses. The derived information and business intelligence is relevant to all healthcare stakeholders, and we believe there is an increasing need for the aggregation and integration of the large clinical data sets, irrespective of the source (e.g., traditional healthcare systems or emerging technologies).

We view the market for healthcare analytics in three principal segments: clinical analytics, commercial analytics and technology platform solutions. The market for clinical analytics includes RWE, health economics, outcomes research databases and analytic platforms as well as clinical data capture, clinical analytics and research services, investigator site selection, observational studies and pharmacoeconomics. The market for commercial analytics includes customer segmentation and targeting, campaign measurement, longitudinal patient analytics and payer market access analytics. The market for technology platform solutions includes information technology, data management, data warehousing, IT outsourcing and software development.

We believe that RWE continues to drive value for all healthcare stakeholders. The proliferation of information technology and analytics extends well beyond life sciences. Information is critical to the ability for payers to manage and price risk effectively. The emergence of new data assets and technology have enabled better risk stratification, treatment protocol development and decision making relating to coverage of existing and emerging therapies. The ability to enter into value-based contracts is predicated on access to RWE related data and analytics.

Similarly, the healthcare delivery system is changing rapidly with telehealth and remote based biometric monitoring becoming more pervasive. As such, providers require more information to inform treatment decisions. This requires connectivity and access to their patients' information including the use of over-the-counter and unapproved pharmaceutical treatments. Absent standards and the ability to capture and integrate these data into their medical records, they will lack the information required to guide the most effective treatments.

We provide our information solutions both as an enabling technology to consultants and service providers serving the healthcare and life sciences industries, as well as to end users in the healthcare, life sciences and financial services industries.

Our Offerings

We are a leading healthcare information provider. Our mission is to provide our clients with superior information and analytical solutions that promote safer, more efficient and profitable business operations. Additionally, we strive to improve the health outcomes of patients by enabling our clients to serve their customers more comprehensively. Our ultimate goal is to empower our clients to make a positive impact on both their businesses and their customers' well-being through the use of large scale data.

We have developed a Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (''HIPAA''), compliant repository of linked longitudinal de-identified patient health information in the United States. Our databases are updated daily, weekly or monthly and include billions of de-identified patient events dating back to 2014 and represent the majority of the U.S. population. We consistently look to acquire incremental sources to further enrich our offerings through our data factory. Our data factory processes, enhances, standardizes and integrates complex and disparate transactional data, such as medical, hospital and pharmacy claims, healthcare payer remittances, retail point of sale transactions and consumer demographics as well as social determinants of health. With deep domain knowledge, our team architected our technology platform to meet and exceed the strictest data privacy requirements in highly regulated industries, while being agile to deliver with best-in-class speed and flexibility. These integrated data are used to power multiple existing and in-development information products and services for customers across the healthcare, life sciences and financial services industries.

We provide information products to service providers and directly to end markets within the healthcare, life sciences and financial services industries. Our licenses to service providers allow us to quickly scale our business and penetrate market segments by leveraging our expertise in data management and our partners' presence in an end market. We also provide both customized or productized solutions directly to healthcare and life sciences companies and to institutional investors including hedge funds, mutual funds and pension funds. A significant portion of our revenues are generated through multi-year contracts providing for the provision of an information product which is updated over time.

Our products will assist our clients to better understand the value and efficacy of healthcare products and services while providing critical business insights into our customers' products, services, customers and the dynamics of a rapidly changing marketplace.

Our information products provide a more complete patient treatment care pathways with comprehensive overviews of therapeutic interventions. By leveraging HIPAA-compliant processes, proprietary algorithms and technology, we have created a suite of comprehensive, linked, and standardized information product offerings integrating data from siloed, disparate sources and platforms. We believe these information offerings deliver unique and innovative key insights and value to our customers. We have contracted with multiple third-party data providers to license structured and unstructured data that we believe is necessary to provide our information offerings. We provide action ready, digestible information sets that enable our clients solutions to drive clinical and commercial performance improvements without having to source, standardize, cleanse and aggregate from multiple other sources. Our information products are largely subscription based, multiyear contracts providing solutions tailored to specific client needs to power innovative solutions for the healthcare market or used internally for commercial and clinical analytics. Information products are also purchased on a one-time basis as a custom report to meet a specific analytic need. These products typically provide normalized and aggregated market measures which our clients use to make investment, product, clinical, or other commercial decisions to maximize their return on investment.

In the creation of our information products, we leverage various deterministic and probabilistic matching techniques that work on hashed and encrypted data to both ensure accurate patient matching and enumeration while maintaining patient/customer privacy. As new patients/customers are constantly entering the system, this is not a moment-in-time function, but rather an ongoing process that needs to be carefully managed and continuously tested to ensure low rates of false positive and false negative matches.

We continue to develop RWE and data management solutions to assist customers seeking to understand the safety, efficacy, and therapeutics of traditional and emerging therapies. Our project-based RWE solutions and analytics are designed to enable the integration otherwise unconnected and disparate data to enable near real-time surveillance of adverse events and to study the clinical economic and social impacts of various therapeutic alternatives. These solutions will enable up to clinical-grade observational research to be conducted to evaluate the impact of existing and new therapies on patient outcomes and will support:

- the delivery of evidence-based insight into the safety and efficacy of ethical pharmaceuticals and emerging therapies to pharmaceutical manufacturers, physicians, caregivers, payers and patients with credible evidence to improve patient care and health outcomes;

- the empowerment of regulators to more-granularly assess the safety, health, social and economic outcomes associated with all therapeutic options as emerging therapies are adopted as mainstream therapeutic alternatives; and
- the creation of new standards for product and treatment classification in emerging therapeutic markets where no existing or widely adopted standards exist today.

Our Competitive Strengths

We believe our key competitive strengths include:

- *Flexible and scalable approach to privacy-focused analytics software and solutions.* Our solutions are purpose-built and delivered in an analytics-ready form to address the needs of stakeholders across the patient journey. We can provide client-centric deliverables that address a specific need that may be satisfied with linked healthcare data, SDoH data and other permutations of integrated offerings. The ability to offer a unified data asset due to our linkage and data factory capabilities allows for a deeper analysis with less human and processing costs, human agency, and time in precuring the disparate data sources. Our technology and processes allow quick, flexible and accurate delivery, which differentiates our offerings larger incumbents that have longer contracting, pricing, and rigid delivery systems.
- *Deep domain expertise.* Our knowledge base in large transactional database platforms, commercial analytics, consumer and physician marketing, market access and healthcare economics and pharmacoeconomics in healthcare enables us to develop solutions that address the unique demands of the industries we serve. Through the incorporation of industry best practices into solutions that are curated for our stakeholders, our customers enjoy enhanced analytical solutions to drive their informed business decisions. Across various disciplines, our team has deep industry expertise in life sciences that translates into solutions by design that enable our clients to solve problems unique to their sector.
- *Diverse customer base.* Our customer base extends across to a broad range of stakeholders within the healthcare and financial services industries carrying the mission to better understand and improve the patient journey. This diverse customer set offers us a uniquely informed point of view from each customer vantage point of how our solutions can best assist in optimizing performance. While we serve the continuum of healthcare ecosystem as clients, we have only recently started to penetrate pharmaceuticals and, as a result of the acquisition of Kyber in October 2024, to include the financial services industry among our customer base. We believe there our products are uniquely suited for large pharma service and other companies servicing the life sciences market today and will be increasingly attractive to pharmaceutical clients as our product offerings continues to evolve. Our information services team is defined by the innovative spirit of allowing the problems our healthcare customers face to shape the solutions that are best for our customers.
- *Large integrated longitudinal database and technology.* Our data factory processes, integrates, deidentifies and standardizes medical, hospital and pharmacy claims datasets along with point of sale data, consumer behavior and demographic-level data and other datasets to produce a longitudinal database that encompass the vast majority of the U.S. population. We will continue to invest in and integrate unique data sources to further strengthen and differentiate our solutions.

Our Growth Strategies

We strive to improve our customers' commercial and clinical business performance and in turn the efficiencies and safety of therapeutic products through our customers' adoption of our information solutions. We intend to continue investing in commercial sales, research and development and our strategic partnerships. We believe that we are well positioned to achieve our growth objectives across multiple industry verticals. Key elements of our strategy include:

- *Innovate and advance our platform and services.* We have a history of technological innovation, and plan to release new features and upgrades on a regular basis. We intend to continue making significant investments in all information products, reporting and analytics solutions, database architecture and data science talent to further differentiate our products and increase sales. In improving our ability to integrate with partners, we enable ourselves to capitalize on new data and services that add value to our customers and create further differentiation of our data assets and proprietary offerings.

- *Drive growth by acquiring new customers.* We believe that nearly all organizations that discover, develop, produce and market healthcare products or services must embrace data driven analytics to compete effectively. As such, the opportunity to continue growing our customer base is significant.
- *Increase usage and upsell within our existing customer base.* We plan to continue investing in sales and marketing, with a focus on cross selling additional information solutions to deliver more value to and expand our relationships with our customers, leading to scale and operating leverage for our business. Many of our customers buy data or information products from different sources, and have an ability to buy more from us as we bring new offerings to market.
- *Leverage our products into new markets.* Our information solutions provide innovative benefits to life sciences, payer and provider customers as well as consulting and service providers to these customers. We believe there is significant opportunity to deploy the use of linked proprietary solutions in adjacent industries, such as media, government as well as the financial services markets.
- *Expand our data and strategic partner network.* Our information products are derived partly from data acquired from strategic data partners. As part of our growth strategy, we may seek to acquire assets, data-driven products or companies that are synergistic with our business and add value to our data assets and offering sets.
- *Grow offerings through selective investments and acquisitions.* We may seek out companies and opportunities that complement our core strengths and can help us expand our capabilities, reach and impact. Our approach is deliberate and strategic, ensuring that each investment or acquisition is thoroughly vetted and aligned with our long-term goals.

Our Technology Platform

Our data ingestion, transformation, delivery services and business intelligence platforms are managed entirely via cloud-based data centers located in the United States. We leverage third parties to provide our computing infrastructure and configure their architecture to optimize data operations. For example, we utilize Amazon Web Services for data storage and several components of our processing framework. This architecture allows us to capitalize on the physical integrity, security, reliability and scalability of Amazon Web Services while building and processing proprietary data methodologies. Our core databases are sourced primarily through second and third parties and are maintained within an architecture that complies with HIPAA and applicable state privacy laws. We standardize our solutions methodologies and carefully separate customer data to ensure compliance, security and performance.

We maintain a reliable business continuity plan, where data replication and disaster recovery procedures minimize internal warehousing and customer delivery impact in the event of incident. We continuously monitor our infrastructure for unauthorized access and functional abnormalities to prevent or minimize system disruption. We maintain active System and Organization Controls Type 2 (SOC 2) across all five trust service categories (i.e., security, availability, processing integrity, confidentiality and privacy), which are reviewed by an independent third party on an annual basis.

Competition

While the healthcare industry includes well-capitalized, experienced competitors, we believe our unique data assets, synergies, intellectual property and experienced leadership offer us competitive advantages. In general, our competitors include a variety of entities such as information and clinical analytics providers such as ICON plc, information and commercial analytics providers such as IQVIA, technology and services provers such as Veeva Systems, Inc. and Definitive Healthcare Corp. and client in-house developed technologies.

Government Regulation

The products and services we offer include the license of information products that contain medical, hospital and pharmacy claims data, electronic medical records data and consumer demographic data that have been de-identified in accordance with the requirements of applicable federal and state privacy laws, including HIPAA, and therefore are largely beyond the scope of these laws. However, we may receive personal data, including protected health information, for purposes of de-identifying such information prior to integrating the de-identified data into the environment that informs our information products. In addition, compliance with recently enacted and anticipated state privacy laws could require additional investment and management attention and may subject us to significant liabilities if we or our data suppliers do not comply appropriately with new and potentially conflicting laws and regulations. If there is a future change in these laws, we may also face limitations on our ability to use de-identified information that could harm our business.

Intellectual Property

In addition to our expansive data sets described above, we develop and use a number of proprietary methodologies, analytics, systems, technologies, software and other intellectual property in the conduct of our business. We rely upon a combination of legal, technical and administrative safeguards to protect our proprietary and confidential information and trade secrets, and patent, copyright and trademark laws to protect other intellectual property rights. We consider our trademark and related names, marks and logos to be of material importance to our business, and we have registered or applied for registration for certain of these trademarks in the United States and will aggressively seek to protect them. Trademarks and service marks generally may be renewed indefinitely so long as they are in use and/or their registrations are properly maintained, and so long as they have not been found to have become generic. The technology and other intellectual property rights owned and licensed by us are of importance to our business, although our management believes that our business, as a whole, is not dependent upon any one intellectual property or group of such properties.

Human Capital Resources

The foundation of our software, data and analytics solutions is our people, and the level of our success in helping our customers solve problems is a direct function of our commitment to our employees. Our intent is to continue to build a first-class organization premised on the importance of our contribution to customer success while remaining ever conscious of our responsibility to our employees and the communities in which we operate.

We are committed to equity and fairness in honoring our commitment to our employees. As set forth in our *Code of Business Conduct and Ethics*, diversity across gender, race, ethnicity, religion, politics, sexual orientation, age, experience and thought enhances our ability to support our customers, suppliers, partners and employees. In fostering a culture of inclusion, we enable each of us to present our authentic selves in our dealings with the people with whom we interact, and in so doing allow us to be more effective and impactful in the performance of our responsibilities. We embrace the opportunity to enable our customers to better serve their customers and continually seek to improve the value we bring, all while maintaining a critical balance between our employees' work with colleagues and customers and their lives outside of Forian.

In order to prioritize the health and safety of our employees, following the outset of the COVID-19 pandemic in March 2020, we transitioned to remote work and continue to engage with and support our employees as they serve one another and our customers remotely.

As of April 9, 2025, we had 48 employees, all but one of whom is full time. None of our employees are covered by a collective bargaining agreement or are represented by a labor union. We have not experienced any organized work stoppages, and we consider the relationships with our employees to be positive.

Available Information

We make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports and other filings with the Securities and Exchange Commission (''SEC''), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC through the investor relations section of our website at https://forian.com/investors/sec-filings. The information found on our website is not incorporated into this or any other report we file with or furnish to the SEC.

Item 1A. Risk Factors

An investment in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described below and the other information contained in this Annual Report on Form 10-K before making an investment in our common stock. Our business, financial condition, results of operations or prospects could be materially and adversely affected if any of these risks occurs, and as a result, the market price of our common stock could decline, and you could lose all or part of your investment.

Risks Related to our Business Operations

We have a limited operating and financial history.

We are an emerging growth company and face all of the risks and uncertainties associated with an early-stage and unproven business. We incorporated in October 2020 in anticipation of the Business Combination and had no operating history or revenues prior to their closing. We are faced with risks inherent in operating a new business, including difficulties often encountered in developing, producing and commercializing new technologies; developing the markets for our products and technologies; and attracting and retaining qualified management, sales and/or marketing and technical staff, in addition to the risks described below.

We may need additional capital to fund our operations.

We may require additional capital to fund our current operations and anticipated expansion of our business and to pursue targeted revenue opportunities. There is no assurance that additional capital to fund our operations can be raised. Additional capital may not be available, the terms of any such capital raising may be uncertain, and the terms of any prospective equity capital may not be acceptable. In addition, any future sale of equity securities would dilute the ownership and control of the then-current stockholders and could be at prices substantially below prices at which our shares currently trade or may trade. The inability to raise capital could require us to significantly curtail or terminate operations.

We could lose our access to data from external sources, which could prevent us from providing our solutions.

We depend upon data from external sources to create our information products. We do not own the data that powers our information offerings. Our data sources could withdraw or increase the price for their data for a variety of reasons, and we could also become subject to legislative, judicial or contractual restrictions on the use of such data, in particular if such data are not collected by the third parties in a way that allows us to legally use and/or process the data. By example, during 2024, we experienced reductions in the data licensed from certain of our data suppliers as a result of restrictions imposed by our suppliers' upstream data licensors, ultimately causing one of our data suppliers to terminate each of its data license agreements, including our license agreement. Additionally, one of our data suppliers announced in 2025 its intention to wind down its data licensing business in 2026. The length of our licenses with our data suppliers and our ability to extend these licenses varies across suppliers, some of whom may offer similar products or services to certain categories of our customers and prospective customers. There is no assurance that alternate sources of comparable data can be obtained, and if so, on terms and conditions substantially equivalent to those under our existing agreements, including the term of the license and the use rights thereunder. Our competitors could also enter into exclusive contracts with our data sources, which although atypical may preclude us from receiving certain data from these suppliers or restrict us in our use of such data, which would give our competitors an advantage. If a substantial number of data sources, or certain key sources, were to further withdraw, limit or be unable to provide their data, or if we were to lose access to data due to government regulation or if the collection of data became uneconomical, our ability to provide our information solutions to our customers could be impacted, which could materially adversely affect our business, reputation, financial condition, operating results and cash flows.

We may make acquisitions as a component of our growth strategy. We may not be able to identify suitable acquisition candidates or consummate acquisitions on acceptable terms, or we may be unable to successfully integrate acquisitions, which could disrupt our operations and adversely impact our business and operating results.

A component of our growth strategy is to acquire complementary businesses in order to enhance the solutions we offer to our customers. We continue to pursue acquisitions of complementary technologies, products, data sources and businesses as a component of our growth strategy. Acquisitions involve certain known and unknown risks that could cause our actual growth or operating results to differ from our expectations. For example, we may not be able to identify suitable acquisition candidates or to consummate acquisitions on acceptable terms; we may not be able to obtain the necessary financing, on favorable terms or at all, to finance any or all of our potential acquisitions; and acquired technologies, products or businesses may not perform as we expect and we may fail to realize anticipated revenue and profits. In addition, our acquisition strategy may divert management's attention away from our existing business, resulting in the loss of key customers or employees, and expose us to unanticipated problems or legal liabilities, including responsibility as a successor for undisclosed or contingent liabilities of acquired businesses or assets.

If we fail to conduct due diligence on our potential targets effectively, for example, we may not identify problems at target companies or fail to recognize incompatibilities or other obstacles to successful integration. Our inability to successfully integrate future acquisitions could impede us from realizing all of the benefits of those acquisitions and could severely weaken our business operations. The integration process may disrupt our business and, if new technologies, products or businesses are not implemented effectively, may preclude the realization of the full benefits expected by us and could harm our results of operations. In addition, the overall integration of new technologies, products or businesses may result in unanticipated problems, expenses, liabilities and competitive responses.

Further, even if the operations of an acquisition are integrated successfully, we may not realize the full benefits of the acquisition, including the synergies, cost savings or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all. Further, acquisitions may cause us to issue common stock that would dilute our current stockholders' ownership percentage, use a substantial portion of our cash resources, experience volatility in earnings due to changes in contingent consideration related to acquisition earn-out liability estimates or become subject to litigation.

If we do not successfully develop and deploy new products and technologies to address the needs of our customers, our business and results of operations could suffer.

Our success is based on our ability to design information products that enable the integration of data into a common operating environment to facilitate advanced data analysis, knowledge management and collaboration. We are also heavily reliant on our information technology infrastructure, processes and procedures and will devote significant resources to ensuring we have competitive informational technology systems. Information technology changes rapidly, however, and we may not be able to stay ahead of such advances. If we are unable to introduce new or upgraded products, services or technology that users and collaborators recognize as valuable, we may fail to generate additional engagement on our platforms, attract and retain customers or monetize the activity on our platforms. We have spent substantial amounts of time and money researching and developing new technologies and enhanced versions of existing features to meet customers' and potential customers' rapidly evolving needs and our efforts to develop new and upgraded products, services or technology will require us to continue to incur significant costs. We cannot guarantee current or prospective users and customers will respond favorably to new or improved products, services or technology.

The introduction of new products and services by competitors or the development of entirely new technologies to replace existing offerings could make our platforms obsolete or adversely affect our business, financial condition and results of operations. We may experience difficulties with software development, design, or marketing that delay or prevent our development, introduction, or implementation of new platforms, features, or capabilities. Any delays could result in adverse publicity, loss of revenue or market acceptance, or claims by customers, any of which could harm our business. Moreover, the design and development of new platforms or new features and capabilities to existing platforms may require substantial investment, and there is no assurance that such investments will be successful. If customers do not widely adopt our new platforms, experiences, features, and capabilities, we may not be able to realize a return on our investment and our business, financial condition, and results of operations may be adversely affected.

New and existing platforms and changes to existing platforms could fail to attain sufficient market acceptance for many reasons, including:

- the failure to predict market demand accurately in terms of product functionality and to supply offerings that meet this demand in a timely fashion;
- product defects, errors or failures or our inability to satisfy customer service level requirements;

- negative publicity or negative private statements about the security, performance or effectiveness of our platforms or product enhancements;
- delays in releasing to the market new offerings or enhancements to existing offerings;
- the introduction or anticipated introduction of competing platforms or functionalities by competitors;
- the inability of our platforms or product enhancements to scale and perform to meet customer demands; and
- receiving qualified or adverse opinions in connection with security or penetration testing, certifications or audits, such as those related to IT controls and security standards and frameworks or compliance.

If we are not able to continue to identify challenges faced by our customers and develop, license or acquire new features and capabilities to our offerings in a timely and cost-effective manner, or if such enhancements do not achieve market acceptance, our business, financial condition, results of operations, and prospects may suffer and anticipated revenue growth may not be achieved.

We depend on computing infrastructure operated by third parties to support some of our solutions and customers, and any errors, disruption, performance problems, or failure in their or our operational infrastructure could adversely affect our business, financial condition and results of operations.

The software, internal applications and systems underlying our products and services are inherently complex and may contain defects or errors, particularly when first introduced or when new versions or enhancements are released. The development, expansion, operation and maintenance of our technology and network infrastructure is expensive and complex and requires significant internal and external resources. If we do not successfully develop, expand, operate or maintain our technology and network infrastructure, or if we experience operational failures, our reputation could be harmed, and we could lose current and prospective customers and service providers, which could adversely impact the business, financial condition or results of operations.

We rely on third parties for certain services made available to users of our platforms, which could limit our control over the quality of the user experience and our cost of providing services.

Our ability to generate revenue will be affected by the amount of time it takes to complete and enhance our platform. Additionally, there are multiple third-party vendors and service providers that must continue to provide us access to their application programming interfaces and operating systems, and we will rely on cooperation from third parties to integrate with their systems. Should third-party vendors, service providers and collaborators not perform as expected, cooperate with us or deliver their work as planned, we may not be able to release our products and services in a timely manner.

We utilize third-party software in our product and service offerings and expect to continue to do so. The correction of these errors and defects will be dependent on these third parties, so it may be difficult for us to correct them. Further, we cannot be certain that third-party licensors will continue to make their software available to us on acceptable terms, or invest the appropriate levels of resources in their software to maintain and enhance our capabilities or remain in business.

We may not be able to successfully manage our intellectual property and we may be subject to infringement claims.

Part of our success will depend on our ability to protect our proprietary rights in the technologies used in our products. We will consider trade secrets, including confidential and unpatented technology, important to the maintenance of our competitive position. However, trade secrets and know-how are difficult to protect. Further, if any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent that competitor from using the technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position could be materially and adversely harmed. Additionally, if we are unable to protect our proprietary rights adequately, our business could be harmed.

There has been substantial litigation in internet and software-related industries regarding patent, trademark and copyrights and other intellectual property rights and, from time to time, third parties may claim infringement by us of their intellectual property rights. If we were found to be infringing on the intellectual property rights of any third party, we could be subject to liabilities for such infringement, which could have a material adverse impact on our profitability. In addition, any such claims could distract management from conducting the business.

Real or perceived errors, failures, defects or bugs in our platforms, products or services could adversely affect our results of operations and growth prospects.

Because we offer very complex platforms, products and services, undetected errors, defects, failures or bugs may occur, especially when platforms or capabilities are first introduced or when new versions or other product or infrastructure updates are released. These platforms are often installed and used in large-scale computing environments with different operating systems, software products and equipment, and data source and network configurations, which may cause errors or failures in our platforms or may expose undetected errors, failures, or bugs in our platforms. The platforms often have different versions and updates based off of specific-state requirements. Despite testing, errors, failures, or bugs may not be found in new software or releases until after commencement of commercial shipments. Errors can also delay the development or release of new platforms or capabilities or new versions of platforms, adversely affect our reputation and our customers' willingness to buy our platforms, and adversely affect market acceptance or perception of these platforms. Many customers use these platforms, products and services in applications that are critical to their businesses or missions and may have a lower risk tolerance to defects in our platforms, products and services than to defects in other, less critical, software products. Any errors or delays in releasing new software or new versions of platforms, products and services or allegations of unsatisfactory performance or errors, defects or failures in released software could cause us to lose revenue or market share, increase our service costs, result in substantial costs in redesigning the software, result in the loss of significant customers, subject us to liability for damages and divert company resources from other tasks, any one of which could materially and adversely affect our business, results of operations and financial condition. In addition, our platforms could be perceived to be ineffective for a variety of reasons outside of our control. Hackers or other malicious parties could circumvent our or customers' security measures, and customers may misuse our platforms resulting in a security breach or perceived product failure.

Real or perceived errors, failures, or bugs in our platforms, products and services, or dissatisfaction with those services or outcomes, could result in customer terminations and/or claims by customers for losses sustained by them. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend additional resources in order to help correct any such errors, failures, or bugs.

In a dynamic industry like ours, our success and growth depend on our ability to attract, recruit, retain and develop qualified employees.

Our business functions at the intersection of rapidly changing technological, social, economic and regulatory developments that require a wide-ranging set of expertise and intellectual capital. To continue to successfully compete and grow, we must attract, recruit, develop and retain the necessary personnel who can provide the needed expertise across the entire spectrum of our intellectual capital needs. While we have a number of key personnel who have substantial experience with our operations, we must also develop our personnel to provide succession plans capable of maintaining continuity in the midst of the inevitable unpredictability of human capital. The market for qualified personnel is competitive, and we may not succeed in recruiting additional personnel or may fail to effectively replace current personnel who depart with qualified or effective successors. Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. There can be no assurances that qualified employees will continue to be employed or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract key personnel could have a material adverse effect on our business, financial condition and results of operations.

We have identified material weaknesses in our internal control over financial reporting which, if not timely remediated, may adversely affect the accuracy and reliability of our financial statements and our reputation, business and stock price, as well as lead to a loss of investor confidence in us.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), requires that we furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment is required to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until our first annual report required to be filed with the SEC following the later of the date we are deemed to be an ‘‘accelerated filer’’ or a ‘‘large accelerated filer,’’ each as defined in the Securities Exchange Act of 1934, as amended (the ‘‘Exchange Act’’), or the date we are no longer an ‘‘emerging growth company,’’ as defined in the Jumpstart Our Business Startups Act enacted in April 2012 (‘‘JOBS Act’’). If we have a material weakness in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated.

As described under ‘‘*Item 9A. Controls and Procedures*,’’ we concluded that our disclosure controls and procedures were not effective as of December 31, 2024, and that we had, as of such date, material weaknesses in our internal control over financial reporting related to (i) the lack of properly designed controls to validate the accuracy and appropriateness of payables transactions and prevent the possibility of fraudulent or fictitious payments and (ii) our failure to design, implement and maintain effective controls over revenue recognized for certain contracts relating to the proper application of Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (‘‘ASC 606’’), specifically our failure to maintain effective controls relating to accounting for fixed minimum payments in contracts with variable revenues based on customer sales. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements would not be prevented or detected on a timely basis.

We intend to remediate these material weaknesses. While we believe the steps we take to remediate these material weaknesses will improve the effectiveness of our internal control over financial reporting and will remediate the identified deficiencies, if our remediation efforts are insufficient to address the material weaknesses or we identify additional material weaknesses in our internal control over financial reporting in the future, our ability to analyze, record and report financial information accurately, to prepare our financial statements within the time periods specified by the rules and forms of the SEC and to otherwise comply with our reporting obligations under the federal securities laws may be adversely affected. The occurrence of, or failure to remediate, these material weaknesses and any future material weaknesses in our internal control over financial reporting may adversely affect the accuracy and reliability of our financial statements and have other consequences that could materially and adversely affect our business, including an adverse impact on the market price of our common stock. In addition, we could become subject to investigations by Nasdaq, the SEC or other regulatory authorities, which could require additional financial and management resources.

If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price.

We rely on financial reporting and data analytics that must be accurate in order to make real-time management decisions, accurately manage our cash position, and maintain adequate inventory levels while conserving adequate cash to fund operations. In the event of a systems failure, a process breakdown, the departure of key management or fraud, we would be unable to efficiently manage these items and may experience liquidity shortfalls that our cash position or revolving credit facility may not be able to accommodate. In such a situation, we also may not be able to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price.

We may be unable to accurately forecast our operating results and growth rate, which may adversely affect our reported results and stock price.

We may not be able to accurately forecast our operating results and growth rate. We use a variety of factors in our forecasting and planning processes, including historical results, recent history and assessments of economic and market conditions. Our growth rates may not be sustainable, and our growth depends on the continued growth of demand for the products we offer. Lower demand caused by changes in customer preferences, a weakening of the economy or other factors may result in decreased revenues or growth. Furthermore, many of our expenses and investments are fixed, and we may not be able to adjust our spending in a timely manner to compensate for any unexpected shortfall in our operating results. Failure to accurately forecast our operating results and growth rate could cause our actual results to be materially lower than anticipated. If our growth rate declines as a result, investors' perceptions of our business may be adversely affected, and the market price of our common stock could decline.

Consolidation in the industries in which our customers operate may reduce the volume of services purchased by consolidated customers following an acquisition or merger, which could materially harm our operating results and financial condition.

Mergers or consolidations among our customers could in the future reduce the number of our customers and potential customers. When companies consolidate, overlapping services previously purchased separately are usually purchased only once by the combined entity, leading to loss of revenue. Other services that were previously purchased by one of the merged or consolidated entities may be deemed unnecessary or cancelled. If our customers merge with or are acquired by other entities that are not our customers, or that use fewer of our services, they may discontinue or reduce their use of our services. There can be no assurance as to the degree to which we may be able to address the revenue impact of such consolidation. Any of these developments could materially harm our operating results and financial condition.

Risks Related to Regulatory and Legal Matters

Federal and state privacy and data protection laws are evolving and compliance with applicable requirements may increase our operating costs or adversely impact our ability to service our customers and market our products and services.

Federal and state laws and regulations regarding the collection, retention, security, use, disclosure and transfer of personal data (collectively, ''Privacy Laws'') are changing, increasing in number and expanding in scope. Existing Privacy Laws include HIPAA, which regulates protected health information (''PHI'') created or received by or on behalf of health care providers, health plans, and other covered entities. The recently enacted Washington My Health My Data Act gives Washington consumers rights with respect to consumer health data, which is defined expansively. In recent years, several states have adopted Privacy Laws that regulate the privacy and security of personal data much more broadly than U.S. laws have in the past. Many of these laws, including the California Consumer Privacy Act, as amended by the California Privacy Rights Act, the Connecticut Act Concerning Personal Data Privacy and Online Monitoring, the Colorado Privacy Act, the Virginia Consumer Data Protection Act and the Utah Consumer Privacy Act, went into effect in 2023 and 2024. Additional states have passed comprehensive Privacy Laws that will go into effect in 2025 and 2026, and several additional states are considering similar laws. It is possible that these Privacy Laws may be interpreted and applied in a manner that is inconsistent with our data practices. Establishing and maintaining compliance with these various Privacy Laws could cause us or the third parties that license us data to incur substantial costs or require changes in business practices that are adverse to our business.

The products and services we offer include the license of information products that contain data that have been de-identified in accordance with the requirements of applicable Privacy Laws, including HIPAA, and therefore are largely beyond the scope of current Privacy Laws. However, we may receive patient personal data, including PHI, for purposes of de-identifying such information prior to integrating the de-identified data into the environment that informs our information products. These state Privacy Laws are very recent and thus far there has been little interpretation of these laws by regulators or courts. Accordingly, there is uncertainty as to whether the de-identification requirements under the more recent Privacy Laws conform with the HIPAA de-identification standards. Compliance with state Privacy Laws could require additional investment and management attention and may subject us to significant liabilities if we or our data suppliers do not comply appropriately with new and potentially conflicting laws and regulations. If there is a future change in Privacy Laws, we may also face limitations on our ability to use de-identified information that could harm our business. There is also a risk that the third parties that license us data and de-identification software may fail to properly de-identify PHI under HIPAA or personal data under applicable state Privacy Laws, some of which may impose different standards for de-identification than those required by HIPAA.

The privacy, security and breach notification rules promulgated under HIPAA establish a set of national privacy and security standards for the protection of PHI by health plans, health care clearinghouses and certain health care providers, referred to as ''covered entities,'' and the third parties with which such covered entities contract for services, referred to as ''business associates,'' that engage in creating, receiving, maintaining or transmitting PHI. While we generally do not consider our products and services to subject us to HIPAA, both because the patient healthcare data contained within our information products are de-identified to remove PHI before being ingested into our environments and because we do not constitute a covered entity, in certain scenarios, we may nevertheless be contractually obligated to comply with certain HIPAA obligations as a business associate of a covered entity, including the various requirements of the HIPAA de-identification rules. Additionally, if PHI is inadvertently introduced into our environments without being properly de-identified, we may be directly liable for failing to meet the obligations of a business associate under HIPAA. The U.S. Department of Health and Human Services Office for Civil Rights may impose penalties for a failure to comply with applicable requirement of HIPAA. Penalties will vary significantly depending on factors such as the date of the violation, whether the business associate knew or should have known of the failure to comply, or whether the business associate's failure to comply was due to willful neglect. Mandatory penalties for HIPAA violations can be significant. A single breach incident can result in violations of multiple standards. If a person knowingly or intentionally obtains or discloses PHI in violation of HIPAA requirements, criminal penalties may also be imposed.

We have implemented practices and procedures to facilitate our continued compliance with applicable Privacy Laws, which steps include engaging third parties to provide guidance with respect to the de-identification of the data that informs our information products and certification at least annually as to the privacy and security frameworks we have established (e.g., with respect to de-identification under HIPAA and system and organization controls). In addition to our reliance on those third parties, we are dependent on the third parties that license us data to deliver information to us in a form and in a manner that complies with applicable Privacy Laws. There is no assurance that the safeguards and controls employed by us or the third parties that license us data and de-identification software will be sufficient to prevent a breach of applicable Privacy Laws, or that claims will not be filed against us or these third parties despite such safeguards and controls. Data suppliers might decide to modify or discontinue their services without adequate notice, which may cause additional expense in arranging new services and could harm our reputation, business, operating results and financial condition.

Many Privacy Laws protect more than health-related information, and although they vary by jurisdiction, these laws can extend to employee information, business information, healthcare provider information and other information relating to identifiable individuals. Recently enacted comprehensive state Privacy Laws impose enhanced data privacy obligations for entities that fall within the scope of these laws and create individual privacy rights for residents, including the right to access and delete their personal information, the right to opt-out of certain sharing and sales of their personal information and the right to opt-in to the sharing of sensitive personal information, including information about health and race. These regulations and legislative developments have potentially far-reaching consequences and may require us to modify our data management practices and to incur substantial expense in order to comply. Failure to comply with these laws may result in, among other things, civil and criminal liability, negative publicity, damage to our reputation and liability under contractual provisions. These Privacy Laws may also increase our compliance costs and influence or limit the types of products and services that we can provide. The occurrence of any of the foregoing could impact our ability to provide the same level of service to our customers, require us to modify our offerings or increase our costs, which could have a material adverse effect on our business, financial condition and results of operations.

In addition to the increase in states enacting Privacy Laws and the potential for the scope of those laws to materially affect our compliance obligations, continued public policy discussions regarding whether the current standards for the de-identification of health information are sufficient to adequately protect individual patient privacy may present potential risks to our business. These discussions may lead to further restrictions on the use of de-identified data. There can be no assurance that these initiatives or future initiatives will not adversely affect our ability to continue to license the data that informs our current and future information offerings.

Further, regulatory authorities around the world have enacted and are considering a number of legislative proposals concerning privacy and data protection, including the European Union's General Data Protection Regulation, the United Kingdom's Data Protection Act of 2018 and Canada's Personal Information Protection and Electronic Documents Act. Although our business is not currently subject to these global requirements, as we expand we may become subject to the laws of additional jurisdictions, domestic and foreign. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data management practices. If so, in addition to the possibility of fines, any increase in the costs of compliance with, and other burdens imposed by, applicable legislative and regulatory initiatives may limit our ability to collect, aggregate or use data to inform our information products. Moreover, complying with various global Privacy Laws could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business.

Security breaches and unauthorized use of our systems and information could expose us, our customers, our data suppliers or others to risk of loss.

We rely on information technology systems and networks, and those of third-party vendors, to ensure the continuity of our business operations and to process and store data, including proprietary data, personal data that may be subject to legal protection and de-identified data that may be subject to contractual security obligations. Despite our efforts to protect our systems, cybersecurity threats pose a risk to the security and availability of our systems and networks and the confidentiality, integrity and availability of our data. One or more cyber threats might defeat the measures that we take to anticipate, detect, avoid or mitigate such threats. Certain techniques used to obtain unauthorized access, introduce malicious software, disable or degrade service, or sabotage systems may be designed to remain dormant until a triggering event and we may be unable to anticipate these techniques or implement adequate preventative measures since techniques change frequently or are not recognized until launched, and because cyberattacks can originate from a wide variety of sources. Also, the increased use of generative artificial intelligence, or other societal or political developments resulting in periods of increased political tensions and military conflicts, could result in a greater likelihood of cybersecurity incidents that could either directly or indirectly impact our operations. Although we take steps to manage and avoid these risks and to prevent their recurrence, our preventive and remedial actions may not be successful. Such attacks, whether successful or unsuccessful, could result in our incurring costs related to, for example, rebuilding internal systems, defending against litigation, responding to regulatory inquiries or actions, paying damages or fines, or taking other remedial steps with respect to third parties. Publicity about vulnerabilities and attempted or successful incursions could damage our reputation with clients and data suppliers and reduce demand for our services.

To the extent that any disruption or security breach results in a loss or damage to our data, an inappropriate disclosure of proprietary or sensitive information, an inability to access data sources, or an inability to process data or provide our offerings to our customers, it could cause significant damage to our reputation, affect our relationships with our data suppliers and customers (including loss of data suppliers and customers), lead to claims against us and ultimately harm our business. We may be required to incur significant costs to alleviate, remedy or protect against damage caused by these disruptions or security breaches in the future. We may also face inquiry or increased scrutiny from government agencies as a result of any such disruption or breach. While we have insurance coverage for certain instances of a cyber security breach, our coverage may not be sufficient if we suffer a significant attack or multiple attacks. Any such breach or disruption could have a material adverse effect on our operating results and our reputation as a service provider.

Also, our data suppliers have responsibility for security of their own computer and communications environments. These third parties face risks relating to cyber security similar to ours, which could disrupt their businesses and therefore materially impact ours. Accordingly, we are subject to any flaw in or breaches to their computer and communications systems or those that they operate for us, which could result in a material adverse effect on our business, operations and financial results.

If we fail to perform our services in accordance with contractual requirements, regulatory standards and ethical considerations, we could be subject to significant costs or liability and our reputation could be harmed.

We maintain and process a large amount of data. This data is often accessed through transmissions over public and private networks, including the internet. Despite our physical security measures, implementation of technical controls and contractual precautions designed to identify, detect and prevent the unauthorized access, alteration, use or disclosure of our data, there is no guarantee that these measures or any other measures can provide absolute security. Systems that access or control access to our services and databases may be compromised as a result of criminal activity, including cyber-attacks and other intentional business disruptions, negligence or otherwise. Unauthorized disclosure or use, or loss or corruption, of our data or inability of our users to access our systems could disrupt the operations, subject us to substantial legal liability, result in a material loss of business, cause us to incur significant cost and significantly harm our reputation.

Risks Related to Ownership of our Common Stock

The market price of our common stock may be volatile, and holders of our common stock could lose a significant portion of their investment due to drops in the market price of our common stock.

The market price of our common stock may be volatile and stockholders may not be able to resell their Forian common stock at or above the price at which they are deemed to have acquired the Forian common stock pursuant to the Business Combination or otherwise due to fluctuations in our market price, including changes in price caused by factors unrelated to our operating performance or prospects.

Specific factors that may have a significant effect on the market price for our common stock include, among others, the following:

- changes in stock market analyst recommendations or earnings estimates regarding our common stock, other companies comparable to us or companies in the industries we serve;
- actual or anticipated fluctuations in our operating results or future prospects;
- reaction to our public announcements;
- strategic actions taken by us or our competitors, such as any contemplated business separation, acquisitions or restructurings;
- adverse conditions in the financial market or general U.S. or international economic conditions, including those resulting from war, incidents of terrorism and responses to such events; and
- sales of common stock by us, members of our management team or significant stockholders.

We do not intend to pay dividends on our common stock, so any returns will be limited to the value of our stock.

We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, we may enter into agreements that prohibit us from paying cash dividends without prior written consent from our contracting parties, or which other terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Any return to stockholders will therefore be limited to the appreciation of their stock, which may never occur.

The directors and management of Forian own a significant percentage of our common stock and are able to exert significant control over matters subject to stockholder approval.

Our directors and officers beneficially own approximately 46% of our outstanding common stock. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents or approval of any merger, sale of assets or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for Forian common stock that you may feel are in your best interest as one of our stockholders. The interests of this group of stockholders may not always coincide with your interests or the interests of other stockholders and they may act in a manner that advances their best interests and not necessarily those of other stockholders, including seeking a premium value for their common stock, and might affect the prevailing market price for our common stock.

Raising additional capital may cause dilution to our existing stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.

We may seek additional capital through a combination of public and private equity offerings, debt financings, strategic partnerships and alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. The incurrence of indebtedness would result in increased fixed payment obligations and could involve certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we raise additional funds through strategic partnerships and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or product candidates, or grant licenses on terms unfavorable to us.

Sales of a substantial number of shares of our common stock by our existing stockholders in the public market could cause our stock price to fall.

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline.

Our bylaws contain forum limitations for certain disputes between us and our stockholders that could limit the ability of stockholders to bring claims against us or our directors, officers and employees in jurisdictions preferred by stockholders.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative lawsuit brought on our behalf, (ii) any lawsuit against our current or former directors, officers, employees, stockholders or agents asserting a breach of a duty (including any fiduciary duty) owed by any such current or former director, officer, stockholder, employee or agent to us or our stockholders, (iii) any lawsuit asserting a claim against us or any of our current or former director, officer, employee, stockholder or agent arising out of or relating to any provision of the DGCL, our charter or bylaws (each, as in effect from time to time), or (iv) any lawsuit asserting a claim against us or any of our current or former directors, officers, employees, stockholders or agents governed by the internal affairs doctrine of the State of Delaware. The foregoing forum provisions do not apply to suits brought to enforce a duty or liability created by the Securities Act, or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our bylaws also provide that, unless Forian consents in writing to the selection of an alternative forum, the federal district courts of the United States of America are the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The foregoing forum provisions may prevent or limit a stockholder's ability to file a lawsuit in a judicial forum that it prefers for disputes with us or our directors, officers, employees, stockholders or agents, which may discourage such lawsuits, make them more difficult or expensive to pursue, and result in outcomes that are less favorable to such stockholders than outcomes that may have been attainable in other jurisdictions, although though stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder.

There is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act because Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act claims.

In addition, notwithstanding the inclusion of the foregoing forum provisions in the bylaws, courts may find the foregoing forum provisions to be inapplicable or unenforceable in certain cases that the foregoing forum provisions purport to address, including claims brought under the Securities Act. If this were to occur in any particular lawsuit, Forian may incur additional costs associated with resolving such lawsuit in other jurisdictions or resolving lawsuits involving similar claims in multiple jurisdictions, all of which could harm our business, results of operations, and financial condition.

We are an emerging growth company and a smaller reporting company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies and smaller reporting companies will make our common stock less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in this Annual Report on Form 10-K and our periodic reports and proxy statements, and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of the Business Combination, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to not "opt out" of this exemption from complying with new or revised accounting standards and, therefore, we will adopt new or revised accounting standards at the time private companies adopt the new or revised accounting standard and will do so until such time that we either (i) irrevocably elect to ''opt out'' of such extended transition period or (ii) no longer qualify as an emerging growth company.

Even after we no longer qualify as an emerging growth company, we may still qualify as a ''smaller reporting company,'' which would allow us to continue to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in this Annual Report on Form 10-K and our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If we were to be sued, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We believe that a strong cybersecurity program is vital to effective cybersecurity risk management. Since our formation, we have prioritized the implementation and maintenance of robust cybersecurity measures to help safeguard sensitive information and our business operations and to protect the confidentiality, integrity and availability of our information systems and the nonpublic information transmitted, processed and stored on our systems or those of third-party service providers.

Our Board of Directors is responsible for overseeing our cybersecurity program and includes members with diverse skills and experience, including risk management, technology and finance, which the Board considers to be helpful in overseeing cybersecurity risks. Our Board of Directors regularly assesses material developments with respect to the risks from cybersecurity threats in connection with its evaluation of our business operations on a quarterly basis. Our Board of Directors has established oversight mechanisms that are intended to promote effective governance in managing risks associated with cybersecurity threats in recognition of the significance these threats present to our operational integrity and the information stored on our and our third-party providers' information systems.

Our Vice President of Data and Process Enablement provides management with information regarding our cybersecurity program and potential cybersecurity threats or incidents, which information is then provided to our Board of Directors as required. In addition, our Vice President of Data and Process Enablement is empowered to escalate material cybersecurity threats or incidents and strategic risk management decisions to the Board of Directors so that they can provide appropriate oversight and guidance on these critical cybersecurity issues within the context of our overall strategic objectives and business operations.

Our management team is responsible for ensuring that we have appropriate policies and procedures in place to help identify, measure, monitor and control potentially significant business risks. In connection with these responsibilities, our management team meets regularly to assess our information technology policies and review the architecture of our information system infrastructure in the management of cybersecurity related risks to our business.

Our management works closely with their information technology and security counterparts to evaluate and address cybersecurity threats in alignment with our business objectives and operational needs. We also maintain an enterprise-wide information systems security program that applies to all employees. All employees are expected to assist in safeguarding our information systems and to assist in the discovery and reporting of cybersecurity incidents. This program is intended to identify and assess internal and external cyber and information security risks that may threaten the security or integrity of nonpublic information stored on our and our third-party providers' information systems from unauthorized access, use or other malicious acts.

Additionally, our Vice President of Data and Process Enablement plays an important role in the prevention, detection, mitigation, and remediation of cybersecurity incidents and in informing management and our Board of Directors on cybersecurity risks and issues. Regular annual assessments include the evaluation of (a) the confidentiality of nonpublic information and the integrity and security of our information systems; (b) cybersecurity policies and procedures; (c) material cybersecurity risks; (d) the effectiveness of our cybersecurity program; and (e) any material cybersecurity incidents.

We regularly engage with a range of external experts, including cybersecurity assessors, risk management professionals and other consultants, in evaluating and testing our risk management systems given the complexity and evolving nature of cybersecurity threats. These engagements enable us to leverage specialized knowledge and insights and assist with our goal of maintaining cybersecurity strategies and processes that are consistent with industry best practices.

We are aware of the risks associated with third-party service providers and have implemented policies and processes to oversee and assist with managing these risks. Our management team evaluates third-party providers before engagement and monitors these providers on an ongoing basis commensurate with the level of risk and complexity of the relationship with, and the activities performed by, such providers. This approach is designed to help identify and mitigate risks related to data breaches or other cybersecurity incidents originating from third-parties in order to better protect our assets and data.

We have not encountered cybersecurity threats or incidents that have materially and adversely affected, or are reasonably likely to materially and adversely affect, our business strategy, results of operations or financial condition. Notwithstanding the defensive approach we take to cybersecurity, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. While we maintain cybersecurity insurance, the costs related to cybersecurity threats, incidents or disruptions may not be fully insured. For more information regarding the risks we face from cybersecurity threats, see "*Item 1A. Risk Factors –Security breaches and unauthorized use of our systems and information could expose us, our customers, our data suppliers or others to risk of loss*."

Item 2. Properties

Our headquarters are in Newtown, Pennsylvania. We currently lease additional office space in Hingham, Massachusetts. We believe our currently leased space is sufficient to meet our current needs, and that any additional space we may require will be available on commercially reasonable terms.

Item 3. Legal Proceedings

From time to time we may be involved in claims that arise during the ordinary course of business. For any matters where management currently believes it is probable that we will incur a loss and that the probable loss or range of loss can be reasonably estimated, we record reserves in the consolidated financial statements based on our best estimate of such loss. In other instances, because of the uncertainties related to either the probable outcome or the amount or range of loss, management is unable to make a reasonable estimate of a liability, if any. Regardless of the outcome, litigation can be costly and time consuming, and it can divert management's attention from important business matters and initiatives, negatively impacting our overall operations. Although the results of litigation and claims cannot be predicted with certainty, we do not currently have any pending litigation to which we are a party or to which our property is subject that we believe to be material, except for the below.

Audet v. Green Tree International, et. al.

On February 14, 2020, John Audet filed a complaint in 15th Judicial Circuit in and for Palm Beach County, Florida against multiple parties, including Green Tree International ("GTI"), an indirect subsidiary of Forian, claiming that he owned 10% of GTI. The complaint sought unspecified monetary damages equivalent to the value a 10% shareholder of GTI would have received in the subsequent Helix and Forian transactions, along with an equitable accounting and constructive trust to determine if Audet suffered any loss of profit distributions. On March 8, 2024, the parties entered into a Settlement Agreement and General Release, which included a release of GTI, Forian and its subsidiaries and all related parties. The parties filed a Joint Stipulation to Dismiss with Prejudice with respect to this matter on March 18, 2024. Dismissal with prejudice was effective upon the filing of the Joint Stipulation.

Grant Whitus et al. v. Forian Inc., Zachary Venegas and Scott Ogur

On July 30, 2021, four former Helix employees filed a lawsuit in the Arapahoe County, Colorado District Court against Forian and certain of its subsidiaries and Helix's former managers asserting claims of breach of contract, promissory estoppel, breach of the covenant of good faith and fair dealing, civil theft and conversion, fraudulent misrepresentation, civil conspiracy and unjust enrichment / quantum meruit, all relating to the plaintiffs' claims that they were promised equity interest in Helix or compensation that they never received. The original complaint was never served, and in November 2021, the plaintiffs filed and served an amended complaint adding a fifth plaintiff and seeking over $27.5 million in damages as well as attorneys' fees and costs. Forian removed the matter to the United States District Court for the District of Colorado in December 2021, and Forian and the other defendants filed motions to dismiss on January 20, 2022. Plaintiffs subsequently amended their complaint on April 21, 2022, adding Helix TCS LLC and Helix Technologies, Inc. as defendants and advancing additional claims for breach of fiduciary duty and violation of the Colorado Wage Claims Act. On November 22, 2023, Forian and the other defendants entered into a Settlement Agreement and Release with the fifth plaintiff, which included a release of Forian and its subsidiaries and all related parties. That plaintiff filed a stipulation dismissing her claims on December 12, 2023. On May 31, 2024, the remaining parties entered into a Settlement Agreement and Release, which included a release of Forian and its subsidiaries and all related parties. Plaintiffs filed a Stipulation of Dismissal on June 7, 2024. The Court entered a Minute Order dismissing the case with prejudice on June 7, 2024.

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is listed on The Nasdaq Stock Market (''Nasdaq'') under the symbol ''FORA''.

Holders of Record

As of April 9, 2025, there were approximately 275 holders of record of shares of our common stock. This number does not reflect the beneficial holders of our common stock who hold shares in street name through brokerage accounts or other nominees.

Dividend Policy

We have never declared or paid any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business. We do not intend to pay cash dividends on our common stock for the foreseeable future.

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares (or Unit) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (for Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
October 1, 2024 through October 31, 2024	100,000	$2.185	—	—
November 1, 2024 through November 30, 2024	—	—	—	—
December 1, 2024 through December 31, 2024	—	—	—	—

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement for Forward-Looking Information

The following discussion of the Company's financial condition and results of operations for the years ended December 31, 2024 and 2023 should be read in conjunction with the consolidated financial statements and the notes to those statements that are included elsewhere in this Annual Report on Form 10-K. The following discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, including plans, objectives, expectations, intentions and those set forth under "Cautionary Statement for Forward-Looking Information." Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under "Item 1A. Risk Factors" and elsewhere in this Annual Report on Form 10-K. The Company uses words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements.

As discussed in "Note 20 - Restatement of Previously Issued Financial Statements" in "Item 8. Financial Statements and Supplementary Data," we have restated our previously issued audited Consolidated Financial Statements as of December 31, 2023, and for the year ended December 31, 2023, and our unaudited quarterly financial information for the quarterly periods ended March 31, June 30 and September 30, 2023. During the course of the audit of the Company's 2024 financial statements, management of the Company, after discussion with its independent registered public accounting firm, determined that under ASC 606, Revenue from Contracts with Customers ("ASC 606"), aggregate annual minimum payments for certain contracts should be recognized on a straight line basis over the life of the contract, as opposed to individually in the year in which the minimum fee applies under the terms of the contract. As a result, the Company restated its previously reported financial statements for the periods that were affected. This restatement applied to the application of ASC 606 to a limited number of contracts where the Company may earn variable fees based on customer sales over certain thresholds specified in the contract and had no impact on the Company's cash flows. This restatement increased revenues and sales and marketing expenses for all periods since the Company's inception as a public company in 2021, increasing previously reported revenues by $1.7 million and previously reported net income by $1.5 million, each on a cumulative basis. Accordingly, Management's Discussion and Analysis of Financial Condition and Results of Operations have been revised for the effects of the restatement.

Overview

Forian Inc. (the "Company" or "Forian") was incorporated in Delaware on October 15, 2020 as a wholly owned subsidiary of Forian LLC (f/k/a Medical Outcomes Research Analytics, LLC) ("MOR") for the purpose of effecting the business combination with Helix Technologies, Inc. ("Helix"). Forian provides a unique suite of data management capabilities and proprietary information and analytics solutions to optimize and measure operational, clinical and financial performance for customers within the healthcare and life sciences and financial services industries.

The business combination with Helix was accounted for as a reverse acquisition using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* ("ASC 805"), with the Company deemed the accounting acquirer for financial reporting purposes. Helix provided software and analytics solutions to state governments and licensed operators within the cannabis industry, primarily through its subsidiary, Bio-Tech Medical Software, Inc. ("BioTrack"), until its sale of BioTrack in 2023.

On February 10, 2023, Helix completed the sale of 100% of the outstanding capital stock of BioTrack. On March 3, 2022, Helix completed the sale of the assets of its security monitoring business. On October 31, 2022, Helix completed the sale of 100% of the outstanding membership interest of its Engeni LLC subsidiary. These businesses are referred to collectively as the "Helix Businesses." As a result of these transactions, Helix has no remaining active operations and the Company no longer provides products or services to the cannabis industry. The results of the Helix Businesses are presented as discontinued operations in the Consolidated Statements of Operations and, as such, have been excluded from continuing operations.

On October 31, 2024, the Company entered into a Membership Interest Assignment Agreement, by and among Cowen Inc. ("Cowen"), IMcK Holdings LLC ("Minority Seller" and together with Cowen, the "Sellers"), Kyber Data Science, LLC ("Kyber") and the Company, pursuant to which the Company acquired all outstanding equity interests of Kyber from the Sellers, effective October 31, 2024. The business combination with Kyber was accounted for using the acquisition method of accounting in accordance with ASC 805, with the Company deemed the accounting acquirer for financial reporting purposes.

Financial Operations Overview

The following discussion sets forth certain components of the Company's statements of operations as well as factors that impact those items.

Revenues

Revenues are derived from fees for the Company's proprietary information products and services. The Company recognizes revenues from information products as performance obligations under customer contracts are satisfied. Sales for the year ended December 31, 2024 by country as a percentage of total sales were: United States (90%), Australia (8%), and Canada/other (2%) compared to sales for the year ended December 31, 2023 by country as a percentage of total sales which were: United States (88%), Australia (8%) and Canada (4%).

Cost of Revenues

Cost of revenues is generated from direct costs associated with the delivery of the Company's products and services to its customers. The cost of revenues relates primarily to labor costs, information licensing, hosting and infrastructure costs and client service team costs.

On July 31, 2024, the Company was informed by one of its information vendors that effective December 31, 2024, the vendor will no longer include certain data within the information products it licenses to the Company. The vendor stated this was due to clarifications and updates to the licensing relationship between the vendor and one of its data suppliers. In February 2025, the vendor announced that it intended to exit the data licensing business by the end of 2026. As a result of this event, the Company is evaluating its rights under the contract and anticipates it may reduce the expected period of benefit for existing contracts with the vendor beginning in the first quarter of 2025, resulting in accelerated amortization of amounts included in other assets related to the contract.

On September 23, 2024, the Company was informed by one of its information vendors that it was exercising the right to terminate the agreement with the Company effective September 25, 2024, based on restrictions imposed by the information vendor's upstream licensor. As a result, the Company recorded an adjustment of $542,389 included in cost of revenues during the year ended December 31, 2024, representing previously recorded charges under the contract that will not be paid.

The Company has licensed data from additional vendors in consideration of the above changes, and in addition is evaluating other potential data sources to meet future needs; however, there can be no assurance that the alternate sources of comparable data can be obtained, and if so, on terms and conditions substantially equivalent to those under the Company's previous agreements. The Company continues to evaluate any impact on customer performance commitments and the availability of alternate sources of comparable data.

Research and Development

Research and development expenses consist primarily of employee-related expenses, subcontractor and third-party consulting fees and hosted infrastructure costs. The Company continues to focus research and development efforts on adding new features and applications to its product offerings.

Sales and Marketing

Sales and marketing expense is primarily salaries and related expenses, including commissions, for sales, marketing and product management staff. Marketing program costs are also recorded as sales and marketing expense including advertising, market research and events (such as trade shows, corporate communications, brand building, etc.). The Company plans to continue investing in marketing and sales by expanding selling and marketing staff, building brand awareness, attracting new clients and sponsoring additional marketing events. The timing of these marketing events may affect marketing costs in any particular period.

General and Administrative Expenses

General and administrative expenses include salaries, benefits and other costs of departments serving administrative functions, such as executives, finance and accounting and human resources. In addition, general and administrative expense includes non-personnel costs, such as professional fees, legal fees, accounting and finance advisory fees and other supporting corporate expenses not allocated to cost of revenues, product and development or sales and marketing.

Litigation Settlements and Related Expenses

Litigation settlements and related expenses result from the defense and settlement of legacy claims assumed in the Helix merger.

Depreciation and Amortization Expenses

Depreciation and amortization relate to long lived assets used in the Company's business. Depreciation expense relates primarily to furniture and equipment and computers.

Strategic Review and Transaction Related Expenses

Strategic review and transaction related expenses consist of legal and professional fees related to a strategic review of the Company's operations and the acquisition of Kyber.

Results of Operations For the Years Ended December 31, 2024 and 2023

The following table summarizes the results of operations for the periods indicated:

	For the Years Ended December 31,	
	2024	2023 (as restated)
Revenues	$20,153,263	$21,216,984
Costs and Expenses		
Cost of revenues	7,334,163	5,477,032
Research and development	1,444,745	1,407,580
Sales and marketing	4,334,289	4,957,833
General and administrative	12,536,940	12,600,208
Separation expenses	—	599,832
Litigation settlements and related expenses	669,955	1,032,985
Strategic review and transaction related expenses	756,743	—
Depreciation and amortization	63,389	74,438
Operating loss from continuing operations	$ (6,986,961)	$ (4,932,924)

Comparison of Years Ended December 31, 2024 and 2023

Revenues

Revenues for the for the year ended December 31, 2024, were $20,153,263, which represented a decrease of $1,063,721 compared to revenues of $21,216,984 for the year ended December 31, 2023. The decrease is primarily due to the expiration and attrition of certain customer contracts and approximately $514,000 of service credits issued to customers in consideration of claimed disruptions related to the termination and replacement of certain upstream data contracts discussed above, partially offset by impact of the Kyber acquisition.

Cost of Revenues

Cost of revenues for the year ended December 31, 2024, was $7,334,163, which represented an increase of $1,857,131 compared to cost of revenues of $5,477,032 for the year ended December 31, 2023. Cost of revenues increased primarily due to the impact of the Kyber acquisition and higher information licensing expenses. As a result, gross profit as a percentage of revenues decreased to 64% for the year ended December 31, 2024, compared to 74% for the same period in 2023.

Research and Development

Research and development expenses for the year ended December 31, 2024, were $1,444,745, which represented an increase of $37,165 compared to total research and development expenses of $1,407,580 for the year ended December 31, 2023. The increase is due to the impact of the Kyber acquisition, partially offset by lower personnel, subcontracted labor and infrastructure costs related to new product development, which resulted from the Company's shift in focus to the healthcare analytics market.

Sales and Marketing

Sales and marketing expenses for the year ended December 31, 2024, were $4,334,289, which represented a decrease of $623,544 compared to total sales and marketing expenses of $4,957,833 for the year ended December 31, 2023. The decrease is due to lower severance, salaries and commissions related to changes in sales force composition implemented during 2023.

General and Administrative

General and administrative expenses for the year ended December 31, 2024, were $12,536,940, which represented a decrease of $63,268 compared to general and administrative expenses of 12,600,208 for the year ended December 31, 2023. The decrease is primarily due to decreases in salaries and other professional expenses, partially offset by increased stock compensation and bad debt expense.

Litigation Settlements and Related Expenses

Litigation settlements and related expenses for the year ended December 31, 2024, were $669,955 which represented a decrease of $363,030 compared to litigation settlements and related expenses of $1,032,985 for the year ended December 31, 2023. Litigation settlements and related expenses result from the defense and settlement of legacy claims assumed in the Helix merger, net of any insurance recoveries. During the year ended December 31, 2024, the Company incurred expenses to settle outstanding claims filed against the Company and certain of its subsidiaries (see ''Note 19 – Commitments and Contingencies – Legal Proceedings'' to the financial statements).

Strategic Review and Transaction Related Expenses

Strategic review and transaction related expenses of $756,743 for the year ended December 31, 2024, consist of professional fee's related to a strategic review of operations and the acquisition of Kyber.

Separation Expenses

Effective February 10, 2023, the Company's Chief Executive Officer, President and Class II member of the Board of Directors of the Company (the ''Board'') resigned. In connection with the resignation, the Company entered into a separation agreement providing for, among other things, (i) salary continuation for 12 months and (ii) accelerated vesting of 106,656 unvested restricted shares of the Company common stock. Separation expenses for the year ended December 31, 2023 include $250,000 related to the salary continuation and $349,832 related to the accelerated vesting of stock.

Non-GAAP Financial Measures

In this Annual Report on Form 10-K the Company has provided a non-GAAP measure, which is defined as financial information that has not been prepared in accordance with accounting principles generally accepted in the United States of America (''U.S. GAAP''). The non-GAAP financial measure provided herein is earnings before interest, taxes, non-cash and other items (''Adjusted EBITDA''), which should be viewed as supplemental to, and not as an alternative for, net income or loss calculated in accordance with U.S. GAAP (referred to below as ''net loss'').

Adjusted EBITDA is used by management as an additional measure of the Company's performance for purposes of business decision-making, including developing budgets, managing expenditures and evaluating potential acquisitions or divestitures. Period-to-period comparisons of Adjusted EBITDA help management identify additional trends in the Company's financial results that may not be shown solely by period-to-period comparisons of net loss. In addition, management may use Adjusted EBITDA in the incentive compensation programs applicable to some employees in order to evaluate the Company's performance. Management recognizes that Adjusted EBITDA has inherent limitations because of the excluded items, particularly those items that are recurring in nature. In order to compensate for those limitations, management also reviews the specific items that are excluded from Adjusted EBITDA, but included in net loss, as well as trends in those items contained in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Management believes that the presentation of Adjusted EBITDA is useful to investors in their analysis of the Company's results for reasons similar to those believed by management. Additionally, Adjusted EBITDA helps facilitate investor understanding of decisions made by management in light of the performance metrics used in making those decisions. As more fully described below, management believes that providing Adjusted EBITDA, together with a reconciliation of net (loss) income to Adjusted EBITDA, helps investors make comparisons between the Company and other companies that may have different capital structures, different effective income tax rates and tax attributes, different capitalized asset values and/or different forms of employee compensation. However, Adjusted EBITDA is not intended as a substitute for comparisons based on net (loss) income. In making any comparisons to other companies, investors should be aware that companies use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measures and the corresponding U.S. GAAP measures provided by each company under applicable SEC rules.

The following is an explanation of the items excluded from Adjusted EBITDA but included in net loss from continuing operations:

- ***Depreciation and Amortization.*** Depreciation and amortization expense is a non-cash expense relating to capital expenditures and intangible assets arising from acquisitions that are expensed on a straight-line basis over the estimated useful life of the related assets. The Company excludes depreciation and amortization expense from Adjusted EBITDA because management believes that (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of the business operations and (ii) such expenses can vary significantly between periods as a result of new acquisitions and full amortization of previously acquired tangible and intangible assets. Accordingly, management believes that this exclusion assists management and investors in making period-to-period comparisons of operating performance. Investors should note that the use of tangible and intangible assets contributed to revenue in the periods presented and will contribute to future revenue generation and should also note that such expense will recur in future periods.
- ***Stock-Based Compensation Expense.*** Stock-based compensation expense is a non-cash expense arising from the grant of stock-based awards to employees. Management believes that excluding the effect of stock-based compensation from Adjusted EBITDA assists management and investors in making period-to-period comparisons in the Company's operating performance because (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of business operations and (ii) such expenses can vary significantly between periods as a result of the timing of grants of new stock-based awards, including grants in connection with acquisitions. Stock-based compensation expense includes certain separation expenses related to the vesting of stock options. Effective February 10, 2023, the Company's Chief Executive Officer, President and Class II member of the Board resigned. In connection with the resignation, the Company entered into a separation agreement providing for, among other things, accelerated vesting of 106,656 unvested restricted shares of the Company common stock. Stock based compensation expense for 2023 includes $349,832 related to the accelerated vesting of stock, which is recognized in separation expenses in the consolidated statements of operations. These expenses were incurred during the three months ended March 31, 2023, and there were no additional related expenses incurred during the year ended December 31, 2023. Management believes that excluding stock-based compensation from Adjusted EBITDA assists management and investors in making meaningful comparisons between the Company's operating performance and the operating performance of other companies that may use different forms of employee compensation or different valuation methodologies for their stock-based compensation. Investors should note that stock-based compensation is a key incentive offered to employees whose efforts contributed to the operating results in the periods presented and are expected to contribute to operating results in future periods. Investors should also note that such expenses will recur in the future.
- ***Interest Expense.*** Interest expense is associated with the convertible notes entered into on September 1, 2021 in the amount of $24,000,000 (the "Notes"). The Notes are due on September 1, 2025, and accrue

interest at an annual rate of 3.5%. Management excludes interest expense from Adjusted EBITDA (i) because it is not directly attributable to the performance of business operations and, accordingly, its exclusion assists management and investors in making period-to-period comparisons of operating performance and (ii) to assist management and investors in making comparisons to companies with different capital structures. Investors should note that interest expense associated with the Notes will recur in future periods.

- ***Interest and Investment Income.*** Interest and Investment income is associated with the level of marketable debt securities and other interest-bearing accounts in which the Company invests. Interest and investment income can vary over time due to changes in interest rates and level of investments. Management excludes interest and investment income from Adjusted EBITDA (i) because these items are not directly attributable to the performance of business operations and, accordingly, their exclusion assists management and investors in making period-to-period comparisons of operating performance and (ii) to assist management and investors in making comparisons to companies with different capital structures. Investors should note that interest income will recur in future periods.

- ***Other Items.*** The Company engages in other activities and transactions that can impact net income (loss). In the periods reported, these other items included (i) change in fair value of warrant liability relating to warrants assumed in the acquisition of Helix; (ii) gain on sale of investment relating to the sale of a minority equity interest; (iii) gain on debt redemption which relates to a gain on the early retirement of a portion of the Notes (for further discussion, refer to ''Note 12 – Warrant Liability'' and ''Note 13 – Convertible Notes'' to the financial statements) and (iv) gain on bargain purchase (for further discussion refer to Note 5 - Acquisition). Management excludes these other items from Adjusted EBITDA because management believes these activities or transactions are not directly attributable to the performance of business operations and, accordingly, their exclusion assists management and investors in making period-to-period comparisons of operating performance. Investors should note that some of these other items may recur in future periods.

- ***Severance expenses.*** Effective February 10, 2023, the Company's Chief Executive Officer, President and Class II member of the Board resigned. In connection with the resignation, the Company entered into a separation agreement providing for, among other things, (i) salary continuation for twelve months and (ii) accelerated vesting of 106,656 unvested restricted shares of the Company common stock. Severance expenses for the year ended December 31, 2023 includes $250,000 related to the salary continuation, included in separation expenses in the Consolidated Statements of Operations. Managements excludes these other items from Adjusted EBITDA because management believes these costs are not recurring and not directly attributable to the performance of business operations and, accordingly, their exclusion assists management and investors in making period-to-period comparisons of operating performance. In addition, the Company records normal course of business severance expenses in the operating expense line item related to its employees' activities.

- ***Litigation related expenses.*** Management excludes litigation expenses that are extraordinary in nature and are unrelated to the Company's day-to-day business operations. The nature of these expenses is primarily related to direct and incremental third-party legal expenses and settlement expenses, net of any insurance recoveries, associated with such litigation, which pertains to entities acquired in the Helix merger, see ''Item 3. Legal Proceedings'' and ''Note 19 – Commitments and Contingencies'' in ''*Item 8. Financial Statements and Supplementary Data*'' for further information.

- ***Strategic review and acquisition related expenses.*** Management excludes certain professional expenses that are extraordinary in nature and are unrelated to the Company's day-to-day business operations. The nature of these expenses is primarily related to a strategic review of the Company's operations and acquisition of Kyber.

- ***Contract termination impacts.*** Management excludes certain expenses that are extraordinary in nature and are unrelated to the Company's day-to-day business operations. The nature of these expenses is primarily related to the impact of an adjustment related to the cancellation of an inbound information contract. On September 23, 2024, the Company was informed by one of its information vendors that it was exercising the right to terminate the agreement with the Company effective September 25, 2024, based on restrictions imposed by the supplier's upstream licensor. As a result, the Company recorded an adjustment of $542,389, to reduce cost of revenues, during the year ended December 31, 2024, representing previously recorded charges under the contract that will not be paid.

- ***Income tax (benefit) expense.*** Management excludes the income tax (benefit) expense from Adjusted EBITDA (i) because management believes that the income tax (benefit) expense is not directly attributable to the underlying performance of business operations and, accordingly, its exclusion assists management and investors in making period-to-period comparisons of operating performance and (ii) to assist management and investors in making comparisons to companies with different tax attributes.

Limitations on the use of non-GAAP financial measures

There are limitations to using non-GAAP financial measures because non-GAAP financial measures are not prepared in accordance with U.S. GAAP and may be different from non-GAAP financial measures provided by other companies.

The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon reported financial results. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which items are adjusted to calculate non-GAAP financial measures. Management compensates for these limitations by analyzing current and future results on a U.S. GAAP basis as well as a non-GAAP basis and also by providing U.S. GAAP measures in the Company's public disclosures.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. Management encourages investors and others to review the Company's financial information in its entirety, not to rely on any single financial measure to evaluate the business and to view non-GAAP financial measures in conjunction with the most directly comparable U.S. GAAP financial measures.

The following table reconciles the specific items excluded from U.S. GAAP metrics in the calculation of Adjusted EBITDA for the periods shown below:

	For the Years Ended December 31,	
	2024	2023 (as restated)
Revenue	$20,153,263	$21,216,984
Net (loss) income from continuing operations	(3,771,070)	2,395,518
Depreciation and amortization	63,389	74,438
Stock based compensation expense	6,528,397	6,573,969
Change in fair value of warrant liability	(563)	(3,984)
Interest and investment income	(2,422,261)	(2,327,974)
Interest expense	708,933	834,785
Gain on sale of investment	(80,694)	(5,805,858)
Gain on debt redemption	(283,059)	(111,151)
Gain on bargain purchase	(1,204,830)	—
Severance expense	—	250,000
Litigation related expenses	669,955	1,032,985
Strategic review and transaction related expenses	756,743	—
Contract termination impacts	(542,389)	—
Income tax expense	66,583	85,740
Adjusted EBITDA - continuing operations	$ 489,134	$ 2,998,468

Comparison of the Years Ended December 31, 2024 and 2023

Adjusted EBITDA - continuing operations

Adjusted EBITDA for the year ended December 31, 2024, was $489,134 compared to $2,998,468 for the year ended December 31, 2023, a decrease of $2,509,334. The decrease is primarily due to higher cost of revenues, partially offset by other decreases in operating expenses discussed above.

Liquidity and Capital Resources

Historically, the Company's operations have been financed primarily from cash flow from operating activities, cash proceeds received from the sale of investments, equity issuances and the issuance of the Notes. On February 10, 2023, the Company sold BioTrack for $30,000,000 consisting of $20,000,000 in cash at closing and twelve unconditional monthly payments aggregating $10,000,000 thereafter. On July 21, 2023, the Company sold a minority equity interest in a customer for cash proceeds of $5,805,858 and future contingent earnout payments aggregating up to $3,600,000 in 2025 and 2026. These transactions have provided additional cash and liquidity to the Company. During 2024, the Company redeemed $18,881,466 in outstanding principal and interest on its Notes. As of December 31, 2024, the Company's balance of cash and marketable securities aggregated $35,082,749 and outstanding principal and accrued interest on the Notes, due September 1, 2025, aggregated $6,697,649. The Company expects to continue to fund its operations and potential future acquisitions through a combination of cash flow generated from operating activities, available cash and marketable securities, debt financing and/or additional equity issuances.

Cash Flows

The following table summarizes selected information about sources and uses of cash and cash equivalents for the periods presented:

	For the Years Ended December 31,	
	2024	2023 (as restated)
Net cash provided by operating activities - continuing operations	$ 282,827	$ 787,893
Net cash provided by investing activities - continuing operations	17,288,745	7,119,943
Net cash used in financing activities - continuing operations	(19,023,897)	(4,601,518)
Net (decrease) increase in cash and cash equivalents - continuing operations	$ (1,452,325)	$ 3,306,318

Net Cash Provided By Operating Activities

Net cash provided by operating activities of $282,827 decreased by $505,066 for the year ended December 31, 2024 compared to cash provided by operating activities of $787,893 for the year ended December 31, 2023. This primarily is the result of changes in working capital accounts related to the timing of cash flows from operations.

Net Cash Provided By Investing Activities

Net cash provided by investing activities of $17,288,745 increased by $10,168,802 for the year ended December 31, 2024 compared to cash provided by investing activities of $7,119,943 for the year ended December 31, 2023. This is primarily the result of changes in the impact of cash from acquisitions, disposition of discontinued operations, sale of investment and changes in net additions to marketable securities.

Net Cash Used In Financing Activities

Net cash used in financing activities of $19,023,897 for the year ended December 31, 2024 increased by $14,422,379 compared to cash used in financing activities of $4,601,518 for the year ended December 31, 2023. The increase was primarily due to changes in tax payments for vested restricted stock units and redemptions of certain of the Notes, partially offset by the impact of the repurchase of stock in 2023.

Critical Accounting Estimates

Management's discussion and analysis of the Company's financial condition and results of operations are based upon the Company's Consolidated Financial Statements that have been prepared in accordance with US GAAP. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

On an on-going basis, the Company evaluates its estimates, including those related to revenues, stock-based compensation, income taxes, contingencies and litigation.

The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Company believes the following critical accounting estimates used in the preparation of its Consolidated Financial Statements affect its more significant judgments and estimates.

Revenue

The Company utilizes judgement to determine whether performance obligations in a contract are distinct and whether they are delivered at a point in time or over time. Judgement is also necessary to assess revenue recognized under variable revenue arrangements.

Share-Based Payments

Under the fair value recognition provision, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the requisite service period. The Company makes certain assumptions in order to value and expense its various share-based payment awards.

Income Taxes

The Company utilizes judgement and estimates in assessing the need for the valuation allowance related to deferred tax assets, including net operating loss carry-forwards. In the event the Company were to determine that it would not be able to realize all or part of its net deferred tax assets, an adjustment to the deferred tax assets would be charged to income in the period such determination was made.

Business Combinations

We allocate the fair value of the consideration transferred to the assets acquired and liabilities assumed, including trademarks and customer relationships based on their estimated fair values at the acquisition date. Any excess over the consideration transferred is recorded as gain on bargain purchase. The purchase price allocation requires us to make significant estimates and assumptions, especially at the acquisition date, with respect to intangible assets and deferred revenue obligations.

Although we believe the assumptions and estimates we have made are reasonable, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Examples of critical estimates used in valuing certain of the intangible assets we have acquired or may acquire in the future include but are not limited to:

- future expected cash flows from sales, maintenance agreements, and acquired developed technologies;
- the acquired company's trade name and customer relationships as well as assumptions about the period of time the acquired trade name and customer relationships will continue to be used in our product portfolio;
- expected costs to develop the in-process research and development into commercially viable software and estimated cash flows from the projects when completed; and
- discount rates used to determine the present value of estimated future cash flows.

These estimates are inherently uncertain and unpredictable, and if different estimates were used the purchase price for the acquisition could be allocated to the acquired assets and liabilities differently from the allocation that we have made. In addition, unanticipated events and circumstances may occur, which may affect the accuracy or validity of such estimates, and, if such events occur, we may be required to recognize a loss in the consolidated statement of operations due to an overestimation of the value ascribed to an acquired asset or an increase in the amounts recorded for assumed liabilities.

Discontinued Operations

In accordance with ASC 205-20 Discontinued Operations, the results of the Helix Businesses are presented as discontinued operations in the Consolidated Statements of Operations and, as such, have been excluded from continuing operations. Further, the Company recorded a gain on the sale of discontinued operations, net of tax during the year ended December 31, 2023. The Company evaluated the divestitures of the Helix Business in accordance with ASC 205-20 and determined that transactions in aggregate represented a strategic shift that had a major impact on the Company. Accounting for discontinued operations and the related gain on sale of discontinued operations required the Company to make estimates and judgements regarding the allocation of costs and net asset values to discontinued operations.

Recent Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (''ASU 2023-09''). ASU 2023-09 requires additional disclosures related to rate reconciliation, income taxes paid and other disclosures. Under ASU 2023-09, for each annual period presented, public entities are required to (1) disclose specific categories in the tabular rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. In addition, ASU 2023-09 requires all reporting entities to disclose on an annual basis the amount of income taxes paid disaggregated by federal, state and foreign taxes as well as the amount of income taxes paid by individual jurisdiction. ASU 2023-09 is effective for public business entities for annual periods beginning after December 15, 2024 and can be applied on a prospective basis with an option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2023-09 on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued Accounting Standards Update No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Topic 220): Disaggregation of Income Statement Expenses* (''ASU 2024-03''). ASU 2024-03 requires additional disclosure of certain amounts included in the expense captions presented on the Statement of Operations as well as disclosures about selling expenses. The ASU is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted for annual financial statements that have not yet been issued. The Company is currently evaluating the impact of ASU 2024-03 on its consolidated financial statements and related disclosures.

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (''ASU 2023-07''). ASU 2023-07 improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this update require public companies to disclose on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and require that a public entity disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition. In addition, the update requires that a public entity provide all annual disclosures about a reportable segment's profit or loss and assets currently required in interim periods and require that a public entity disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. Early adoption is permitted. The Company adopted ASU 2023-07 effective December 31, 2024, on a retrospective basis. The adoption of 2023-07 did not change the way that the Company identifies its reportable segments and, as a result, did not have a material impact on the Company's segment-related disclosures. Refer to Note 3 for further information on the Company's reportable segment.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its financial statements.

JOBS Act

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an ‘‘emerging growth company.’’ As an ‘‘emerging growth company,’’ the Company is electing to take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards.

Subject to certain conditions set forth in the JOBS Act, as an ‘‘emerging growth company,’’ the Company is not required to, among other things, (i) provide an auditor’s attestation report on its system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation. These exemptions will apply until the fifth anniversary of the business combination with Helix or until the Company no longer meets the requirements for being an ‘‘emerging growth company,’’ whichever occurs first.

RESTATEMENT OF INTERIM FINANCIAL STATEMENTS

We have restated our unaudited interim financial statements for the three months ended March 31, 2023, the three and six months ended June 30, 2023, the three and nine months ended September 30, 2023 (see "Note 21 - *Restatement of Previously Issued Unaudited Interim Financial Statements*"). Detailed restatements of our unaudited consolidated quarterly financial statements are provided in Note 21 to the financial statements. The information below reflects the impact of the restatement on our Management's Discussion and Analysis of Financial Condition and Results of Operations for the restated periods.

The following unaudited condensed statements of operations for each of the interim periods in 2023 (as restated) and 2024 have been prepared on a basis consistent with our audited annual financial statements included in this Annual Report on Form 10-K and include, in our opinion, all normal recurring adjustments necessary for the fair presentation of the financial information contained in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future. The following quarterly financial data should be read in conjunction with our audited financial statements and the related notes included in this Annual Report on Form 10-K.

Results of Operations for the Three Months Ended March 31, 2024 and 2023

	For the Three Months Ended March 31,	
	2024	2023
		(as restated)
Revenues	$ 4,877,378	$ 5,075,804
Costs and Expenses		
Cost of revenues	1,703,357	1,252,215
Research and development	389,889	531,689
Sales and marketing	1,055,141	1,216,734
General and administrative	3,283,489	3,555,475
Separation expenses	—	599,832
Litigation settlements and related expenses	208,965	84,351
Depreciation and amortization	8,887	38,430
Operating loss from continuing operations	$(1,772,350)	$(2,202,922)

Comparison of Three Months Ended March 31, 2024 and 2023

Revenues

Revenues for the three months ended March 31, 2024 were $4,877,378, which represented a decrease of $198,426, compared to revenues of $5,075,804 for the three months ended March 31, 2023. The decrease is primarily due to the impact of attrition of a larger customer.

Cost of Revenues

Cost of revenues for the three months ended March 31, 2024 was $1,703,357, which represented an increase of $451,142 compared to total cost of revenues of $1,252,215 for the three months ended March 31, 2023. Cost of revenues increased primarily due to incremental information sources added during the fourth quarter of 2023 to be incorporated into the Company's product offerings. As a result, gross profit as a percentage of revenues decreased to 65% for the for the three months ended March 31, 2024, compared to 75% for the same period in 2023. Information licensing costs are generally semi-variable in nature, providing operating leverage as the Company increases revenue.

Research and Development

Research and development expenses for the three months ended March 31, 2024 were $389,889, which represented a decrease of $141,800 compared to total research and development expenses of $531,689 for the three months ended March 31, 2023. The decrease is due to lower personnel, subcontracted labor and infrastructure costs related to new product development, which resulted from the Company's shift in focus to the healthcare analytics market.

Sales and Marketing

Sales and marketing expenses for the three months ended March 31, 2024 were $1,055,141, which represented a decrease of $161,593 compared to total sales and marketing expenses of $1,216,734 for the three months ended March 31, 2023. The decrease is due to lower salaries and expenses related to scaling the Company's products.

General and Administrative

General and administrative expenses for the three months ended March 31, 2024 were $3,283,489, which represented a decrease of $271,986 compared to general and administrative expenses of $3,555,475 for the three months ended March 31, 2023. The decrease is primarily due to lower personnel costs, consulting and insurance costs.

Litigation Settlements and Related Expenses

Litigation settlements and administrative expenses for the three months ended March 31, 2024 were $208,965 which represented an increase of $124,614 compared to litigation settlements and administrative expenses of $84,351 for the three months ended March 31, 2023. Litigation settlements and related expenses result from the defense and settlement of legacy claims assumed in the Helix merger.

Separation Expenses

Effective February 10, 2023, the Company's Chief Executive Officer, President and Class II member of the Board of Directors resigned. In connection with the resignation, the Company entered into a separation agreement providing for, among other things, (i) salary continuation for 12 months and (ii) accelerated vesting of 106,656 unvested restricted shares of the Company common stock. Separation expenses for the three months ended March 31, 2023 include $250,000 related to the salary continuation and $349,832 related to the accelerated vesting of stock.

Non-GAAP Financial Measures

The following table reconciles the specific items excluded from U.S. GAAP metrics in the calculation of Adjusted EBITDA for the periods shown below:

	For the Three Months Ended March 31,	
	2024	**2023**
		(as restated)
Revenue	$ 4,877,378	$ 5,075,804
Net loss from continuing operations	(1,212,615)	(2,063,924)
Depreciation and amortization	8,887	38,430
Stock based compensation expense	1,658,915	1,828,233
Change in fair value of warrant liability	(113)	5,559
Interest and investment income	(675,157)	(382,922)
Interest expense	198,963	208,456
Gain on sale of investment	(48,612)	—
Gain on debt redemption	(137,356)	—
Severance expense	—	250,000
Litigation related expenses	208,965	84,351
Income tax expense	102,540	29,909
Adjusted EBITDA - continuing operations	$ 104,417	$ (1,908)

Comparison of Three Months Ended March 31, 2024 and 2023

Adjusted EBITDA – continuing operations

Adjusted EBITDA for the three months ended March 31, 2024 was $104,417 compared to a loss of $1,908 for the three months ended March 31, 2023, an increase of $106,325. The increase is primarily due to higher revenues and the lower research and development and general and administrative expenses discussed above, as well as a decrease in stock based compensation.

Results of Operations For the Three and Six Months Ended June 30, 2024 and 2023

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023 (as restated)	2024	2023 (as restated)
Revenues	$ 4,777,101	$ 5,098,959	$ 9,654,479	$10,174,763
Costs and Expenses				
Cost of revenues	1,806,918	1,276,712	3,510,275	2,528,927
Research and development	307,201	304,187	697,090	835,876
Sales and marketing	1,017,659	1,257,869	2,072,800	2,474,603
General and administrative	3,229,757	3,198,290	6,513,246	6,753,765
Separation expenses	—	—	—	599,832
Litigation settlements and related expenses	942,311	350,309	1,151,276	434,660
Depreciation and amortization	7,889	15,257	16,776	53,687
Strategic review and transaction related expenses	435,844	—	435,844	—
Operating loss from continuing operations	$(2,970,478)	$(1,303,665)	$(4,742,828)	$ (3,506,587)

Comparison of Three Months Ended June 30, 2024 and 2023

Revenues

Revenues for the three months ended June 30, 2024 were $4,777,101, which represented a decrease of $321,858, compared to revenues of $5,098,959 for the three months ended June 30, 2023. The decrease is primarily due to increased sales of information products to new and existing customers in the healthcare industry offset by the impact of attrition of a larger customer.

Cost of Revenues

Cost of revenues for the three months ended June 30, 2024 was $1,806,918, which represented an increase of $530,206 compared to total cost of revenues of $1,276,712 for the three months ended June 30, 2023. Cost of revenues increased primarily due to incremental information sources added during the fourth quarter of 2023 to be incorporated into the Company's product offerings. As a result, gross profit as a percentage of revenues decreased to 62% for the for the three months ended June 30, 2024, compared to 75% for the same period in 2023. Information licensing costs are generally semi-variable in nature, providing operating leverage as the Company increases revenue.

Research and Development

Research and development expenses for the three months ended June 30, 2024 were $307,201, which represented an increase of $3,014 compared to total research and development expenses of $304,187 for the three months ended June 30, 2023. Research and development expense was consistent with the prior year.

Sales and Marketing

Sales and marketing expenses for the three months ended June 30, 2024 were $1,017,659, which represented a decrease of $240,210 compared to total sales and marketing expenses of $1,257,869 for the three months ended June 30, 2023. The decrease is due to lower salaries and commissions related to changes in sales force composition.

General and Administrative

General and administrative expenses for the three months ended June 30, 2024 were $3,229,757, which represented an increase of $31,467 compared to general and administrative expenses of $3,198,290 for the three months ended June 30, 2023. The increase is primarily due to increased professional expenses related to a strategic review of the Company's operations and bad debt expense, partially offset by decreases in other professional expenses.

Litigation Settlements and Related Expenses

Litigation settlements and related expenses result from the defense and settlement of legacy claims assumed in the Helix merger. During the three months ended June 30, 2024, the Company incurred expenses to settle outstanding claims filed against the Company and certain of its subsidiaries.

Strategic Review and Transaction Related Expenses

Strategic review and transaction related expenses for the three months ended June 30, 2024 were $435,844 which represented an increase of $435,844 compared to strategic review and transaction related expenses of $0 for the three months ended June 30, 2023. Strategic review and transaction related expenses consist of professional fees related to a strategic review of operations and the acquisition of Kyber.

Comparison of Six Months Ended June 30, 2024 and 2023

Revenues

Revenues for the for the six months ended June 30, 2024 were $9,654,479, which represented a decrease of $520,284, compared to revenues of $10,174,763 for the six months ended June 30, 2023. The decrease is primarily due to increased sales of information products to new and existing customers in the healthcare industry offset by the impact of attrition of a larger customer.

Cost of Revenues

Cost of revenues for the six months ended June 30, 2024 was $3,510,275, which represented an increase of $981,348 compared to total cost of revenues of $2,528,927 for the six months ended June 30, 2023. Cost of revenues increased primarily due to incremental information sources added during the fourth quarter of 2023 to be incorporated into the Company's product offerings. As a result, gross profit as a percentage of revenues decreased to 64% for the six months ended June 30, 2024, compared to 75% for the same period in 2023. Information licensing costs are generally semi-variable in nature, providing operating leverage as the Company increases revenue.

Research and Development

Research and development expenses for the six months ended June 30, 2024 were $697,090, which represented a decrease of $138,786 compared to total research and development expenses of $835,876 for the six months ended June 30, 2023. The decrease is due to lower personnel, subcontracted labor and infrastructure costs related to new product development, which resulted from the Company's shift in focus to the healthcare analytics market.

Sales and Marketing

Sales and marketing expenses for the six months ended June 30, 2024 were $2,072,800, which represented a decrease of $401,803 compared to total sales and marketing expenses of $2,474,603 for the six months ended June 30, 2023. The decrease is due to lower salaries and commissions related to changes in sales force composition.

General and Administrative

General and administrative expenses for the six months ended June 30, 2024 were $6,513,246, which represented a decrease of $240,519 compared to general and administrative expenses of $6,753,765 for the for the six months ended June 30, 2023. The decrease is primarily due to decreases in other professional expenses.

Litigation Settlements and Related Expenses

Litigation settlements and related expenses result from the defense and settlement of legacy claims assumed in the Helix merger. During the six months ended June 30, 2024 the Company incurred expenses to settle outstanding claims filed against the Company and certain of its subsidiaries.

Separation Expenses

Effective February 10, 2023, the Company's Chief Executive Officer, President and Class II member of the Board of Directors resigned. In connection with the resignation, the Company entered into a separation agreement providing for, among other things, (i) salary continuation for 12 months and (ii) accelerated vesting of 106,656 unvested restricted shares of the Company common stock. Separation expenses for the six months ended June 30, 2023 include $250,000 related to the salary continuation and $349,832 related to the accelerated vesting of stock.

Strategic Review and Transaction Related Expenses

Strategic review and transaction related expenses for the six months ended June 30, 2024 were $435,844 which represented an increase of $435,844 compared to strategic review and transaction related expenses of $0 for the six months ended June 30, 2023. Strategic review and transaction related expenses consist of professional fee's related to a strategic review of operations and the acquisition of Kyber.

Non-GAAP Financial Measures

The following table reconciles the specific items excluded from U.S. GAAP metrics in the calculation of Adjusted EBITDA for the periods shown below:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023 (as restated)	2024	2023 (as restated)
Revenue	$ 4,777,101	$5,098,959	$ 9,654,479	$10,174,763
Net loss from continuing operations	(2,553,259)	(905,525)	(3,765,874)	(2,969,449)
Depreciation and amortization	7,889	15,257	16,776	53,687
Stock based compensation expense	1,662,636	1,540,342	3,321,551	3,368,575
Change in fair value of warrant liability	(430)	(8,053)	(543)	(2,494)
Interest and investment income	(618,316)	(637,032)	(1,293,473)	(1,019,954)
Interest expense	193,306	210,758	392,269	419,214
Gain on sale of investment	—	—	(48,612)	—
Gain on debt redemption	—	—	(137,356)	—
Severance expense	—	—	—	250,000
Litigation related expenses	942,311	350,309	1,151,276	434,660
Strategic review related expenses	435,844	—	435,844	—
Income tax expense	8,221	36,187	110,761	66,096
Adjusted EBITDA - continuing operations	$ 78,202	$ 602,243	$ 182,619	$ 600,335

Comparison of the Three Months Ended June 30, 2024 and 2023

Adjusted EBITDA - continuing operations

Adjusted EBITDA for the three months ended June 30, 2024 was $78,202 compared to $602,243 for the three months ended June 30, 2023, a decrease of $524,041. The decrease is primarily due to lower revenues and higher cost of sales, partially offset by other decreases in operating expenses discussed above.

Comparison of the Six Months Ended June 30, 2024 and 2023

Adjusted EBITDA - continuing operations

Adjusted EBITDA for the six months ended June 30, 2024 was $182,619 compared to $600,335 for the six months ended June 30, 2023, a decrease of $417,716. The decrease is primarily due to lower operating expenses discussed above.

Results of Operations For the Three and Nine Months Ended September 30, 2024 and 2023

The following table summarizes the condensed results of operations for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023 (as restated)	2024	2023 (as restated)
Revenues	$4,686,312	$5,531,802	$14,340,791	$15,706,565
Costs and Expenses				
Cost of revenues	1,402,920	1,362,555	4,913,195	3,891,482
Research and development	291,962	264,781	989,052	1,100,657
Sales and marketing	956,983	1,331,545	3,029,783	3,806,148
General and administrative	2,858,184	2,887,771	9,371,430	9,641,536
Separation expenses	—	—	—	599,832
Litigation settlements and related expenses	1,394	316,820	1,152,670	751,480
Depreciation and amortization	6,629	10,598	23,405	64,285
Strategic review and transaction related expenses	(35,931)	—	399,913	—
Operating loss from continuing operations	$ (795,829)	$ (642,268)	$ (5,538,657)	$ (4,148,855)

Comparison of Three Months Ended September 30, 2024 and 2023

Revenues

Revenues for the three months ended September 30, 2024 were $4,686,312, which represented a decrease of $845,490 compared to revenues of $5,531,802 for the three months ended September 30, 2023. The decrease is primarily due to lower revenues resulting from the expiration of certain customer contracts and attrition due to the inability of certain customers to complete planned financings, partially offset by new customer sales.

Cost of Revenues

Cost of revenues for the three months ended September 30, 2024 was $1,402,920, which represented an increase of $40,365 compared to total cost of revenues of $1,362,555 for the three months ended September 30, 2023. Cost of revenues increased primarily due to higher information licensing expenses related to expansion of the Company's data sources, partially offset by an adjustment related to the cancellation of an inbound information contract. As a result, gross profit as a percentage of revenues decreased to 70% for the for the three months ended September 30, 2024 compared to 75% for the same period in 2023. Information licensing costs are generally semi-variable in nature, providing operating leverage as the Company increases revenue.

Research and Development

Research and development expenses for the three months ended September 30, 2024 were $291,962, which represented an increase of $27,181 compared to total research and development expenses of $264,781 for the three months ended September 30, 2023. The increase is due to higher personnel costs compared to the same period last year.

Sales and Marketing

Sales and marketing expenses for the three months ended September 30, 2024 were $956,983, which represented a decrease of $374,562 compared to total sales and marketing expenses of $1,331,545 for the three months ended September 30, 2023. The decrease is due to lower severance, salaries and commissions related to changes in sales force composition implemented during the third quarter of 2023, and the impact of lower revenues.

General and Administrative

General and administrative expenses for the three months ended September 30, 2024 were $2,858,184, which represented a decrease of $29,587 compared to general and administrative expenses of $2,887,771 for the three months ended September 30, 2023. The decrease is primarily due to lower salaries and professional expenses partially offset by higher bad debt expense.

Litigation Settlements and Related Expenses

Litigation settlements and administrative expenses for the three months ended September 30, 2024 were $1,394 which represented a decrease of $315,426 compared to litigation settlements and administrative expenses of $316,820 for the three months ended September 30, 2023. Litigation settlements and related expenses result from the defense and settlement of legacy claims assumed in the Helix merger.

Strategic Review and Transaction Related Expenses

Strategic review and transaction related expenses for the three months ended September 30, 2024 were $(35,931) which represented a decrease of $35,931 compared to strategic review and transaction related expenses of $0 for the three months ended September 30, 2023. Strategic review and transaction related expenses consist of professional fee's related to a strategic review of operations and the acquisition of Kyber.

Comparison of Nine Months Ended September 30, 2024 and 2023

Revenues

Revenues for the for the nine months ended September 30, 2024 were $14,340,791, which represented a decrease of $1,365,774 compared to revenues of $15,706,565 for the nine months ended September 30, 2023. The decrease is primarily due to lower revenues resulting from the expiration of certain customer contracts and attrition due to the inability of certain customers to complete planned financings, partially offset by new customer sales.

Cost of Revenues

Cost of revenues for the nine months ended September 30, 2024 was $4,913,195, which represented an increase of $1,021,713 compared to total cost of revenues of $3,891,482 for the nine months ended September 30, 2023. Cost of revenues increased primarily due to higher information licensing expenses related to expansion of the Company's data sources, partially offset by an adjustment related to the cancellation of an inbound information contract. As a result, gross profit as a percentage of revenues decreased to 66% for the nine months ended September 30, 2024 compared to 75% for the same period in 2023. Information licensing costs are generally semi-variable in nature, providing operating leverage as the Company increases revenue.

Research and Development

Research and development expenses for the nine months ended September 30, 2024 were $989,052, which represented a decrease of $111,605 compared to total research and development expenses of $1,100,657 for the nine months ended September 30, 2023. The decrease is due to is due to lower personnel, subcontracted labor and infrastructure costs related to new product development, which resulted from the Company's shift in focus to the healthcare analytics market.

Sales and Marketing

Sales and marketing expenses for the nine months ended September 30, 2024 were $3,029,783, which represented a decrease of $776,365 compared to total sales and marketing expenses of $3,806,148 for the nine months ended September 30, 2023. The decrease is due to lower severance, salaries and commissions related to changes in sales force composition implemented during the third quarter of 2023, and the impact of lower revenues.

General and Administrative

General and administrative expenses for the nine months ended September 30, 2024 were $9,371,430, which represented a decrease of $270,106 compared to general and administrative expenses of $9,641,536 for the nine months ended September 30, 2023. The decrease is primarily due to higher bad debt expense offset by lower salaries and professional expenses.

Litigation Settlements and Related Expenses

Litigation settlements and administrative expenses for the nine months ended September 30, 2024 were $1,152,670 which represented an increase of $401,190 compared to litigation settlements and administrative expenses of $751,480 for the nine months ended September 30, 2023. Litigation settlements and related expenses result from the defense and settlement of legacy claims assumed in the Helix merger. During the nine months ended September 30, 2024, the Company incurred expenses to settle outstanding claims filed against the Company and certain of its subsidiaries.

Strategic Review and Transaction Related Expenses

Strategic review and transaction related expenses for the nine months ended September 30, 2024 were $399,913 which represented an increase of $399,913 compared to strategic review and transaction related expenses of $0 for the nine months ended September 30, 2023. Strategic review and transaction related expenses consist of professional fee's related to a strategic review of operations and the acquisition of Kyber.

Separation Expenses

Effective February 10, 2023, the Company's Chief Executive Officer, President and Class II member of the Board of Directors resigned. In connection with the resignation, the Company entered into a separation agreement providing for, among other things, (i) salary continuation for 12 months and (ii) accelerated vesting of 106,656 unvested restricted shares of the Company common stock. Separation expenses for the nine months ended September 30, 2023 include $250,000 related to the salary continuation and $349,832 related to the accelerated vesting of stock.

Non-GAAP Financial Measures

The following table reconciles the specific items excluded from U.S. GAAP metrics in the calculation of Adjusted EBITDA for the periods shown below:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023 (as restated)	2024	2023 (as restated)
Revenue	$4,686,312	$ 5,531,802	$14,340,791	$15,706,565
Net (loss) income from continuing operations	(204,907)	5,618,643	(3,970,781)	2,649,194
Depreciation and amortization	6,629	10,598	23,405	64,285
Stock based compensation expense	1,552,042	1,551,997	4,873,593	4,920,572
Change in fair value of warrant liability	(20)	(1,594)	(563)	(4,088)
Interest and investment income	(658,339)	(646,832)	(1,951,812)	(1,666,786)
Interest expense	195,415	211,333	587,684	630,547
Gain on sale of investment	(32,082)	(5,805,858)	(80,694)	(5,805,858)
Gain on debt redemption	—	(111,151)	(137,356)	(111,151)
Severance expense	—	—	—	250,000
Litigation related expenses	1,394	316,820	1,152,670	751,480
Strategic review related expenses	(35,931)	—	399,913	—
Contract termination impacts	(542,389)	—	(542,389)	—
Income tax (benefit) expense	(95,896)	93,191	14,865	159,287
Adjusted EBITDA - continuing operations	$ 185,916	$ 1,237,147	$ 368,535	$ 1,837,482

Comparison of the Three Months Ended September 30, 2024 and 2023

Adjusted EBITDA - continuing operations

Adjusted EBITDA for the three months ended September 30, 2024 was $185,916 compared to $1,237,147 for the three months ended September 30, 2023, a decrease of $1,051,231. The decrease is primarily due to lower revenues and higher cost of sales, partially offset by other decreases in operating expenses discussed above.

Comparison of the Nine Months Ended September 30, 2024 and 2023

Adjusted EBITDA - continuing operations

Adjusted EBITDA for the nine months ended September 30, 2024 was $368,535 compared to $1,837,482 for the nine months ended September 30, 2023, a decrease of $1,468,947. The decrease is primarily due to lower revenues and higher cost of sales, partially offset by other decreases in operating expenses discussed above.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

This item is not required.

Item 8. Financial Statements and Supplementary Data

FORIAN INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024 AND 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Forian Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Forian Inc. (the ''Company'') as of December 31, 2024 and 2023, the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the two years in the 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 two years in the period ended December 31, 2024 and 2023, in conformity with accounting principles generally accepted in the United States of America.

Restatement of 2023 Financial Statements

As discussed in Note 20 to the financial statements, the accompanying financial statements as of December 31, 2023 and for the year then ended, have been restated to correct misstatements surrounding the Company's accounting for recognition of revenue.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 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 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2020.

San Francisco, California
April 11, 2025

FORIAN INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2023

	December 31, 2024	December 31, 2023 (as restated)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,590,661	$ 6,042,986
Marketable securities	30,492,088	42,296,589
Accounts receivable, net	3,971,702	2,572,931
Proceeds receivable from sale of discontinued operations, net	—	1,645,954
Contract assets	2,586,712	2,650,809
Prepaid expenses	1,111,234	1,077,233
Other current assets	1,707,694	2,515,509
Total current assets	44,460,091	58,802,011
Property and equipment, net	46,652	76,085
Intangible assets, net	1,192,044	—
Right of use assets, net	35,560	10,664
Deposits and other assets	1,435,496	1,523,948
Total assets	$ 47,169,843	$ 60,412,708
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 982,665	$ 161,590
Accrued expenses and other current liabilities	4,413,267	4,423,521
Short-term operating lease liabilities	23,423	10,664
Warrant liability	—	563
Deferred revenues	4,487,686	2,225,009
Convertible notes payable, net of debt issuance costs (Note 13) ($6,000,000 in principal is held by a related party. Refer to Note 16)	6,697,649	—
Total current liabilities	16,604,690	6,821,347
Long-term liabilities:		
Other long-term liabilities	512,137	1,000,000
Convertible notes payable, net of debt issuance costs (Note 13) ($6,000,000 in principal is held by a related party. Refer to Note 16)	—	24,870,181
Total long-term liabilities	512,137	25,870,181
Total liabilities	17,116,827	32,691,528
Commitments and contingencies (Note 19)		
Stockholders' equity:		
Preferred Stock; par value $0.001; 5,000,000 Shares authorized; 0 issued and outstanding as of December 31, 2024 and December 31, 2023	—	—
Common Stock; par value $0.001; 95,000,000 Shares authorized; 31,010,788 issued and outstanding as of December 31, 2024 and 30,920,450 issued and outstanding as of December 31, 2023	31,011	30,920
Additional paid-in capital	79,937,115	73,834,300
Accumulated deficit	(49,915,110)	(46,144,040)
Total stockholders' equity	30,053,016	27,721,180
Total liabilities and stockholders' equity	$ 47,169,843	$ 60,412,708

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

FORIAN INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	For the Years Ended December 31,	
	2024	2023 (as restated)
Revenue	$20,153,263	$21,216,984
Costs and Expenses:		
Cost of revenues	7,334,163	5,477,032
Research and development	1,444,745	1,407,580
Sales and marketing	4,334,289	4,957,833
General and administrative	12,536,940	12,600,208
Separation expenses	—	599,832
Litigation settlements and related expenses	669,955	1,032,985
Depreciation and amortization	63,389	74,438
Strategic review and transaction related expenses	756,743	—
Total costs and expenses	27,140,224	26,149,908
Operating Loss From Continuing Operations	(6,986,961)	(4,932,924)
Other Income (Expense):		
Change in fair value of warrant liability	563	3,984
Interest and investment income	2,422,261	2,327,974
Gain on sale of investment	80,694	5,805,858
Interest expense	(708,933)	(834,785)
Gain on bargain purchase	1,204,830	—
Gain on debt redemption	283,059	111,151
Total other income, net	3,282,474	7,414,182
Net (loss) income from continuing operations before income taxes	(3,704,487)	2,481,258
Income tax expense	(66,583)	(85,740)
Net (loss) income from continuing operations, net of tax	(3,771,070)	2,395,518
Net loss from discontinued operations	—	(94,427)
Gain on sale of discontinued operations	—	11,531,849
Income tax effect on discontinued operations	—	(2,064,165)
Net income from discontinued operations, net of tax	—	9,373,257
Net (Loss) Income	$ (3,771,070)	$11,768,775
Net (loss) income per share:		
Basic		
Continuing operations	$ (0.12)	$ 0.07
Discontinued operations	$ —	$ 0.29
Net (loss) income per share - basic	$ (0.12)	$ 0.36
Diluted		
Continuing operations	$ (0.12)	$ 0.07
Discontinued operations	$ —	$ 0.29
Net (loss) income per share - diluted	$ (0.12)	$ 0.36
Weighted-average shares outstanding - basic	31,070,548	32,030,855
Weighted-average shares outstanding - diluted	31,070,548	32,230,845

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

FORIAN INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Preferred Stock		Common Stock				
	Shares	Par Value @ $0.001 per share	Shares	Par Value @ $0.001 per share	Additional Paid In Capital	Accumulated Deficit	Stockholders' Equity
Balance at January 1, 2024 (as restated)	**—**	**$—**	**30,920,450**	**$30,920**	**$73,834,300**	**$(46,144,040)**	**$27,721,180**
Vesting of Restricted Stock and Stock Awards, net of shares surrendered for taxes	—	—	217,988	218	(132,809)	—	(132,591)
Repurchase and retirement of common stock	—	—	(130,000)	(130)	(292,770)	—	(292,900)
Issuance of Forian common stock upon exercise of stock options	—	—	2,350	3	(3)	—	—
Stock-based compensation expense	—	—	—	—	6,528,397	—	6,528,397
Net loss	—	—	—	—	—	(3,771,070)	(3,771,070)
Balance at December 31, 2024	**—**	**$—**	**31,010,788**	**$31,011**	**$79,937,115**	**$(49,915,110)**	**$30,053,016**
Balance at January 1, 2023 (as restated)	**—**	**$—**	**32,251,326**	**$32,251**	**$71,182,326**	**$(57,912,815)**	**$13,301,762**
Vesting of Restricted Stock and Stock Awards, net of shares surrendered for taxes	—	—	272,899	273	(191,738)	—	(191,465)
Repurchase and retirement of common stock	—	—	(1,604,676)	(1,605)	(3,482,949)	—	(3,484,554)
Issuance of Forian common stock upon exercise of stock options	—	—	901	1	(1)	—	—
Stock-based compensation expense	—	—	—	—	6,326,662	—	6,326,662
Net income	—	—	—	—	—	11,768,775	11,768,775
Balance at December 31, 2023 (as restated)	**—**	**$—**	**30,920,450**	**$30,920**	**$73,834,300**	**$(46,144,040)**	**$27,721,180**

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

FORIAN INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	For the Years Ended December 31, 2024	2023 (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (3,771,070)	$ 11,768,775
Less: Income from discontinued operations	—	9,373,257
(Loss) Income from continuing operations	(3,771,070)	2,395,518
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	63,389	74,438
Amortization on right of use asset	21,980	21,896
Gain on bargain purchase	(1,204,830)	—
Amortization of debt issuance costs	5,333	5,333
Amortization of discount - proceeds from sale of discontinued operations	(20,712)	(389,288)
Accrued interest on convertible notes	703,600	829,452
Accretion of discounts on marketable securities	(2,321,188)	(1,876,085)
Gain on sale of investment	(80,694)	(5,805,858)
Gain on debt redemption	(283,059)	(111,151)
Allowance for credit losses	225,000	—
Stock-based compensation expense	6,528,397	6,573,969
Change in fair value of warrant liability	(563)	(3,984)
Change in operating assets and liabilities:		
Accounts receivable	(856,719)	(763,903)
Contract assets	64,097	579,133
Prepaid expenses	75,933	(241,447)
Lease liabilities	(33,381)	(21,896)
Deposits and other assets	963,710	(1,520,022)
Accounts payable	821,075	(154,521)
Accrued expenses	(331,990)	552,587
Deferred revenues	203,118	(356,278)
Other liabilities	(488,599)	1,000,000
Net cash provided by operating activities - continuing operations	282,827	787,893
Net cash used in operating activities - discontinued operations	—	(59,075)
Net cash provided by operating activities	282,827	728,818
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	—	(75,493)
Purchase of marketable securities	(152,354,967)	(144,077,731)
Sale and maturity of marketable securities	166,480,656	121,053,714
Proceeds from sale of investment	80,694	5,805,858
Cash from acquisition	1,415,696	—
Net cash from sale of discontinued operations	1,666,666	24,413,595
Net cash provided by investing activities - continuing operations	17,288,745	7,119,943
Net cash provided by investing activities	17,288,745	7,119,943
CASH FLOWS FROM FINANCING ACTIVITIES:		
Tax payments related to shares withheld for vested restricted stock units	(132,591)	(191,465)
Stock repurchase	(292,900)	(3,450,053)
Cash used to redeem convertible notes	(18,598,406)	(960,000)
Net cash used in financing activities - continuing operations	(19,023,897)	(4,601,518)
Net cash used in financing activities	(19,023,897)	(4,601,518)
Net change in cash	(1,452,325)	3,247,243
Cash and cash equivalents, beginning of period	6,042,986	2,795,743
Cash and cash equivalents, end of period	$ 4,590,661	$ 6,042,986
Supplemental disclosure of cash flow information:		
Cash (received) paid for taxes	$ (1,629,767)	$ 4,066,385

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

FORIAN INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 BUSINESS ORGANIZATION AND NATURE OF OPERATIONS

Forian Inc. (the "Company" or "Forian") was incorporated in Delaware on October 15, 2020 as a wholly owned subsidiary of Forian LLC (f/k/a Medical Outcomes Research Analytics, LLC) ("MOR") for the purpose of effecting the business combination with Helix Technologies, Inc. ("Helix"). Forian provides a unique suite of data management capabilities and proprietary information and analytics solutions to optimize and measure operational, clinical and financial performance for customers within the healthcare and life sciences and financial services industries.

The business combination with Helix in March 2021 was accounted for as a reverse acquisition using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* ("ASC 805"), with the Company deemed the accounting acquirer for financial reporting purposes. Helix provided software and analytics solutions to state governments and licensed operators in the cannabis industry, primarily through its subsidiary, Bio-Tech Medical Software, Inc. ("BioTrack"), until its sale of BioTrack in 2023.

On February 10, 2023, Helix completed the sale of 100% of the outstanding capital stock of BioTrack. On March 3, 2022, Helix completed the sale of the assets of its security monitoring business. On October 31, 2022, Helix completed the sale of 100% of the outstanding membership interest of its Engeni LLC subsidiary. These businesses are collectively referred to as the "Helix Businesses". As a result of these transactions, Helix has no remaining active operations and the Company no longer provides products or services to the cannabis industry. The results of the Helix Businesses are presented as discontinued operations in the Consolidated Statements of Operations and, as such, have been excluded from continuing operations. For further discussion on the discontinued operations, refer to Note 4.

On October 31, 2024, the Company entered into a Membership Interest Assignment Agreement (the "Assignment Agreement"), by and among Cowen Inc. ("Cowen"), IMcK Holdings LLC ("Minority Seller" and together with Cowen, the "Sellers"), Kyber Data Science, LLC ("Kyber") and the Company, pursuant to which the Company acquired all outstanding equity interests of Kyber (the "Kyber Transferred Interests") from the Sellers, effective October 31, 2024 (the "Kyber Transaction"). The business combination with Kyber was accounted for using the acquisition method of accounting in accordance with ASC 805, with the Company deemed the accounting acquirer for financial reporting purposes. Kyber provides a unique suite of data management capabilities and proprietary information and analytics solutions to optimize and measure financial performance for customers within the financial services industries.

Note 2 BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). The Financial Accounting Standards Board ("FASB") establishes these principles to ensure financial condition, results of operations, and cash flows are consistently reported. Any reference in these notes to applicable accounting guidance is meant to refer to the authoritative nongovernmental GAAP as found in the FASB ASC.

Note 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements of the Company include the accounts of (i) Forian LLC (f/k/a Medical Outcomes Research Analytics, LLC); (ii) Kyber Data Science LLC and its wholly owned subsidiaries Kyber Aesthetic Data LLC, Kyber Data Sub LLC, Kyber Health Data LLC and Kyber Survey Data LLC (effective October 31, 2024) and (iii) Helix Technologies, Inc. and its wholly owned subsidiaries Helix Legacy, Inc. (f/k/a Security Grade Protective Services, Ltd.), Green Tree International, Inc. and Bio-Tech Medical Software, Inc. (through February 10, 2023, on which date 100% of the outstanding capital stock of Bio-Tech Medical Software, Inc. was sold). All intercompany transactions have been eliminated in consolidation.

Discontinued Operations

On February 10, 2023, Helix completed the sale of 100% of the outstanding capital stock of its wholly owned subsidiary, BioTrack.

As the sale of BioTrack, the security monitoring business and Engeni, LLC, together, represented a strategic shift that had a major effect on the Company's operations and financial results, they have been presented in discontinued operations separate from continuing operations for the year ended December 31, 2023. The results from operations and gain (loss) on sale of the security monitoring business and Engeni LLC, net, was previously classified as part of continuing operations as their disposition individually did not have a major impact on the business prior to the sale of BioTrack. For further discussion, refer to Note 4.

Use of Estimates

Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses together with amounts disclosed in the related notes to the financial statements. The significant areas of estimation include but are not limited to revenues, accounting for the allowance for credit losses, income taxes, contingencies, discontinued operations, fair value of assets and intangible assets acquired in a business combination and stock-based compensation. Certain of the Company's estimates could be affected by external conditions, including those unique to the Company and general economic conditions. It is possible that the external factors could have an effect on the Company's estimates and could cause actual results to differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior period financial statements to conform to the current annual financial statement presentation. Certain litigation related costs that were previously included in general and administrative expenses in the prior period financial statements have been reclassified to Litigation settlements and related expenses to be consistent with the current presentation.

Fair Value of Financial Instruments

The Company measures the fair value of financial assets and liabilities based on the guidance of ASC 820, *Fair Value Measurements and Disclosures* (''ASC 820''), which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an ordinary transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities;

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable; and

Level 3 — inputs that are unobservable.

The carrying value of the Company's financial instruments, such as cash, marketable securities, accounts receivable and accrued liabilities and other liabilities approximate fair values due to the short-term nature of these instruments. The estimated fair value of the Company's warrant liabilities as of December 31, 2024 and December 31, 2023 was \$0 and \$563, respectively, based on Level 3 inputs. Refer to *"Note 12 - Warrant Liability" and "Note 14 - Stock Based Compensation."*

Cash and Cash Equivalents and Credit Risk

The Company considers all cash accounts that are not subject to withdrawal restrictions and highly liquid investments with a maturity of three months or less, when purchased, as cash and cash equivalents.

The Company maintains cash with major financial institutions. Cash held at U.S. bank institutions is currently insured by the Federal Deposit Insurance Corporation (''FDIC'') up to \$250,000 at each institution, as the coverage is based on individually titled accounts. The portion of deposits in excess of FDIC coverage is not protected by such insurance and represents a credit risk to the Company. At times, the Company's deposits exceed this coverage.

Accounts Receivable, Contract Assets and Allowance for Credit Losses

The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment regardless of whether revenue has been recognized. If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded in the consolidated balance sheets.

Accounts receivable are recorded at the invoiced amount, net of allowance for credit losses. The Company determines the allowance for credit losses based on historical write-off experience, customer specific facts and economic conditions.

Contract assets represent contractual rights to consideration in the future and are generated when contractual billing schedules differ from the timing of revenue recognition. The Company determines the allowance for credit losses based on historical payment experience, customer specific facts, expected performance over the duration of the contract and economic conditions.

Outstanding account balances are reviewed individually for collectability or realizability. The allowance for credit losses is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable or contract assets. The allowance for credit losses for accounts receivable was $225,000 at December 31, 2024 and $0 at December 31, 2023. The allowance for credit losses for contract assets was $225,000 at December 31,2024 and $0 at December 31, 2023.

Management charges account balances against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Proceeds Receivable From Sale of Discontinued Operations, Net

In February 2023, the Company received a note for $10,000,000 payable in twelve equal monthly installments as partial consideration for the sale of BioTrack (see "*Note 4 – Discontinued Operations*"). As of December 31, 2024, the note has been fully paid. The Company recognized $20,712 and $389,288 of amortization of the $410,000 original discount recorded on the note interest as investment income for the years ended December 31, 2024 and 2023, respectively.

Business Combinations

The Company accounts for its business combinations under the provisions of ASC Topic 805-10, which requires that the acquisition method of accounting be used for all business combinations. Assets acquired and liabilities assumed, including non-controlling interests, are recorded at the date of acquisition at their respective fair values. Any excess fair value of the net tangible and intangible assets acquired over the purchase price is recorded as bargain purchase gain in the statements of operations at the acquisition closing date. During the measurement period, which extends no later than one year from the acquisition date, the Company may record certain adjustments to the carrying value of the assets acquired and liabilities assumed. After the measurement period, all adjustments are recorded in the Consolidated Statements of Operations as operating expenses or income. Acquisition-related expenses are recognized separately from the business combinations and are expensed as incurred.

Revenue Recognition

The Company recognizes revenue in accordance with FASB Topic 606, *Revenue from Contracts with Customers* ("ASC 606").

Under ASC 606, the Company recognizes revenue when (or as) customers obtain control of promised goods or services, in an amount that reflects the consideration which is expected to be received in exchange for those goods or services. The Company recognizes revenue following the five-step model prescribed under ASC 606: (i) identify contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenues when (or as) the Company satisfies a performance obligation. The Company applies the provisions of ASC 606 to an arrangement when a substantive contract exists and collectability is probable.

The Company derives revenue primarily from fees for the Company's information products. Information products contracts are generally for a period of one month to five years. Information products' customers may access data analytics products through the use of tools provided by the Company or by utilizing their own tools per the contract. Data products may consist of historical information as it exists at the time of delivery or information that will be updated over a period of time as agreed with the customer. In most cases, the provision of information products is considered a single performance obligation. In cases where the Company is not obligated to update information over the access period and control over the use of the products passes to the customer when delivered, revenue is recognized when the information products are made available to the customer. In cases where information updates are provided over the contract term, they are considered highly interrelated with the information product delivered upon contract inception and revenue is recognized ratably over the life of the contract. Customers are generally invoiced according to monthly, quarterly or annual amounts specified in the contract. Any amounts invoiced in excess of revenue recognized are recorded as deferred revenue. Revenue recognized in excess of amounts invoiced is recorded as a contract asset.

In some cases, contracts provide for variable consideration that is contingent upon the occurrence of uncertain future events, which can either increase or decrease the transaction price, including sales of products by customers derived from data analytics products the Company provides and the volume of data available for future information updates. Variable consideration based on sales of products by customers is recognized in the period of sales, subject to minimum amounts specified in contracts. Variable consideration is estimated at the expected value or at the most likely amount depending on the type of consideration. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimate of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available to the Company and reevaluated each reporting period. The effect of revisions in recognized estimated variable consideration in excess of minimums are recorded beginning in the period in which the estimates are revised. Actual results could differ from periodic estimates.

Significant judgments and estimates are sometimes necessary for the determination of whether performance obligations in a contract are distinct and whether they are delivered at a point in time or over time. Judgement is also necessary to assess revenue recognized under variable revenue arrangements.

Contract acquisition costs, which consist of sales commissions paid or payable, are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions for initial and renewal contracts are deferred and then amortized on a straight-line basis over the contract term.

During November 2020, the Company entered into a Master Services Agreement (the ‘‘November 2020 Agreement’’) with a customer to provide information services described in certain statements of work under the November 2020 Agreement. As part of the November 2020 Agreement, the Company was granted shares of restricted stock representing approximately 23.4% of the outstanding common stock of the customer at the time of issuance, vesting in quarterly increments specified in the November 2020 Agreement through December 2023. Concurrently, the Company entered into a Stockholders Agreement specifying its voting and other rights as a stockholder. As a result, the Company determined that it did not exert influence over the customer. ASC 606-10-32-21 requires an entity to measure the fair value of noncash consideration at contract inception. The fair value of the restricted stock was determined to be $0 on the date of inception. The Company recorded revenue from the customer of $3,402,484 and $3,415,981 for the years ended December 31, 2024 and 2023, respectively. The Company had outstanding accounts receivable from this customer of $823,975 and $1,827 at December 31, 2024 and December 31, 2023, respectively.

On July 21, 2023, the customer merged with Vox Merger Sub, Inc. As a result of the merger, the Company received $5,805,858 of cash proceeds, net of holdbacks, in consideration for all of its equity interest in the customer, which was recorded as gain on sale of investment during the year ended December 31, 2023. Forian may receive additional earnout payments in 2025 and 2026 in an aggregate amount of up to approximately $3,600,000 if certain conditions are met.

Contract assets and deferred revenues consist of the following as of December 31, 2024 and December 31, 2023:

	Contract Assets			Contract Liability
	Costs of obtaining contracts	Unbilled revenue, net	Total	Deferred Revenue
Balance at January 1, 2023 (as restated)	$158,016	$3,071,926	$3,229,942	$ 2,581,287
Beginning deferred revenue balance recognized during the period	—	—	—	(2,581,286)
Net change due to timing of billings, payments and recognition	(50,684)	(528,449)	(579,133)	2,225,008
Balance at December 31, 2023 (as restated)	107,332	2,543,477	2,650,809	2,225,009
Beginning deferred revenue balance recognized during the period	—	—	—	(1,975,009)
Net change due to acquisition	—	—	—	2,059,560
Net change due to timing of billings, payments and recognition	(44,882)	(19,215)	(64,097)	2,178,126
Balance at December 31, 2024	$ 62,450	$2,524,262	$2,586,712	$ 4,487,686

Transaction price allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes unearned revenue and unbilled amounts that will be recognized as revenue in future periods. The majority of the Company's noncurrent remaining performance obligations will be recognized over the next 36 months.

The transaction price allocated to remaining performance obligations consisted of the following:

	December 31, 2024	December 31, 2023 (as restated)
Estimated next twelve months	$20,550,004	$17,253,884
Thereafter	13,397,200	19,066,902
Total	$33,947,204	$36,320,786

Segment Information

FASB ASC 280, Segment Reporting ("ASC 280"), establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker ("CODM"), the Chief Executive Officer, manages the Company's business activities as a single operating and reportable segment at the consolidated level. Accordingly, the CODM uses consolidated net income to measure segment profit or loss, allocate resources and assess performance. Further, the CODM reviews and utilizes functional expenses (cost of revenues, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company's operations. Other segment items included in consolidated net income are interest income, other expense, net and the provision for (benefit from) income taxes, and infrequent items such as gain on redemption of debt, gain on sale of investment and gain on bargain purchase, which are reflected in the consolidated statements of operations.

Sales for the year ended December 31, 2024 by country as a percentage of total sales were: United States (90%), Australia (8%), and Canada/other (2%) compared to sales for the year ended December 31, 2023 by country as a percentage of total sales which were: United States (88%), Australia (8%), and Canada (4%).

The Company's long-lived assets consist primarily of intangible assets and deposits and other assets. As of December 31, 2024 and 2023 all of the Company's long-lived assets were in the U.S.

As discussed above, the Company disposed of its businesses servicing the cannabis industry in 2023, and has reclassified its historical results as discontinued operations. As such, the Company's continuing operations are comprised of a single reportable segment providing analytic and information services to the healthcare, life science and financial services industries.

Customer Concentration

During the year ended December 31, 2024, the Company had two customers representing 16.9% and 11.6% of revenue. At December 31, 2024, the Company had three customers representing 20.7%, 11.7% and 11.6% of accounts receivable.

During the year ended December 31, 2023 (as restated), the Company had two customers representing 16.1% and 11.6% of revenue. At December 31, 2023, the Company had two customers representing 15.8% and 15.1% of accounts receivable.

Vendors and Licensors

The Company licenses certain information assets from third parties as a key input to certain Information and software products. Any disruptions associated with these suppliers could have a material short-term impact on the business while alternate sources are secured. The information licenses specify content deliverables and specified use rights for a fixed fee and time period. Payment terms for information licenses generally consist of upfront payments and annual licensing fees. The Company expenses the contract costs over the expected period of benefit and records any differences between amounts expensed and payments incurred as other assets or liabilities on a contract by contract basis. Payments for licensed information, including the changes in related assets and liabilities, are classified within "Net cash provided by operating activities" on the consolidated statements of cash flows. In cases where the Company pays variable fees based on content usage, such costs are expensed as incurred.

On July 31, 2024, the Company was informed by one of its information vendors that effective December 31, 2024, the vendor will no longer include certain data within the information products it licenses to the Company. The vendor stated this was due to clarifications and updates to the licensing relationship between the vendor and one of its data suppliers (see *"Note 22 - Subsequent Events"* for additional information regarding the vendor).

On September 23, 2024, the Company was informed by one of its information vendors that it was exercising the right to terminate the agreement with the Company effective September 25, 2024, based on restrictions imposed by the information vendor's upstream licensor. As a result, the Company recorded an adjustment of $542,389 included in cost of revenues during the year ended December 31, 2024, representing previously recorded charges under the contract that will not be paid. The Company continues to evaluate any impact on customer performance commitments and the availability of alternate sources of comparable data.

The Company is currently evaluating the potential impact on its contractual relationship with the vendor and any impact on customer performance commitments and the availability of alternate sources of comparable data.

The Company has licensed data from additional vendors in consideration of the above changes, and in addition is evaluating other potential data sources to meet future needs; however, there can be no assurance that the alternate sources of comparable data can be obtained, and if so, on terms and conditions substantially equivalent to those under the Company's previous agreements. The Company continues to evaluate any impact on customer performance commitments and the availability of alternate sources of comparable data.

During the fourth quarter of 2024 the Company issued one time credits aggregating approximately $514,000 to certain customers in consideration of claims related to disruptions resulting from the transition to replacement data sources utilized to remediate the impact of the upstream changes discussed above.

Vendor Concentration

During the year ended December 31, 2024, the Company had one vendor representing 15.0% of purchases and expenses.

During the year ended December 31, 2023, the Company had two vendors representing 14.3% and 11.6% of purchases and expenses.

Property and Equipment, Net

Property and equipment are stated at cost, net of accumulated depreciation, which is recorded commencing at the in-service date using the straight-line method at rates sufficient to charge the cost of depreciable assets to operations over their estimated useful lives, which are 1 to 7 years. Maintenance and repairs are charged to operations as incurred.

Long-Lived Assets, Including Definite Lived Intangible Assets

The Company reviews for the impairment of long-lived assets annually and whenever events and or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Such indicators include, among others, the nature of the asset, the projected future economic benefit of the asset, historical and future cash flows and profitability measurements. An impairment loss would be recognized when the value of the undiscounted estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than the carrying value. There were no impairment losses recognized during the years ended December 31, 2024 and 2023.

Contingencies

Occasionally, the Company may be involved in claims and legal proceedings arising from the ordinary course of its business. The Company records a provision for a liability when it believes that it is both probable that a liability has been incurred and the amount can be reasonably estimated. If these estimates and assumptions change or prove to be incorrect, it could have a material impact on the Company's consolidated financial statements. Contingencies are inherently unpredictable and the assessments of the value can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions.

Advertising

Advertising costs are expensed as incurred and included in sales and marketing expenses and amounted to $86,354 and $56,800 for the years ended December 31, 2024 and 2023, respectively.

Net Income (Loss) per Share

The calculation of earnings per share is based on the weighted average number of common shares or common stock equivalents outstanding during the applicable period. The dilutive effect of common stock equivalents is excluded from basic earnings per share and is included in the calculation of diluted earnings per share, unless their impact is antidilutive to the ''control number,'' which is income (loss) from operations. Convertible notes, employee stock options, employee restricted stock awards and similar equity instruments granted by the Company are treated as potential ordinary shares outstanding in computing diluted earnings per share. Diluted shares outstanding are calculated using the as if converted method for convertible notes and the treasury stock method for other potentially dilutive securities. Under the as if converted method, the dilutive impact of securities is calculated as if conversion occurred at the beginning of the reporting period. Under the treasury stock method, the amount the employee must pay for exercising stock options, the amount of compensation cost for future service that the Company has not yet recognized and the amount of benefits that would be recorded in common shares when the award becomes deductible for tax purposes are assumed to be used to repurchase shares.

Distinguishing Liabilities from Equity

The Company relies on the guidance provided by ASC Topic 480, Distinguishing Liabilities from Equity and ASC 815-40, *Derivatives and Hedging: Contracts in Entity's Own Equity* (''ASC 815-40''), to classify certain redeemable and/or convertible instruments. The Company first determines whether a financial instrument should be classified as a liability. The Company will determine the liability classification if the financial instrument is mandatorily redeemable, or if the financial instrument, other than outstanding shares, embodies a conditional obligation that the Company must or may settle by issuing a variable number of its equity shares.

Once the Company determines that a financial instrument should not be classified as a liability, the Company determines whether the financial instrument should be presented between the liability section and the equity section of the balance sheet (''temporary equity''). The Company will determine temporary equity classification if the redemption of the financial instrument is outside the control of the Company (i.e. at the option of the holder). Otherwise, the Company accounts for the financial instrument as permanent equity.

Initial Measurement

The Company records its financial instruments classified as liability, temporary equity or permanent equity at issuance at the fair value.

Subsequent Measurement – Financial instruments classified as liabilities

The Company records the fair value of its financial instruments classified as liabilities at each subsequent measurement date. The changes in fair value of its financial instruments classified as liabilities are recorded as other expense/income.

Stock-based Compensation

The Company's 2020 Equity Incentive Plan ("2020 Plan") permits the grant of stock options, restricted stock awards and/or restricted stock units. A total of 4,000,000 shares of Company common stock were originally authorized and reserved for issuance under the 2020 Plan. On June 15, 2022, the Company's stockholders approved an amendment to the 2020 Plan, which amended the 2020 Plan to increase the number of shares available for issuance by 2,400,000 shares to a total of 6,400,000 shares. Stock options represent the right to purchase Company common stock at the exercise price on the date of grant of the stock option at a future date. Restricted stock awards are grants of shares of Company common stock. Restricted stock units represent the right to receive shares of Company common stock on future specified dates. Stock options, restricted stock awards and restricted stock units granted contain restrictions that cause them to be subject to substantial risk of forfeiture and restrict their exercise, sale or other transfer by the grantee until they vest. The terms of the stock options, restricted stock awards and units granted under the 2020 Plan are determined by the Board in the agreement evidencing the award, including the number of shares, period of restriction or vesting schedule and other terms. The fair value of the stock options, restricted stock awards and restricted stock units is based on the underlying grant date fair value of Company common stock. The fair value is then expensed over the requisite service periods of the awards, net of forfeitures, which is generally the service period and the related amount is recognized in the consolidated statements of operations.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740 ("ASC 740"). Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities, which are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The provision for income taxes represents Federal and state and local income taxes. The effective rate differs from statutory rates due to the effect of state and local income taxes, tax benefit of R&D credits and certain nondeductible expenses. The Company's effective tax rate will change from period to period based on recurring and non-recurring factors including, but not limited to, the geographical mix of earnings, enacted tax legislation and state and local income taxes. In addition, changes in judgment from the evaluation of new information resulting in the recognition, derecognition, or re-measurement of a tax position taken in a prior annual period is recognized separately in the period of the change.

For the year ended December 31, 2024, the Company recognized net income tax expense of $66,583. For the year ended December 31, 2023, the Company recognized net income tax expense of $85,740. The Company claims R&D tax credits on eligible R&D expenditures. The R&D tax credits are recognized as a reduction to income tax expense.

The Company recognized a taxable gain on sale of discontinued operations for the year ended December 31, 2023, which resulted in utilization of certain available federal and state net operating loss carryforwards. As a result, the Company recorded income taxes related to discontinued operations of $2,064,165 after utilization of federal and state net operating losses during the year ended December 31, 2023.

The Company files a consolidated U.S. income tax return and tax returns in certain state and local jurisdictions. As of December 31, 2024, the Company is not currently under any examination in any tax jurisdiction.

Tax contingencies are recorded, if needed, to address potential exposure involving tax positions the Company has taken that could be challenged by tax authorities. These potential exposures could result from applications of various statutes, rules, regulations and interpretations. Any estimates of tax contingencies contain assumptions and judgments about potential actions by taxing jurisdictions. Any interest and penalties related to uncertain tax positions would be included as part of the income tax provision. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analysis of or changes in tax laws, regulations and interpretations thereof as well as other factors.

Separation Expenses

Effective February 10, 2023, the Company's Chief Executive Officer, President and Class II member of the Board resigned. In connection with the resignation, the Company entered into a separation agreement providing for, among other things, (i) salary continuation for twelve months and (ii) accelerated vesting of 106,656 unvested restricted shares of Company common stock. Separation expenses for the year ended December 31, 2023, include $250,000 related to the salary continuation and $349,832 related to the accelerated vesting of stock.

In addition, the Company records normal course of business severance expenses in the operating expense line item related to its employees' activities.

Litigation Settlements and Related Expenses

Litigation settlements and related expenses consist of incremental third-party legal expenses and settlement expenses, net of any insurance recoveries, associated with litigation, which pertains to entities acquired in the Helix merger (see *"Item 3 - Legal Proceedings"* and *"Note 19 – Commitments and Contingencies"*).

Strategic Review and Transaction Related Expenses

Strategic review and transaction related expenses of $756,743 for the year ended December 31, 2024, consist of professional fee's related to a strategic review of operations and the acquisition of Kyber.

Stock Repurchase

On October 3, 2023, the Company repurchased 1,604,676 shares of its common stock from a group of affiliated investors in a privately negotiated transaction at a redemption price of $2.15 per share for an aggregate purchase price of $3,450,053. The shares were cancelled and retired and returned to authorized and unissued shares. The Company recorded $34,501 of excise taxes related to the stock repurchase to additional paid in capital as transaction costs.

On July 29, 2024, the Company purchased and retired 30,000 shares of common stock of the Company in a private transaction for $74,400. The purchase price per share was equal to the closing price of the Company's common stock on The Nasdaq Stock Market LLC on the date the transaction was consummated.

On October 4, 2024, the Company purchased and retired 100,000 shares of common stock of the Company in a private transaction for $218,500. The purchase price per share was equal to the closing price of the Company's common stock on The Nasdaq Stock Market LLC on the date the transaction was consummated.

Recent Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires additional disclosures related to rate reconciliation, income taxes paid and other disclosures. Under ASU 2023-09, for each annual periods presented, public entities are required to (1) disclose specific categories in the tabular rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. In addition, ASU 2023-09 requires all reporting entities to disclose on an annual basis the amount of income taxes paid disaggregated by federal, state and foreign taxes as well as the amount of income taxes paid by individual jurisdiction. ASU 2023-09 is effective for public business entities for annual periods beginning after December 15, 2024, and can be applied on a prospective basis with an option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2023-09 on its consolidated financial statements and related

In November 2024, the FASB issued Accounting Standards Update No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Topic 220): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 requires additional disclosure of certain amounts included in the expense captions presented on the Statement of Operations as well as disclosures about selling expenses. The ASU is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted for annual financial statements that have not yet been issued. The Company is currently evaluating the impact of ASU 2024-03 on its consolidated financial statements and related disclosures.

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (''ASU 2023-07''). ASU 2023-07 improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this update require public companies to disclose on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and require that a public entity disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition. In addition, the amendment requires that a public entity provide all annual disclosures about a reportable segment's profit or loss and assets currently required in interim periods and require that a public entity disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. Early adoption is permitted. The Company adopted ASU 2023-07 effective December 31, 2024, on a retrospective basis. The adoption of 2023-07 did not change the way that the Company identifies its reportable segments and, as a result, did not have a material impact on the Company's segment-related disclosures. Refer to Segment Information above for further information on the Company's reportable segment.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its financial statements.

Note 4 DISCONTINUED OPERATIONS

Helix Businesses Discontinued Operations

On February 10, 2023, Helix completed the sale of 100% of the outstanding capital stock of its wholly owned subsidiary, BioTrack, in exchange for $30,000,000, consisting of $20,000,000 paid at closing and $10,000,000 paid in twelve unconditional monthly installments thereafter. In March 2022, Helix sold its security monitoring business and in October 2022, Helix sold its Argentinian subsidiary Engeni LLC. The security monitoring business, BioTrack and Engeni are collectively referred to as the ''Helix Businesses.'' As a result of these transactions, as of February 10, 2023, the Company no longer provides products or services to the cannabis industry. The Company continues to provide analytics solutions to customers in the healthcare and life sciences and financial services industries.

The Helix Businesses have been presented in discontinued operations separate from continuing operations for the year ended December 31, 2023.

The Company recorded a gain on the sale of the outstanding capital stock of its BioTrack business of $11,531,849 and a loss from discontinued operations of $94,427 during the year ended December 31, 2023, which is included as part of discontinued operations. The Company also recorded income taxes related to discontinued operations of $2,064,165 during the year ended December 31, 2023.

The following table summarizes the major income and expense line items of the Helix Businesses as reported in the consolidated statements of operations for the year ended December 31, 2023, through the date of sale:

	For the Year Ended December 31, 2023
Income and expense line items related to Helix Businesses:	
Revenues:	
Information and Software	$ 1,121,677
Services	179,798
Total revenues	1,301,475
Costs and Expenses:	
Cost of revenues	699,015
Research and development	160,164
Sales and marketing	35,005
General and administrative	129,283
Depreciation and amortization	372,435
Total costs and expenses	1,395,902
Net loss from discontinued operations for Helix Businesses before income taxes	(94,427)
Gain on sale of discontinued operations	11,531,849
Income tax expense	(2,064,165)
Net gain from discontinued operations, net of tax for Helix Businesses	$ 9,373,257

Note 5 ACQUISITION

On October 31, 2024, the Company entered into the Assignment Agreement, by and among the Sellers, Kyber, and the Company, pursuant to which the Company acquired the Kyber Transferred Interests from the Sellers, effective October 31, 2024. Pursuant to the terms of the Assignment Agreement, at the closing, Sellers transferred and assigned all of the Kyber Transferred Interests to the Company in consideration of the Company's assumption of Kyber's ordinary course liabilities. The Assignment Agreement also contains a customary post-closing working capital adjustment, if applicable. All outstanding Class B Units of Kyber were cancelled prior to the closing of the Kyber Transaction and no consideration was paid to the Class B Unit holders.

In accordance with ASC 805 – *Business Combination*, the Company has been considered as the acquirer for financial reporting purposes. Accordingly, for accounting purposes, the Company has recorded the assets, including the acquired identified intangible assets, and liabilities assumed in the Transaction at their fair values at the date of acquisition. Any excess of the fair value of the net assets acquired over the purchase price has been recorded as a bargain purchase gain.

The Company obtained control of Kyber for no consideration other than the assumption of certain normal course working capital liabilities. The Company recorded an estimated gain on bargain purchase upon completion of the transaction. The bargain purchase was a result of the Sellers' plan to wind down and terminate Kyber's operations if a sale was not completed by October 31, 2024, due to a previous change in ownership.

During the measurement period of up to one year from the Acquisition Date, the Company will record adjustments identified, if any, to the acquisition-date fair values of assets acquired and liabilities assumed with the corresponding offset to gain on bargain purchase. Upon the conclusion of the measurement period, any subsequent adjustments will be included in the Company's Consolidated Statements of Operations.

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed on the Acquisition Date:

Description	Purchase Price
Purchase price	$ —
Total consideration transferred	$ —

	As of October 31, 2024	Estimated Useful Life (Years)
Assets acquired		
Cash	$1,415,696	
Accounts receivables from customers, net	767,052	
Prepaid expenses and other assets	109,934	
Due from seller	67,443	
Customer relationship intangible	1,011,000	6
Trademarks	215,000	9
Total assets acquired	3,586,125	
Liabilities assumed		
Accrued expenses	321,735	
Deferred revenue	2,059,560	
Total liabilities assumed	2,381,295	
Gain on bargain purchase	1,204,830	
Total consideration transferred	$ —	

The Company incurred acquisition-related costs of $345,359 during the year ended December 31, 2024 for legal and auditing fees which were expensed as incurred and included in strategic review and transaction related expenses in the Consolidated Statements of Operations.

The results of operations of Kyber since the Acquisition Date have been included in the Company's Consolidated Financial Statements.

Supplemental Pro Forma Financial Information

The following table presents certain unaudited pro forma financial information for the combined entity as if the Kyber acquisition occurred on January 1, 2023. The unaudited pro forma financial information for the periods presented is provided for illustrative purposes only and is not necessarily indicative of the historical results of operations had the acquisition occurred on January 1, 2023, nor is it indicative of the results of operations in future periods. Kyber contributed revenues of $1,100,326 for the period October 31, 2024 through December 31, 2024 and was included in the Company's Consolidated Statements of Operations. It's impractical for the Company to provide Kyber's amount of contributed income from operations during the same period due to the level of integration and shared costs post-acquisition.

	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenues	$ 24,124,198	$ 25,377,128
Net loss	$(14,189,792)	$(10,117,099)
Basic and diluted net loss per share – on a pro forma basis	$ (0.46)	$ (0.31)

Note 6 MARKETABLE SECURITIES

Marketable securities are stated at estimated fair value based upon current market quotes (level 1 inputs) and are classified as available-for-sale. Realized gains and losses are included in investment income. Unrealized gains and losses are immaterial and therefore the Company has presented such amounts within investment income in the consolidated statements of operations. Marketable securities consists of U.S. Treasury Bills. As of December 31, 2024 and December 31, 2023, marketable securities consisted of the following:

	December 31, 2024	December 31, 2023
United States Treasury Bills		
Amortized Cost	$30,476,729	$42,289,441
Fair Market Value	$30,492,088	$42,296,589

Note 7 PREPAID EXPENSES AND OTHER CURRENT ASSETS

The Company has various agreements which require upfront and periodic payments. The Company records the expenses related to these agreements ratably over the annual terms. As of December 31, 2024 and December 31, 2023, the Company's balance sheet reflected prepaid expenses of $1,111,234 and $1,077,233, respectively, primarily relating to various software and information licenses and insurance policies with durations ranging from 3 months to 1 year.

Included in other current assets as of December 31, 2024, are income taxes receivable of $199,131, deferred license costs of $825,563 and amounts receivable from an insurance company related to settled litigation of $485,000.

Included in other current assets as of December 31, 2023, are income taxes receivable of $1,890,391, deferred license costs of $381,820 and amounts receivable from employees of $236,364.

Note 8 PROPERTY AND EQUIPMENT, NET

As of December 31, 2024 and December 31, 2023, property and equipment were comprised of the following:

	December 31, 2024	December 31, 2023
Personal computing equipment	$ 94,521	$ 94,521
Office equipment and capitalized software	73,260	73,260
Total	167,781	167,781
Less: Accumulated depreciation	(121,129)	(91,696)
Property and equipment, net	$ 46,652	$ 76,085

Note 9 INTANGIBLE ASSETS

As of December 31, 2024, intangible assets were comprised of the following:

	Estimated Useful Life (Years)	Gross Carrying Amount at December 31, 2024	Accumulated Amortization	Net Book Value at December 31, 2024
Customer relationships	6	$1,011,000	27,984	$ 983,016
Tradenames and trademarks	9	215,000	5,972	209,028
		$1,226,000	$33,956	$1,192,044

As of December 31, 2023, the Company did not have any intangible assets.

Amortization expense for the year ended December 31, 2024 was $33,956.

The estimated future amortization expense for the next five years and thereafter is as follows:

Years ending December 31,	Future Amortization Expense
2025	$ 192,389
2026	192,389
2027	192,389
2028	192,389
2029	192,389
Thereafter	230,099
Total	$1,192,044

The weighted average remaining amortization period for the Company's intangible assets December 31, 2024 is 6.36 years.

Note 10 DEPOSITS AND OTHER ASSETS

As of December 31, 2024 and December 31, 2023, deposits and other assets included $1,357,482 and $1,390,156 of assets related to information license vendors, respectively (see "*Note 3 – Summary of Significant Accounting Policies – Vendors and Licensors*" and "*Note 22 – Subsequent Events*").

Note 11 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

As of December 31, 2024 and December 31, 2023, accrued expenses were comprised of the following:

	December 31, 2024	December 31, 2023 (as restated)
Employee compensation	$1,570,205	$1,717,878
Information Contracts (see "Note 3 - Vendors and Licensors")	1,296,315	1,533,861
Accrued expenses	1,546,747	1,171,782
Total	$4,413,267	$4,423,521

Note 12 WARRANT LIABILITY

In conjunction with the business combination with Helix, outstanding warrants to purchase Helix common stock were converted to warrants to purchase Company common stock. As the warrant holders have the option to receive cash in lieu of common stock in certain circumstances, the Company determined that the warrants require classification as a liability pursuant to ASC 815-40. In accordance with the applicable accounting guidance, the outstanding warrants are recognized as a warrant liability on the consolidated balance sheet and were measured at their inception date fair value (the closing date of the business combination with Helix) and subsequently remeasured to fair value at each reporting period with changes being recorded in the consolidated statements of operations. As of December 31, 2024 and 2023, the Company had 0 and 50,954 warrants outstanding classified as liabilities, respectively. During the year ended December 31, 2024 and 2023, 50,954 and 51,102 warrants expired, respectively, and no warrants remain outstanding as of December 31, 2024.

The fair value of the Company's warrant liability, measured at Level 3 in the fair value hierarchy, was calculated using the Black-Scholes model using the following inputs:

	As of December 31, 2023
Fair value of Company's common stock	$2.93
Dividend yield	0%
Expected volatility	68% - 83%
Risk free interest rate	5.06% - 5.54%
Expected life (years)	0.30
Exercise price	$8.00 - $28.00
Fair value of financial instruments - warrants	$563

The following table summarizes the change in fair value of the Company's financial instruments – warrants, measured at Level 3 in the fair value hierarchy:

	Amount
Balance as of January 1, 2024	$ 563
Change in fair value of warrant liability	(563)
Balance as of December 31, 2024	$ —

	Amount
Balance as of January 1, 2023	$ 4,547
Change in fair value of warrant liability	(3,984)
Balance as of December 31, 2023	$ 563

Note 13 CONVERTIBLE NOTES

	December 31, 2024	December 31, 2023
Principal outstanding	$6,000,000	$23,000,000
Add: accrued interest	701,204	1,879,068
Less: unamortized debt issuance costs	(3,555)	(8,887)
Convertible note payable, net of debt issuance costs	$6,697,649	$24,870,181

On September 1, 2021, the Company entered into a Note Purchase Agreement with certain accredited investors and a former director of the Company, pursuant to which the Company issued at 100% of par value $24,000,000 in aggregate principal balance of 3.5% Convertible Promissory Notes due September 1, 2025 (the ''Notes''), convertible into (i) shares of Company common stock and (ii) warrants to purchase shares of Company common stock equal to 20% of the principal amount of the Notes divided by the conversion price of the Notes (the ''Warrants''). The Notes will mature on the fourth-year anniversary of the date of issuance, which time is also the termination date of the Warrants, if issued. The conversion price of the Notes and the exercise price of the Warrants is $11.98 per share, which was the consolidated closing bid price of the Company common stock as reported by Nasdaq on August 31, 2021, the most recently completed trading day preceding the Company entering into the Note Purchase Agreement with investors with respect to the Notes. The holders of the Notes may, at any time, convert all or a portion of the Notes plus accrued interest (subject to a minimum principal amount of $100,000) at the conversion price. The Company may redeem all or a portion of any Notes then outstanding at any time after the first anniversary of issuance at a price of 112.5% of par value plus accrued interest. In the event of a change of control of the Company, the Company may redeem all Notes then outstanding at a price of 108% of par value plus accrued interest. Interest expense on the Notes is payable upon maturity or earlier redemption unless the Notes are converted prior to such time. In the event the holders of the Notes convert all or a portion of the Notes, the related accrued interest is converted at the conversion price. Interest expense related to the Notes was $703,600 and $829,452 for the years ended December 31, 2024 and 2023, respectively.

The Company evaluated the embedded features in accordance with ASC 815-15-25 and determined embedded features are all clearly and closely related to the debt host instrument and therefore are not required to be bifurcated and separately measured at fair value. The Warrants were not issued in connection with the Notes and issuance of the Warrants is contingent upon conversion of the Notes at the option of the Holder, therefore no portion of the proceeds are allocated to the Warrants.

The Company did not elect the fair value measurement option for the Notes. The estimated fair value of the Notes was $6,528,000 and $22,609,000 as of December 31, 2024 and December 31, 2023, respectively.

The fair value of the Notes was calculated using the present value of the Notes and the estimated fair value of the conversion option calculated using the Black-Scholes model and the following Level 3 inputs:

	December 31, 2024	December 31, 2023
Fair value of company's common stock	$ 2.06	$ 2.93
Dividend yield	0%	0%
Expected volatility	43.0%	82.0%
Risk Free interest rate	4.20%	4.40%
Expected life (years) remaining	0.67	1.67
Exercise price	$11.98	$11.98

The Company incurred debt issuance costs associated with the Notes in the amount of $21,330, which were deferred and are being amortized over the term of the Notes. During the years ended December 31, 2024 and 2023, the Company recognized $5,333 and $5,333 in amortization of debt issuance costs, respectively, which is recognized in interest expense in the consolidated statements of operations.

On September 12, 2023, the Company redeemed $1,000,000 in principal and $71,151 of accrued interest thereon for an aggregate redemption price of $960,000 resulting in a gain of $111,151, which is included in other income and expense in the Consolidated Statements of Operations.

On February 28, 2024, the Company redeemed $1,000,000 in principal and $87,356 of accrued interest thereon for an aggregate redemption price of $950,000 resulting in a gain of $137,356, which was included in other income and expense in the Consolidated Statements of Operations.

On November 11, 2024, the Company redeemed $16,000,000 in principal amount and $1,794,110 of accrued interest thereon for an aggregate redemption price of $17,648,406 resulting in a gain of $145,703.

Note 14 STOCK-BASED COMPENSATION

Restricted Stock Awards and Restricted Stock Units

The table below includes issuances of restricted stock awards and units under the 2020 Plan and unvested equity interests of MOR which were converted into restricted common stock.

	Number of Restricted Shares and Units	Weighted Average Grant Date Fair Value Per Share
Unvested at January 1, 2023	551,258	$3.28
Issued	570,000	3.79
Vested	(331,934)	7.30
Canceled	(44,339)	0.44
Unvested at December 31, 2023	744,985	2.05
Issued	1,176,000	2.22
Vested	(268,737)	4.78
Canceled	(5,000)	9.47
Unvested at December 31, 2024	1,647,248	$3.03

The 1,647,248 of unvested awards at December 31, 2024 consisted of restricted stock units.

Stock Options

As part of the business combination with Helix, the Company assumed the Helix TCS, Inc. Omnibus Stock Incentive Plan and the Bio-Tech Medical Software, Inc. 2014 Stock Incentive Plan, each as amended, pursuant to which options exercisable at prices between $2.00 and $51.80 per share for 455,089 shares of Company common stock were outstanding. As of December 31, 2024, options to purchase 154,246 shares of common stock remain outstanding.

The fair value of the stock options was estimated at Level 3 in the fair value hierarchy using the Black-Scholes option pricing model and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgement. The assumptions used to calculate the grant date fair value of the options granted during the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Exercise Price	$2.02 to $3.69	$2.40 to $3.79
Fair value of Company common stock	$2.02 to $3.69	$2.40 to $3.79
Dividend yield	0%	0%
Expected volatility	74% to 79%	74% to 117%
Risk Free interest rate	3.80% to 4.20%	3.40% to 4.67%
Expected life (years) remaining	6.10 to 6.25	6.08 to 6.25

The following summarizes option activity under the Company's stock plan for the years ended December 31, 2024 and 2023:

	Shares Underlying Options	Weighted Average Exercise Price
Outstanding at January 1, 2023	3,983,808	$10.53
Granted	1,416,000	$ 3.46
Exercised	(2,452)	$ 2.20
Forfeited and expired	(1,556,812)	$12.53
Outstanding at December 31, 2023	3,840,544	$ 7.12
Granted	483,500	$ 2.79
Exercised	(14,375)	$ 2.98
Forfeited and expired	(357,873)	$ 7.49
Outstanding at December 31, 2024	3,951,796	$ 6.47
Vested options at December 31, 2024	2,273,797	$ 8.39

The weighted average exercise price and remaining contractual life of options outstanding as of December 31, 2024 was $6.47 and 7.33 years, respectively. The total aggregate intrinsic value of the options outstanding as of December 31, 2024 was approximately $0.

The weighted average exercise price and remaining contractual life of exercisable options as of December 31, 2024 was $8.39 and 6.66 years, respectively. The total aggregate intrinsic value of the exercisable options as of December 31, 2024 was approximately $0.

Stock Compensation Expense

The weighted-average grant date fair value per share for the stock options granted was $1.99 and $2.53 for the years ended December 31, 2024 and 2023, respectively.

On February 10, 2023, the Company's Chief Executive Officer, President and Class II member of the Board resigned. In connection with the resignation, the Company entered into a separation agreement providing for, among other things, accelerated vesting of 106,656 unvested restricted shares of the Company common stock. Stock based compensation expense for the year ended December 31, 2023 includes $349,832 related to the accelerated vesting of stock, which is included in "separation expenses" in the consolidated statements of operations.

At December 31, 2024, the total unrecognized stock compensation expense related to unvested stock option awards and restricted stock awards and restricted stock units granted was $7,815,189, which the Company expects to recognize over a weighted-average period of approximately 2.40 years. Stock compensation expense for the years ended December 31, 2024 and 2023 was as follows:

	For the Years Ended December 31,	
	2024	2023
Services	$ 155,318	$ 155,097
Research and development	107,840	167,368
Sales and marketing	275,679	318,860
General and administrative	5,989,560	5,582,812
Separation expenses	—	349,832
Subtotal	6,528,397	6,573,969
Discontinued operations	—	(247,307)
Total	$6,528,397	$6,326,662

Total intrinsic value of options exercised during the year ended December 31, 2024 was $8,375. The total fair value of restricted shares vested during the year ended December 31, 2024 was $553,196.

Note 15 NET INCOME (LOSS) PER SHARE

The following table sets forth the computation of the basic and diluted net income (loss) per share:

	For the Years Ended December 31, 2024	2023 (as restated)
Net (Loss) Income:		
Net (loss) income from continuing operations	$ (3,771,070)	$ 2,395,518
Net (loss) income from discontinued operations	—	9,373,257
Net (Loss) Income	$ (3,771,070)	$11,768,775
Basic net (loss) income from continuing operations per share attributable to common shareholders:	$ (0.12)	$ 0.07
Basic net (loss) income from discontinued operations per share:	—	0.29
Net (loss) income per common share	$ (0.12)	$ 0.36
Diluted net (loss) income per share:		
Net (loss) income from continuing operations	$ (3,771,070)	$ 2,395,518
Effect of assumed conversions:		
Add back: net expenses related to convertible notes	—	—
Net (loss) income from continuing operation after the effect of assumed conversions	$ (3,771,070)	$ 2,395,518
Net (loss) income from discontinued operations	$ —	$ 9,373,257
Weighted average common shares outstanding - basic and diluted	31,070,548	32,030,855
Plus: Dilutive effect of convertible notes - as if converted method	—	—
Plus: Dilutive effect of restricted stock awards and stock options – treasury stock method	—	199,990
Weighted average common shares outstanding assuming dilution	31,070,548	32,230,845
Diluted net (loss) income from continuing operations per common share	(0.12)	0.07
Diluted net (loss) income from discontinued operations per common share	—	0.29
Net (loss) income per common share	$ (0.12)	$ 0.36

The following table sets forth all outstanding potentially dilutive securities which were not included in the calculation of diluted earnings per share because their impact would have been antidilutive to the Company's ''control number,'' which is loss from continuing operations.

	For the Years Ended December 31, 2024	2023
Potentially dilutive securities:		
Warrants	—	50,954
Stock options	3,951,796	2,923,792
Convertible notes	659,533	2,460,690
Unvested restricted stock awards and units	1,647,248	699,748
Total	6,258,577	6,135,184

Note 16 RELATED PARTY TRANSACTIONS

Adam Dublin, the Company's Chief Strategy Officer, was previously a consultant for a current vendor of the Company. Mr. Dublin's consultancy with the vendor ended on December 11, 2020, and the parties agreed not to renew the consulting agreement. Pursuant to Mr. Dublin's consulting agreement with the vendor, Mr. Dublin received payments from the vendor for the years ended December 31, 2024 and 2023 of $189,516 and $317,722, respectively, as he is entitled to runoff commissions on accounts he sold.

On September 1, 2021, the Company issued, at 100% of par value, $24,000,000 in aggregate principal balance of 3.5% Convertible Promissory Notes due 2025 convertible into (i) shares of Company common stock and (ii) warrants to purchase shares of Company common stock equal to 20% of the principal amount of the Notes divided by the conversion price to a select group of institutional and accredited investors, which included a director of the Company who held $6,000,000 of the Notes until his death on April 11, 2024, which notes are held by the spouse of the deceased director. See *"Note 13 - Convertible Notes"* for additional information.

On October 3, 2023, the Company repurchased 1,604,676 shares of its common stock from a group of affiliated investors in a privately negotiated transaction at a redemption price of $2.15 per share for an aggregate purchase price of $3,450,053. The shares were cancelled and retired and returned to authorized and unissued shares.

On September 4, 2024, the Company entered a customer agreement with an entity controlled by one of its directors providing for products and services over a three year period for variable consideration with aggregate minimum billings of $1,200,000. Revenues for the year ended December 31, 2024, include $138,092 resulting from the agreement.

Note 17 LEASES

Operating Leases

The Company accounts for leases in accordance with ASC Topic 842, *Leases* ("ASC 842"). All contracts are evaluated to determine whether or not they represent a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has operating leases primarily consisting of facilities with remaining lease terms of 1-2 years. The lease term represents the period up to the early termination date unless it is reasonably certain that the Company will not exercise the early termination option. Certain leases include rental payments that are adjusted periodically based on changes in consumer price and other indices.

Leases are classified as finance or operating in accordance with the guidance in ASC 842. The Company does not hold any finance leases.

The Company renewed its lease agreement for office space in Hingham, Massachusetts, commencing on July 1, 2024. The lease has an initial term of two years and base rent per year is approximately $25,000.

The Company is also obligated under a short-term lease related to offices in Pennsylvania. This short-term lease is currently leased on a month-to-month basis. A short-term lease is a lease with a term of 12 months or less and does not include the option to purchase the underlying asset that the Company would expect to exercise. The Company has elected to adopt the short-term lease exemption in ASC 842 and as such has not recognized a "right of use" asset or lease liability for these short-term leases.

The Company's lease agreements generally do not provide an implicit borrowing rate; therefore an internal incremental borrowing rate is determined based on information available at lease commencement date for purposes of determining the present value of lease payments.

Supplemental cash flow information and non-cash activity related to leases are as follows:

	For the Years Ended December 31,	
	2024	**2023**
Cash used in operating leases	$23,268	$22,374
ROU assets obtained in exchange for new lease obligations	$46,876	$ —

ROU lease assets and lease liabilities for the Company's operating leases were recorded in the consolidated balance sheet as follows:

	December 31, 2024	December 31, 2023
Right of use assets, net	$35,560	$10,664
Short-term operating lease liabilities	$23,423	$10,664
Long-term operating lease liabilities	12,137	—
Total lease liabilities	$35,560	$10,664
Weighted average remaining lease term (in years)	1.50	0.50
Weighted average discount rate	4.8%	9.5%

Long-term operating lease liabilities are included in other long-term liabilities on the Company's consolidated balance sheets.

The components of lease expense were as follows for each of the periods presented, which are included in general and administrative expenses in the consolidated statements of operations:

	For the Year Ended December 31,	
	2024	2023
Operating lease expense	$23,268	$22,374
Short-term lease expense	27,111	27,833
Total operating lease costs	$50,379	$50,207

Future lease payments included in the measurement of lease liabilities on the consolidated balance sheet as of December 31, 2024, were as follows:

	December 31, 2024
2025	24,612
2026	12,306
Total future minimum lease payments	36,918
Less imputed interest	(1,358)
Total	$35,560

Note 18 INCOME TAXES

The Company accounts for income taxes under ASC 740. Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities, which are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

For financial reporting purposes, the Company's consolidated (loss) income from continuing operations before income taxes for the U.S. and foreign entities, in the aggregate, is as follows:

	For the Year Ended December 31,	
	2024	2023
United States	$(3,704,487)	$2,481,258
Foreign	—	—
Total loss before provision for income taxes	$(3,704,487)	$2,481,258

The income tax expense or benefit consisted of the following for the years ending December 31, 2024 and December 31, 2023:

	For the Year Ended December 31,	
	2024	2023
Current:		
Federal	$32,074	$ 7,348
State	34,509	78,392
Foreign	—	—
	$66,583	$85,740
Deferred:		
Federal	—	—
State	—	—
Foreign	—	—
	—	—
Total	$66,583	$85,740

The reconciliation between the Company's effective tax rate on income from continuing operations and statutory tax rate for the years ended December 31, 2024 and 2023 is as follows:

	For the Year Ended December 31,	
	2024	2023
Income tax expense at federal statutory rate	21.0%	21.0%
Nondeductible/nontaxable items	(0.08)%	2.17%
Stock-based compensation	(40.66)%	214.52%
State taxes	0.99%	10.63%
Rate change	0.20%	(3.67)%
True-up and other	7.40%	(31.51)%
Credits	7.54%	—%
Valuation allowance	1.81%	(209.68)%
Income tax (benefit) expense	(1.80)%	3.46%

Effective for tax years beginning after December 31, 2021, taxpayers are required to capitalize any expenses incurred that are considered incidental to research and experimentation (''R&E'') activities under IRC Section 174. While taxpayers historically had the option of deducting these expenses under IRC Section 174, the December 2017 Tax Cuts and Jobs Act (the ''Act'') mandates capitalization and amortization of R&E expenses for tax years beginning after December 31, 2021. Expenses incurred in connection with R&E activities in the U.S. must be amortized over a 5-year period, and R&E expenses incurred outside the U.S. must be amortized over a 15-year period. R&E activities are broader in scope than qualified research activities that are considered under IRC Section 41 (relating to the research tax credit).

For the year ended December 31, 2024, the Company performed an analysis based on available guidance and determined that the Act results in an increase in taxable income due to capitalization of R&E expenses. The Company will continue to monitor this issue for future developments and its impact on taxable income.

Deferred income taxes reflect the net tax effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Realization of net deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain.

The following items comprise the Company's net deferred tax assets and liabilities as of December 31, 2024 and December 31, 2023:

	As of December 31,	
	2024	2023
Deferred tax assets		
Allowance for credit losses	$ 61,884	$ —
Reserves	—	—
Accrued expenses	302,404	237,689
Lease liability	9,781	2,910
Stock compensation	1,770,521	2,028,170
Depreciation	—	3,380
Amortization	—	56,882
Capitalized Sec. 174 expenses	1,210,970	1,138,021
Net operating loss carry forwards	4,747,030	5,140,001
Credits	163,234	—
Deferred income tax assets	8,265,824	8,607,053
Valuation allowance	(8,049,891)	(8,119,492)
Total net deferred income tax assets	$ 215,933	$ 487,561
Prepaid expenses	(17,176)	(29,302)
Unrealized FX gain/ loss	(3,793)	(1,951)
Depreciation	(6,328)	—
Amortization	(178,855)	—
Installment sale receivable	—	(453,398)
Right-of-use asset	(9,781)	(2,910)
Deferred income tax liability	(215,933)	(487,561)
Net deferred taxes	$ —	$ —

As of the year ended December 31, 2024, the Company has federal and state net operating loss carryforwards of approximately $17,151,530 and $28,060,661, respectively. Federal net operating loss carryforwards in the amount of approximately $17,151,530 have an indefinite life. Federal NOL carryforwards generated after tax year 2017 are subject to an 80% limitation on taxable income, do not expire and will carryforward indefinitely.

State net operating loss carryforwards in the amount of $13,278,346 begin expiring in 2036 and approximately $14,782,315 have an indefinite life.

The utilization of the Company's net operating losses may be subject to a U.S. federal limitation due to the "change in ownership provisions" under Section 382 of the Internal Revenue Code and other similar limitations in various state jurisdictions. Such limitations may result in a reduction of the amount of net operating loss carryforwards in future years and possibly the expiration of certain net operating loss carryforwards before their utilization.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. The ultimate realization of deferred 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 tax liabilities, projected future taxable income and tax planning strategies in making this assessment. The Company cannot rely on a history of earnings. Based on this assessment, management has established a full valuation allowance against all of the deferred tax assets because it is more likely than not that all of the deferred tax assets will not be realized.

As of December 31, 2024, deferred tax assets were offset by deferred tax liabilities and a valuation allowance on any remaining balance. A valuation allowance of $8,049,891 has been recorded to measure only the portion of the deferred tax asset that more likely than not will be realized. The valuation allowance changed by

$69,601 in the year. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income are improved or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as projections for growth in the relevant jurisdictions.

As required by the uncertain tax position guidance in ASC 740, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company applied the uncertain tax position guidance in ASC No. 740, Accounting for Income to all tax positions for which the statute of limitations remained open. Any estimates of tax contingencies contain assumptions and judgments about potential actions by taxing jurisdictions. Any interest and penalties related to uncertain tax positions would be included as part of the income tax provision.

The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analysis of or changes in tax laws, regulations and interpretations thereof as well as other factors.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examinations by federal, and state and local jurisdictions, where applicable. There are currently no pending tax examinations. The Company's tax years are still open under statute from 2019 to the present in the U.S. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the Internal Revenue Service and state and local tax authorities to the extent utilized in a future period.

The Company is also subject to certain non-income taxes such as value added taxes, sales taxes, and property taxes. The Company has taken certain positions that management feels, although not free from doubt, should not result in a successful challenge by certain tax authorities.

Note 19 COMMITMENTS AND CONTINGENCIES

Service and License Agreements

The Company entered into certain service and license agreements that provide for future minimum payments. The terms of these agreements vary in length. The following table shows the remaining payment obligations under these agreements as of December 31, 2024:

	December 31, 2024
Year ending December 31, 2025	$ 5,252,500
Year ending December 31, 2026	4,627,500
Year ending December 31, 2027	3,825,000
Thereafter	3,167,500
	$16,872,500

Commitments and contingencies includes $1,796,315 recorded in accrued expenses and other liabilities, representing information license liabilities under various licensing agreements (see *"Note 3 – Summary of Significant Accounting Policies – Vendors and Licensors"*).

Legal Proceedings

From time to time the Company may be involved in claims that arise during the ordinary course of business. For any matters where management currently believes it is probable that the Company will incur a loss and that the probable loss or range of loss can be reasonably estimated, the Company records reserves in the consolidated financial statements based on its best estimates of such loss. In other instances, because of the uncertainties related to either the probable outcome or the amount or range of loss, management is unable to make a reasonable estimate of a liability, if any. Regardless of the outcome, litigation can be costly and time consuming and it can divert management's attention from important business matters and initiatives, negatively impacting the Company's overall operations. Although the results of litigation and claims cannot be predicted with certainty, the Company does not currently have any pending or recently resolved litigation to which it is a party or to which its property is subject that the Company believes to be material, except for the below.

Audet v. Green Tree International, et. al.

On February 14, 2020, John Audet filed a complaint in 15th Judicial Circuit in and for Palm Beach County, Florida against multiple parties, including Green Tree International ("GTI"), an indirect subsidiary of the Company, claiming that he owned 10% of GTI. The complaint sought unspecified monetary damages equivalent to the value a 10% shareholder of GTI would have received in the subsequent Helix and Forian transactions, along with an equitable accounting and constructive trust to determine if Audet suffered any loss of profit distributions. On March 8, 2024, the parties entered into a Settlement Agreement and General Release, which included a release of GTI, the Company and its subsidiaries and all related parties. The parties filed a Joint Stipulation to Dismiss with Prejudice with respect to this matter on March 18, 2024. The Court entered a Final Order of Dismissal with Prejudice with respect to this matter on March 27, 2024.

Grant Whitus et al. v. Forian Inc., Zachary Venegas and Scott Ogur

On July 30, 2021, four former Helix employees filed a lawsuit in the Arapahoe County, Colorado District Court against the Company and Helix's former managers asserting claims of breach of contract, promissory estoppel, breach of the covenant of good faith and fair dealing, civil theft and conversion, fraudulent misrepresentation, civil conspiracy and unjust enrichment / quantum meruit, all relating to the plaintiffs' claims that they were promised equity interest in Helix or compensation that they never received. The original complaint was never served, and in November 2021, the plaintiffs filed and served an amended complaint adding a fifth plaintiff and seeking over $27.5 million in damages as well as attorneys' fees and costs. The Company removed the matter to the United States District Court for the District of Colorado in December 2021, and both the Company and the individual defendants filed motions to dismiss on January 20, 2022. Plaintiffs subsequently amended their complaint on April 21, 2022, adding Helix TCS LLC and Helix Technologies, Inc. as defendants and advancing additional claims for breach of fiduciary duty and violation of the Colorado Wage Claims Act. On November 22, 2023, the Company entered into a Settlement Agreement and Release with the fifth plaintiff, which included a release of the Company and its subsidiaries and all related parties. That plaintiff filed a stipulation dismissing her claims on December 12, 2023. On May 31, 2024, the remaining parties entered into a Settlement Agreement and Release, which included a release of the Company and its subsidiaries and all related parties. Plaintiffs filed a Stipulation of Dismissal on June 7, 2024. The Court entered a Minute Order dismissing the case with prejudice on June 7, 2024.

The Company classified related legal and settlement expenses as "Litigation and related expenses" within Operating loss from continuing operations. Any insurance reimbursements related to the settlements are treated as gain contingencies and will be recorded when all contingencies are resolved.

Note 20 RESTATEMENT OF PREVIOUSLY ISSUED AUDITED FINANCIAL STATEMENTS

During the course of the audit of the Company's 2024 financial statements, the Company determined that under ASC 606, aggregate annual minimum payments for certain contracts should be recognized on a straight line basis over the life of the contract, as opposed to individually in the year in which the minimum fee applies under the terms of the contract. As a result, the Company restated its previously reported audited financial statements for year ended December 31, 2023 to correct the error. The restatement applied to the application of ASC 606 to a limited number of contracts where the Company may earn variable fees based on customer sales over certain thresholds specified in the contract and had no impact on the Company's cash flows. The restatement had the impact of increasing revenues by $735,654 and sales and marketing expenses by $73,566 for the year ended December 31, 2023. The cumulative impact of the restatement on prior periods had the impact of reducing beginning accumulated deficit on January 1, 2023 by $879,286.

The tables below set forth the effect on the various financial statement captions including the balances originally reported and the restated balances as of December 31, 2023. The impact of the restatement on previous reporting periods is reflected in opening retained deficit as disclosed below.

	As of December 31, 2023		
	As Previously Reported	Adjustments	As Restated
Balance Sheet			
Contract assets	$ 1,126,713	$1,524,096	$ 2,650,809
Total current assets	$ 57,277,915	$1,524,096	$ 58,802,011
Total assets	$ 58,888,612	$1,524,096	$ 60,412,708
Accrued expenses	$ 4,252,257	$ 171,264	$ 4,423,521
Deferred revenues	$ 2,413,551	$ (188,542)	$ 2,225,009
Total current liabilities	$ 6,838,625	$ (17,278)	$ 6,821,347
Total liabilities	$ 32,708,806	$ (17,278)	$ 32,691,528
Accumulated deficit	$(47,685,414)	$1,541,374	$(46,144,040)
Total stockholders' equity	$ 26,179,806	$1,541,374	$ 27,721,180
Total liabilities and stockholders' equity	$ 58,888,612	$1,524,096	$ 60,412,708

	Twelve Months Ended December 31, 2023		
	As Previously Reported	Adjustment	As Restated
Statement of Operations for the year ended December 31, 2023			
Revenue	$20,481,330	$735,654	$21,216,984
Sales and marketing	$ 4,884,267	$ 73,566	$ 4,957,833
Total costs and expenses	$26,076,342	$ 73,566	$26,149,908
Operating loss From Continuing Operations	$ (5,595,012)	$662,088	$ (4,932,924)
Income from continuing operations before income taxes	$ 1,819,170	$662,088	$ 2,481,258
Income from continuing operations, net of tax	$ 1,733,430	$662,088	$ 2,395,518
Net Income	$11,106,687	$662,088	$11,768,775
Continuing operations - basic	$ 0.05	$ 0.02	$ 0.07
Net income per share - basic	$ 0.34	$ 0.02	$ 0.36
Continuing operations - diluted	$ 0.05	$ 0.02	$ 0.07
Net income per share - diluted	$ 0.34	$ 0.02	$ 0.36

	Accumulated Deficit		
	As Previously Reported	Adjustment	As Restated
Balance at January 1, 2023	**$(58,792,101)**	**$ 879,286**	**$(57,912,815)**
Net income	11,106,687	662,088	11,768,775
Balance at December 31, 2023	**$(47,685,414)**	**$1,541,374**	**$(46,144,040)**

	For the Years Ended December 31, 2023		
	As Previously Reported	Adjustment	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$11,106,687	$ 662,088	$11,768,775
Contract assets	1,126,245	(547,112)	579,133
Accrued expenses	479,021	73,566	552,587
Deferred revenues	(167,736)	(188,542)	(356,278)
Net cash provided by operating activities	728,818	—	728,818

Note 21 RESTATEMENT OF PREVIOUSLY ISSUED INTERIM FINANCIAL STATEMENTS - UNAUDITED

In connection with the restatement of financial statements discussed in Note 20 – Restatement of Previously Issued Audited Financial Statements, the Company determined that the restatement adjustments had a material impact on its previously issued unaudited financial statements for each of the periods ended March 31, 2023, June 30, 2023, September 30, 2023. The tables below depict restated financial statements for each of the affected periods.

Restated Condensed Consolidated Balance Sheets

	As of March 31, 2023		
	As Previously Reported	Adjustment	As Restated
ASSETS			
Current assets:			
Cash and cash equivalents	$ 839,715	$ —	$ 839,715
Marketable securities	39,164,720	—	39,164,720
Accounts receivable, net	3,795,284	—	3,795,284
Contract assets	1,840,714	954,167	2,794,881
Prepaid expenses	425,986	—	425,986
Proceeds receivable from sale of discontinued operations, net	8,811,708	—	8,811,708
Other assets	435,736	—	435,736
Total current assets	55,313,863	954,167	56,268,030
Property and equipment, net	112,093	—	112,093
Right of use assets, net	27,346	—	27,346
Deposits and other assets	181,436	—	181,436
Total assets	$ 55,634,738	$ 954,167	$ 56,588,905
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	350,784	—	350,784
Accrued expenses	6,423,536	118,240	6,541,776
Short-term operating lease liabilities	21,952	—	21,952
Warrant liability	10,106	—	10,106
Deferred revenues	3,100,682	(228,234)	2,872,448
Total current liabilities	9,907,060	(109,994)	9,797,066
Long-term liabilities:			
Long-term operating lease liabilities	5,394	—	5,394
Convertible notes payable, net of debt issuance costs ($6,000,000 in principal is held by a related party.)	25,315,003	—	25,315,003
Total long-term liabilities	25,320,397	—	25,320,397
Total liabilities	35,227,457	(109,994)	35,117,463
Commitments and contingencies			
Stockholders' equity:			
Common Stock; par value $0.001; 95,000,000 Shares authorized; 32,418,842 issued and outstanding as of March 31, 2023 and 32,251,326 issued and outstanding as of December 31, 2022	32,419	—	32,419
Additional paid-in capital	72,668,484	—	72,668,484
Accumulated deficit	(52,293,622)	1,064,161	(51,229,461)
Total stockholders' equity	20,407,281	1,064,161	21,471,442
Total liabilities and stockholders' equity	$ 55,634,738	$ 954,167	$ 56,588,905

	As of June 30, 2023		
	As Previously Reported	Adjustment	As Restated
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,902,446	$ —	$ 2,902,446
Marketable securities	38,344,436	—	38,344,436
Accounts receivable, net	3,839,828	—	3,839,828
Proceeds receivable from sale of discontinued operations, net	1,810,342	1,198,264	3,008,606
Contract assets	968,130	—	968,130
Prepaid expenses	6,501,708	—	6,501,708
Other assets	700,300	—	700,300
Total current assets	55,067,190	1,198,264	56,265,454
Property and equipment, net	96,836	—	96,836
Right of use assets, net	20,836	—	20,836
Deposits and other assets	164,369	—	164,369
Total assets	$ 55,349,231	$1,198,264	$ 56,547,495
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	921,542	—	921,542
Accrued expenses	4,824,236	138,782	4,963,018
Short-term operating lease liabilities	20,836	—	20,836
Warrant liability	2,053	—	2,053
Deferred revenues	3,262,763	(189,554)	3,073,209
Total current liabilities	9,031,430	(50,772)	8,980,658
Long-term liabilities:			
Convertible notes payable, net of debt issuance costs ($6,000,000 in principal is held by a related party.)	25,525,762	—	25,525,762
Total long-term liabilities	25,525,762	—	25,525,762
Total liabilities	34,557,192	(50,772)	34,506,420
Commitments and contingencies			
Stockholders' equity:			
Common Stock; par value $0.001; 95,000,000 Shares authorized; 32,452,051 issued and outstanding as of June 30, 2023 and 32,251,326 issued and outstanding as of December 31, 2022	32,452	—	32,452
Additional paid-in capital	74,176,035	—	74,176,035
Accumulated deficit	(53,416,448)	1,249,036	(52,167,412)
Total stockholders' equity	20,792,039	1,249,036	22,041,075
Total liabilities and stockholders' equity	$ 55,349,231	$1,198,264	$ 56,547,495

	As of September 30, 2023		
	As Previously Reported	Adjustment	As Restated
ASSETS			
Current assets:			
Cash and cash equivalents	$ 5,377,079	$ —	$ 5,377,079
Marketable securities	43,585,724	—	43,585,724
Accounts receivable, net	2,918,533	—	2,918,533
Proceeds receivable from sale of discontinued operations, net	1,269,459	1,401,806	2,671,265
Contract assets	870,328	—	870,328
Prepaid expenses	4,097,872	—	4,097,872
Other assets	369,616	—	369,616
Total current assets	58,488,611	1,401,806	59,890,417
Property and equipment, net	86,238	—	86,238
Right of use assets, net	15,810	—	15,810
Deposits and other assets	201,630	—	201,630
Total assets	$ 58,792,289	$1,401,806	$ 60,194,095
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	259,792	—	259,792
Accrued expenses	4,431,172	157,115	4,588,287
Short-term operating lease liabilities	15,810	—	15,810
Warrant liability	459	—	459
Deferred revenues	2,753,619	(169,345)	2,584,274
Total current liabilities	7,460,852	(12,230)	7,448,622
Long-term liabilities:			
Convertible notes payable, net of debt issuance costs ($6,000,000 in principal is held by a related party)	24,665,944	—	24,665,944
Total long-term liabilities	24,665,944	—	24,665,944
Total liabilities	32,126,796	(12,230)	32,114,566
Commitments and contingencies			
Stockholders' equity:			
Common Stock; par value $0.001; 95,000,000 Shares authorized; 32,488,811 issued and outstanding as of September 30, 2023 and 32,251,326 issued and outstanding as of December 31, 2022	32,489	—	32,489
Additional paid-in capital	75,707,361	—	75,707,361
Accumulated deficit	(49,074,357)	1,414,036	(47,660,321)
Total stockholders' equity	26,665,493	1,414,036	28,079,529
Total liabilities and stockholders' equity	$ 58,792,289	$1,401,806	$ 60,194,095

Restated Condensed Consolidated Statements of Operations

	Three Months Ended March 31, 2023		
	As Previously Reported	Adjustment	As Restated
Revenue	$ 4,870,387	$205,417	$ 5,075,804
Costs and Expenses:			
Cost of revenues	1,252,215	—	1,252,215
Research and development	531,689	—	531,689
Sales and marketing	1,196,192	20,542	1,216,734
General and administrative	3,555,475	—	3,555,475
Separation expenses	599,832	—	599,832
Litigation settlements and related expenses	84,351	—	84,351
Depreciation and amortization	38,430	—	38,430
Total costs and expenses	7,258,184	20,542	7,278,726
Loss From Continuing Operations	(2,387,797)	184,875	(2,202,922)
Other Income (Expense):			
Change in fair value of warrant liability	(5,559)	—	(5,559)
Interest and investment income	382,922	—	382,922
Interest expense	(208,456)	—	(208,456)
Total other income, net	168,907	—	168,907
Loss from continuing operations before income taxes	(2,218,890)	184,875	(2,034,015)
Income tax expense	(29,909)	—	(29,909)
Loss from continuing operations, net of tax	$ (2,248,799)	$184,875	$ (2,063,924)
Loss from discontinued operations	(94,427)	—	(94,427)
Gain on sale of discontinued operations	11,531,849	—	11,531,849
Income tax effect on discontinued operations	(2,690,144)	—	(2,690,144)
Income from discontinued operations, net of tax	$ 8,747,278	$ —	$ 8,747,278
Net Income	$ 6,498,479	$184,875	$ 6,683,354
Net income per share:			
Basic and diluted			
Continuing operations - basic and diluted	$ (0.08)	$ 0.02	$ (0.06)
Discontinued operations	$ 0.27	$ —	$ 0.27
Net income per share - basic and diluted	$ 0.19	$ 0.02	$ 0.21
Weighted-average shares outstanding:	32,300,237	—	32,300,237

	Three Months Ended June 30, 2023		
	As Previously Reported	Adjustment	As Restated
Revenue	$ 4,893,542	$205,417	$ 5,098,959
Costs and Expenses:			
Cost of revenues	1,276,712	—	1,276,712
Research and development	304,187	—	304,187
Sales and marketing	1,237,327	20,542	1,257,869
General and administrative	3,198,290	—	3,198,290
Litigation settlements and related expenses	350,309	—	350,309
Depreciation and amortization	15,257	—	15,257
Total costs and expenses	6,382,082	20,542	6,402,624
Loss From Continuing Operations	(1,488,540)	184,875	(1,303,665)
Other Income (Expense):			
Change in fair value of warrant liability	8,053	—	8,053
Interest and investment income	637,032	—	637,032
Interest expense	(210,758)	—	(210,758)
Total other income, net	434,327	—	434,327
Loss from continuing operations before income taxes	(1,054,213)	184,875	(869,338)
Income tax expense	(36,187)	—	(36,187)
Loss from continuing operations, net of tax	$ (1,090,400)	$184,875	$ (905,525)
Income tax effect on discontinued operations	(32,426)	—	(32,426)
Loss from discontinued operations, net of tax	$ (32,426)	$ —	$ (32,426)
Net Loss	$ (1,122,826)	$184,875	$ (937,951)
Net loss per share:			
Basic and diluted			
Continuing operations	$ (0.03)	$ —	$ (0.03)
Net loss per share - basic and diluted	$ (0.03)	$ —	$ (0.03)
Weighted-average shares outstanding - basic and diluted	32,260,992	—	32,260,992

	Six Months Ended June 30, 2023		
	As Previously Reported	Adjustment	As Restated
Revenue	$ 9,763,929	$410,834	$10,174,763
Costs and Expenses:			
Cost of revenues	2,528,927	—	2,528,927
Research and development	835,876	—	835,876
Sales and marketing	2,433,519	41,084	2,474,603
General and administrative	6,753,765	—	6,753,765
Separation expenses	599,832	—	599,832
Litigation settlements and related expenses	434,660	—	434,660
Depreciation and amortization	53,687	—	53,687
Total costs and expenses	13,640,266	41,084	13,681,350
Loss From Continuing Operations	(3,876,337)	369,750	(3,506,587)
Other Income (Expense):			
Change in fair value of warrant liability	2,494	—	2,494
Interest and investment income	1,019,954	—	1,019,954
Interest expense	(419,214)	—	(419,214)
Total other income, net	603,234	—	603,234
Loss from continuing operations before income taxes	(3,273,103)	369,750	(2,903,353)
Income tax expense	(66,096)	—	(66,096)
Loss from continuing operations, net of tax	$ (3,339,199)	$369,750	$ (2,969,449)
Loss from discontinued operations	(94,427)	—	(94,427)
Gain on sale of discontinued operations	11,531,849	—	11,531,849
Income tax effect on discontinued operations	(2,722,570)	—	(2,722,570)
Income from discontinued operations, net of tax	$ 8,714,852	$ —	$ 8,714,852
Net Income	$ 5,375,653	$369,750	$ 5,745,403
Net income per share:			
Basic and diluted			
Continuing operations	$ (0.10)	$ 0.01	$ (0.09)
Discontinued operations	$ 0.27	$ —	$ 0.27
Net income per share - basic and diluted	$ 0.17	$ 0.01	$ 0.18
Weighted-average shares outstanding - basic and diluted	32,369,904	—	32,369,904

	Three Months Ended September 30, 2023		
	As Previously Reported	Adjustment	As Restated
Revenue	$ 5,348,469	$183,333	$ 5,531,802
Costs and Expenses:			
Cost of revenues	1,362,555	—	1,362,555
Research and development	264,781	—	264,781
Sales and marketing	1,313,212	18,333	1,331,545
General and administrative	2,887,771	—	2,887,771
Litigation settlements and related expenses	316,820	—	316,820
Depreciation and amortization	10,598	—	10,598
Total costs and expenses	6,155,737	18,333	6,174,070
Operating loss From Continuing Operations	(807,268)	165,000	(642,268)
Other Income (Expense):			
Change in fair value of warrant liability	1,594	—	1,594
Interest and investment income	646,832	—	646,832
Gain on sale of investment	5,805,858	—	5,805,858
Interest expense	(211,333)	—	(211,333)
Gain on debt redemption	111,151	—	111,151
Total other income, net	6,354,102	—	6,354,102
Income from continuing operations before income taxes	5,546,834	165,000	5,711,834
Income tax expense	(93,191)	—	(93,191)
Income from continuing operations, net of tax	$ 5,453,643	$165,000	$ 5,618,643
Income tax effect on discontinued operations	(1,111,552)	—	(1,111,552)
Loss from discontinued operations, net of tax	$ (1,111,552)	$ —	$ (1,111,552)
Net Income	$ 4,342,091	$165,000	$ 4,507,091
Net income per share:			
Basic			
Continuing operations - basic	$ 0.17	$ —	$ 0.17
Discontinued operations	$ (0.03)	$ —	$ (0.03)
Net income per share - basic	$ 0.14	$ —	$ 0.14
Diluted			
Continuing operations	$ 0.16	$ —	$ 0.16
Discontinued operations	$ (0.03)	$ —	$ (0.03)
Net income per share - diluted	$ 0.13	$ —	$ 0.13
Weighted-average shares outstanding - basic	32,459,838	—	32,459,838
Weighted-average shares outstanding - diluted	35,068,716	—	35,068,716

	Nine Months Ended September 30, 2023		
	As Previously Reported	Adjustment	As Restated
Revenue	$15,112,398	$594,167	$15,706,565
Costs and Expenses:			
Cost of revenues	3,891,482	—	3,891,482
Research and development	1,100,657	—	1,100,657
Sales and marketing	3,746,731	59,417	3,806,148
General and administrative	9,641,536	—	9,641,536
Separation expenses	599,832	—	599,832
Litigation settlements and related expenses	751,480	—	751,480
Gain on sale of businesses	—	—	—
Depreciation and amortization	64,285	—	64,285
Transaction related expenses	—	—	—
Total costs and expenses	19,796,003	59,417	19,855,420
Operating loss From Continuing Operations	(4,683,605)	534,750	(4,148,855)
Other Income (Expense):			
Change in fair value of warrant liability	4,088	—	4,088
Interest and investment income	1,666,786	—	1,666,786
Gain on sale of investment	5,805,858	—	5,805,858
Interest expense	(630,547)	—	(630,547)
Gain on debt redemption	111,151	—	111,151
Total other income, net	6,957,336	—	6,957,336
Income from continuing operations before income taxes	2,273,731	534,750	2,808,481
Income tax expense	(159,287)	—	(159,287)
Income from continuing operations, net of tax	$ 2,114,444	$534,750	$ 2,649,194
Loss from discontinued operations	(94,427)	—	(94,427)
Gain on sale of discontinued operations	11,531,849	—	11,531,849
Income tax effect on discontinued operations	(3,834,122)	—	(3,834,122)
Income from discontinued operations, net of tax	$ 7,603,300	$ —	$ 7,603,300
Net Income	$ 9,717,744	$534,750	$10,252,494
Net income per share:			
Basic			
Continuing operations	$ 0.07	$ 0.01	$ 0.08
Discontinued operations	$ 0.23	$ —	$ 0.23
Net income per share - basic	$ 0.30	$ 0.01	$ 0.31
Diluted			
Continuing operations	$ 0.07	$ 0.01	$ 0.08
Discontinued operations	$ 0.23	$ —	$ 0.23
Net income per share - diluted	$ 0.30	$ 0.01	$ 0.31
Weighted-average shares outstanding - basic	32,397,090	—	32,397,090
Weighted-average shares outstanding - diluted	32,503,359	—	32,503,359

Restated Condensed Consolidated Statements of Stockholders' Equity

	Preferred Stock		Common Stock				
	Shares	Par Value @ $0.001 per share	Shares	Par Value @ $0.001 per share	Additional Paid In Capital	Accumulated Deficit	Stockholders' Equity
Balance at January 1, 2023 (as restated)	**—**	**$—**	**32,251,326**	**$32,251**	**$71,182,326**	**$(57,912,815)**	**$13,301,762**
Vesting of Restricted Stock and Stock Awards, net of shares surrendered for taxes	—	—	166,615	167	(94,766)	—	(94,599)
Issuance of Forian common stock upon exercise of stock options	—	—	901	1	(1)	—	—
Stock-based compensation expense	—	—	—	—	1,580,925	—	1,580,925
Net income	—	—	—	—	—	6,683,354	6,683,354
Balance at March 31, 2023 (as restated)	—	—	32,418,842	32,419	72,668,484	(51,229,461)	21,471,442
Vesting of Restricted Stock and Stock Awards, net of shares surrendered for taxes	—	—	33,209	33	(32,791)	—	(32,758)
Stock-based compensation expense	—	—	—	—	1,540,342	—	1,540,342
Net loss	—	—	—	—	—	(937,951)	(937,951)
Balance at June 30, 2023 (as restated)	—	—	32,452,051	32,452	74,176,035	(52,167,412)	22,041,075
Vesting of Restricted Stock and Stock Awards, net of shares surrendered for taxes	—	—	36,760	37	(20,671)	—	(20,634)
Stock-based compensation expense	—	—	—	—	1,551,997	—	1,551,997
Net income	—	—	—	—	—	4,507,091	4,507,091
Balance at September 30, 2023 (as restated)	—	$—	32,488,811	$32,489	$75,707,361	$(47,660,321)	$28,079,529

	Accumulated Deficit		
	As Previously Reported	Adjustment	As Restated
Balance at January 1, 2023	**$(58,792,101)**	**$ 879,286**	**$(57,912,815)**
Net income	6,498,479	184,875	6,683,354
Balance at March 31, 2023	**$(52,293,622)**	**$1,064,161**	**$(51,229,461)**

	Accumulated Deficit		
	As Previously Reported	Adjustment	As Restated
Balance at March 31, 2023	**$(52,293,622)**	**$1,064,161**	**$(51,229,461)**
Net income	(1,122,826)	184,875	(937,951)
Balance at June 30, 2023	**$(53,416,448)**	**$1,249,036**	**$(52,167,412)**

	Accumulated Deficit		
	As Previously Reported	Adjustment	As Restated
Balance at June 30, 2023	**$(53,416,448)**	**$1,249,036**	**$(52,167,412)**
Net income	4,342,091	165,000	4,507,091
Balance at Balance at September 30, 2023	**$(49,074,357)**	**$1,414,036**	**$(47,660,321)**

Restated Condensed Consolidated Statements of Cash Flow

	For the Three Months Ended March 31, 2023		
	As Previously Reported	Adjustment	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 6,498,479	$ 184,875	$ 6,683,354
Less: Income from discontinued operations	8,747,278	—	8,747,278
Loss from continuing operations	(2,248,799)	184,875	(2,063,924)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	38,430	—	38,430
Amortization on right of use asset	5,214	—	5,214
Amortization of debt issuance costs	1,333	—	1,333
Amortization of discount - proceeds from sale of discontinued operations	(55,041)	—	(55,041)
Accrued interest on convertible notes	208,456	—	208,456
Realized and unrealized gain on marketable securities	(320,530)	—	(320,530)
Stock-based compensation expense	1,828,233	—	1,828,233
Change in fair value of warrant liability	5,559	—	5,559
Change in operating assets and liabilities:			
Accounts receivable	(1,986,256)	—	(1,986,256)
Contract assets	412,244	22,817	435,061
Prepaid expenses	409,800	—	409,800
Changes in lease liabilities during the year	(5,214)	—	(5,214)
Deposits and other assets	11,841	—	11,841
Accounts payable	33,346	—	33,346
Accrued expenses	(59,788)	20,542	(39,246)
Deferred revenues	519,395	(228,234)	291,161
Net cash used in operating activities - continuing operations	(1,201,777)	—	(1,201,777)
Net cash used in operating activities - discontinued operations	(26,649)	—	(26,649)
Net cash used in operating activities	(1,228,426)	—	(1,228,426)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property and equipment	(75,493)	—	(75,493)
Purchase of marketable securities	(39,704,579)	—	(39,704,579)
Sale of marketable securities	18,256,876	—	18,256,876
Net cash from sale of discontinued operations	20,890,193	—	20,890,193
Net cash used in investing activities - continuing operations	(633,003)	—	(633,003)
Net cash used in in investing activities	(633,003)	—	(633,003)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of employee withholding tax related to restricted stock units	(94,599)	—	(94,599)
Net cash used in financing activities - continuing operations	(94,599)	—	(94,599)
Net cash used in financing activities	(94,599)	—	(94,599)
Net change in cash	(1,956,028)	—	(1,956,028)
Cash and cash equivalents, beginning of period	2,795,743	—	2,795,743
Cash and cash equivalents, end of period	$ 839,715	$ —	$ 839,715
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ —	$ —	$ —
Cash paid for taxes	$ —	$ —	$ —

	For the Six Months Ended June 30, 2023		
	As Previously Reported	Adjustment	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 5,375,653	$ 369,750	$ 5,745,403
Less: Income from discontinued operations	8,714,852	—	8,714,852
Loss from continuing operations	(3,339,199)	369,750	(2,969,449)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	53,687	—	53,687
Amortization on right of use asset	11,724	—	11,724
Amortization of debt issuance costs	2,667	—	2,667
Amortization of discount - proceeds from sale of discontinued operations	(245,041)	—	(245,041)
Accrued interest on convertible notes	416,548	—	416,548
Realized and unrealized gain on marketable securities	(767,533)	—	(767,533)
Stock-based compensation expense	3,368,575	—	3,368,575
Change in fair value of warrant liability	(2,494)	—	(2,494)
Change in operating assets and liabilities:			
Accounts receivable	(2,030,800)	—	(2,030,800)
Contract assets	442,616	(221,280)	221,336
Prepaid expenses	(132,344)	—	(132,344)
Changes in lease liabilities during the year	(11,724)	—	(11,724)
Deposits and other assets	(235,656)	—	(235,656)
Accounts payable	605,437	—	605,437
Accrued expenses	(236,088)	41,084	(195,004)
Deferred revenues	681,476	(189,554)	491,922
Net cash used in operating activities - continuing operations	(1,418,149)	—	(1,418,149)
Net cash used in operating activities - discontinued operations	(59,075)	—	(59,075)
Net cash used in operating activities	(1,477,224)	—	(1,477,224)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property and equipment	(75,493)	—	(75,493)
Purchase of marketable securities	(61,573,237)	—	(61,573,237)
Sale of marketable securities	41,392,821	—	41,392,821
Net cash from sale of discontinued operations	21,967,193	—	21,967,193
Net cash provided by investing activities - continuing operations	1,711,284	—	1,711,284
Net cash provided by investing activities	1,711,284	—	1,711,284
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of employee withholding tax related to restricted stock units	(127,357)	—	(127,357)
Net cash used in financing activities - continuing operations	(127,357)	—	(127,357)
Net cash used in financing activities	(127,357)	—	(127,357)
Net change in cash	106,703	—	106,703
Cash and cash equivalents, beginning of period	2,795,743	—	2,795,743
Cash and cash equivalents, end of period	$ 2,902,446	$ —	$ 2,902,446
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ —	$ —	$ —
Cash paid for taxes	$ 1,423,000	$ —	$ 1,423,000

	For the Nine Months Ended September 30, 2023		
	As Previously Reported	Adjustment	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 9,717,744	$ 534,750	$ 10,252,494
Less: Income from discontinued operations	7,603,300	—	7,603,300
Income from continuing operations	2,114,444	534,750	2,649,194
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation and amortization	64,285	—	64,285
Amortization on right of use asset	16,750	—	16,750
Amortization of debt issuance costs	3,999	—	3,999
Amortization of discount - proceeds from sale of discontinued operations	(341,205)	—	(341,205)
Accrued interest on convertible notes	626,549	—	626,549
Realized and unrealized gain on marketable securities	(1,318,083)	—	(1,318,083)
Gain on sale of investment	(5,805,858)	—	(5,805,858)
Gain on debt redemption	(111,151)	—	(111,151)
Stock-based compensation expense	4,920,572	—	4,920,572
Change in fair value of warrant liability	(4,088)	—	(4,088)
Change in operating assets and liabilities:			
Accounts receivable	(1,109,505)	—	(1,109,505)
Contract assets	983,499	(424,822)	558,677
Prepaid expenses	(34,542)	—	(34,542)
Changes in lease liabilities during the year	(16,750)	—	(16,750)
Deposits and other assets	57,767	—	57,767
Accounts payable	(56,313)	—	(56,313)
Accrued expenses	1,224,648	59,417	1,284,065
Deferred revenues	172,332	(169,345)	2,987
Net cash provided by operating activities - continuing operations	1,387,350	—	1,387,350
Net cash used in operating activities - discontinued operations	(59,075)	—	(59,075)
Net cash provided by operating activities	1,328,275	—	1,328,275
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property and equipment	(75,493)	—	(75,493)
Purchase of marketable securities	(103,468,975)	—	(103,468,975)
Sale of marketable securities	78,597,821	—	78,597,821
Proceeds from sale of investment	5,805,858	—	5,805,858
Net cash from sale of discontinued operations	21,501,841	—	21,501,841
Net cash provided by investing activities - continuing operations	2,361,052	—	2,361,052
Net cash provided by investing activities	2,361,052	—	2,361,052
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of employee withholding tax related to restricted stock units	(147,991)	—	(147,991)
Cash used to redeem convertible notes	(960,000)	—	(960,000)
Net cash used in financing activities - continuing operations	(1,107,991)	—	(1,107,991)
Net cash used in financing activities	(1,107,991)	—	(1,107,991)
Net change in cash	2,581,336	—	2,581,336
Cash and cash equivalents, beginning of period	2,795,743	—	2,795,743
Cash and cash equivalents, end of period	$ 5,377,079	$ —	$ 5,377,079
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ —	$ —	$ —
Cash paid for taxes	$ 3,276,800	$ —	$ 3,276,800

Note 22 SUBSEQUENT EVENTS

In February 2025, one of the Company's information vendors announced that it intended to exit the data licensing business by the end of 2026. The Company plans to license data from additional vendors in consideration of the above changes; however, there can be no assurance that the alternate sources of comparable data can be obtained, and if so, on terms and conditions substantially equivalent to those under the Company's previous agreement. As a result of this event, the Company is evaluating its rights under the contract and anticipates it may reduce the expected period of benefit for existing contracts with the vendor beginning in the first quarter of 2025, resulting in accelerated amortization of amounts included in other assets related to the contract.

On February 24, 2025, a customer controlled by one of the Company's directors issued a warrant to the Company to purchase 155,715 shares of its common stock, representing 1.5% of its diluted outstanding equity for an exercise price of $0.01 per share, in connection with a customer contract. The warrant expires September 30, 2034. The Company will assess the fair value of the warrant during the first quarter of 2025.

On March 26, 2025, the Board approved the grant of (i) nonqualified stock options to certain employees and its non-employee directors to purchase an aggregate of 172,000 shares of common stock of the Company at an exercise price of $2.06 per share for the awards granted on March 26, 2025, which amount represents the closing price of the Company's common stock on such date, and at an exercise price equal to the closing price of the Company's common stock on the date of grant for the awards granted thereafter and (ii) an aggregate of 200,000 restricted stock units to certain employees.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act), as of the end of the period covered by this report. Based on such evaluation and as a result of the un-remediated material weaknesses described below, our chief executive officer and chief financial officer have concluded that as of the end of such period, our disclosure controls and procedures were not effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Our management determined that our disclosure controls and procedures were not effective due to certain material weaknesses in our internal control over financial reporting as set forth below.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel 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 and includes those policies and procedures that:

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control - Integrated Framework (2013 Framework)*.

Based on this assessment, management concluded that as of December 31, 2024, we have not maintained effective internal control over financial reporting.

Material Weaknesses

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Pursuant to management's review of disclosure controls and procedures and internal control over financial reporting, management determined that the following material weaknesses in our internal control over financial reporting prevented management from determining that our disclosure controls and procedures and internal control over financial reporting were effective as of the end of the period covered by this report:

- We did not have properly designed controls to validate the accuracy and appropriateness of payables transactions and prevent the possibility of fraudulent or fictitious payments were not in place and performed throughout the year.
- We did not design, implement and maintain effective controls over revenue recognized for certain contracts relating to the proper application of Accounting Standards Codification Topic 606, Revenue from Contracts with Customers (''ASC 606''). Specifically, we did not maintain effective controls relating to accounting for fixed minimum payments in contracts with variable revenues based on customer sales.

Notwithstanding the identified material weaknesses described above, our management believes that the consolidated financial statements included in this Annual Report on Form 10-K are fairly presented in all material respects in accordance with U.S. GAAP, and our chief executive officer and chief financial officer have certified that, based on their knowledge, the consolidated financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for each of the periods presented in this report.

Remediation

During 2023, we identified a material weakness in the design of our general information technology controls surrounding logical access, change management, and vendor application management. Remediation of this material weakness was completed during the year ended December 31, 2024, and included establishing new controls and procedures surrounding logical access to our systems and reviews of product updates. As of December 31, 2024, these control activities have been appropriately designed and implemented, and have operated effectively for a sufficient period of time to conclude that the previously identified material weakness has been remediated.

We have implemented enhanced controls to validate the accuracy and appropriateness of payables transactions and are currently testing the operational effectiveness of those controls to ensure they operate at an appropriate level of assurance.

We will enhance the design of existing controls and documentation related to the review of the application and recording of revenue for customer contracts under the guidance outlined in ASC 606. We will also design and implement more precise reviews regarding evaluation of contracts with variable revenues subject to annual minimum payments. These reviews will include qualified resources are involved and adequate oversight is performed during the internal technical accounting review process.

We believe these actions, when complete, will remediate the control weaknesses. However, the weaknesses will not be considered fully remediated until the applicable controls operate for a sufficient period of time for management to test the results for operating effectiveness. Once implemented, we intend to continue periodic testing and reporting of the internal controls to ensure continuity of compliance.

As previously disclosed in this Annual Report on Form 10-K, on October 31, 2024, we completed the acquisition of Kyber. SEC guidance permits management to omit an assessment of an acquired business' internal control over financial reporting from management's assessment of internal control over financial reporting for a period not to exceed one year from date of acquisition. Management has excluded from its assessment of internal control over financial reporting the operations and related assets of Kyber, which the Company began consolidating in November 2024. The operations and related assets of Kyber were included in the consolidated financial statements of the Company and constituted 11% of total assets as of December 31, 2024, and 6% of consolidated revenues for the year ended December 31, 2024.

Attestation Report of Independent Registered Public Accounting Firm

An attestation report on our internal control over financial reporting by our independent registered public accounting firm is not included herein, because, as an emerging growth company, we are exempt from the requirement to provide such report.

Changes in Internal Control over Financial Reporting

During the most recently completed fiscal quarter, there have been no changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, other than those described above in our remediation efforts.

Inherent Limitations on Effectiveness of Controls

Our management recognizes that 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. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. 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 or error, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to Forian's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

Code of Ethics

We have adopted a code of ethics that applies to all our directors and employees, including the principal executive officer, principal financial officer, principal accounting officer and controller. The full text of our Code of Business Conduct and Ethics is published on the Corporate Governance section of our website at *www.forian.com*. We intend to disclose any future amendments to certain provisions of the Code of Business Conduct and Ethics, or waivers of such provisions granted to executive officers and directors, on this website within five business days following the date of any such amendment or waiver.

Insider Trading Arrangements and Policies

We are committed to promoting high standards of ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, we have an Insider Trading Policy governing the purchase, sale, and/or other dispositions of our securities by our directors, officers, employees and others that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations. A copy of our Insider Trading Policy is filed as Exhibit 19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to Forian's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Items 201(d) and 403 of Regulation S-K is incorporated by reference to Forian's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to Forian's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference to Forian's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed or furnished as part of this Form 10-K:

1. Financial Statements

   Reference is made to the Index to Financial Statements under Item 8, Part II hereof.

2. Financial Statement Schedules

   The Financial Statement Schedules have been omitted because they are not applicable, not required, or the information is shown in the financial statements or related notes.

3. Exhibits

EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of October 16, 2020, by and among Helix Technologies, Inc., Forian Inc., DNA Merger Sub, Inc. and Medical Outcomes Research Analytics, LLC (incorporated by reference to Appendix A of the Company's Form S-4 (Reg. No. 333-250938) filed with the SEC on November 24, 2020, as amended on December 31, 2020, January 19, 2021, February 1, 2021 and February 9, 2021).
2.2	Amendment to Agreement and Plan of Merger dated December 30, 2020, by and among Helix Technologies, Inc., Forian Inc., DNA Merger Sub, Inc. and Medical Outcomes Research Analytics, LLC (incorporated by reference to Exhibit 2.2 of the Company's Form S-4 (Reg. No. 333-250938) filed with the SEC on November 24, 2020, as amended on December 31, 2020, January 19, 2021, February 1, 2021 and February 9, 2021).
2.3	Equity Interest Contribution Agreement (incorporated by reference to Exhibit 2.4 of the Company's Current Report on Form 8-K filed with the SEC on March 3, 2021).
2.4	Stock Purchase Agreement, dated February 10, 2023, by and among Helix Technologies, Inc., Bio-Tech Medical Software, Inc. and BT Assets Group, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the SEC on February 13, 2023).
2.5	Membership Interest Assignment Agreement, effective October 31, 2024, by and among Cowen Inc., IMcK Holdings LLC, Kyber Data Science, LLC and the Company, (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the SEC on November 6, 2024).
3.1	Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Company's Form S-4 (Reg. No. 333-250938) filed with the SEC on November 24, 2020, as amended on December 31, 2020, January 19, 2021, February 1, 2021 and February 9, 2021).
3.2	Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 of the Company's Form S-4 (Reg. No. 333-250938) filed with the SEC on November 24, 2020, as amended on December 31, 2020, January 19, 2021, February 1, 2021 and February 9, 2021).
4.1	Description of Registrant's Securities (incorporated by reference to Exhibit 4.1 of the Company's Annual Report on Form 10-K, for the year ended December 31, 2021, filed with the SEC on March 31, 2021).
10.1+	Forian Inc. 2020 Equity Incentive Plan (incorporated by reference to Exhibit 4.3 of the Company's Form S-8 (Reg. No. 333-268470) filed with the SEC on November 18, 2022.
10.2	License Agreement, dated June 30, 2019 (portions of this exhibit (indicated by asterisks) have been redacted in compliance with Regulation S-K Item 601(b)(10)(iv) (incorporated by reference to Exhibit 10.2 of the Company's Form S-4 (Reg. No. 333-250938) filed with the SEC on November 24, 2020, as amended on December 31, 2020, January 19, 2021, February 1, 2021, February 9, 2021 and December 20, 2023).
10.3+	Offer Letter, dated March 25, 2020, by and between MOR and Max Wygod.
10.4+	Offer Letter, dated March 25, 2020, by and between MOR and Adam Dublin.
10.5+	Employment Agreement, dated August 1, 2019, by and between MOR and Daniel Barton.
10.6+	Employment Agreement, dated March 1, 2021, by and between the Registrant and Edward Spaniel, Jr.

Exhibit Number	Description
10.7	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on March 3, 2021).
10.8+	Helix TCS, Inc. 2017 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.6 of Helix Technologies, Inc.'s Current Report on Form 8-K filed with the SEC on November 16, 2017).
10.9+	Bio-Tech Medical Software, Inc. 2014 Stock Incentive Plan (incorporated by reference to Exhibit 10.32 of Helix's Form 8-K filed with the SEC on June 5, 2018).
10.10	Form of Securities Purchase Agreement, dated April 12, 2021, entered into between the Company and each of the Investors and the Affiliates (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC April 13, 2021).
10.11+	Employment Agreement, dated as of September 2, 2021, by and between the Company and Michael Vesey (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC September 2, 2021).
10.12	Form of Note Purchase Agreement, dated September 1, 2021, by and between the Company and the Investors (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed with the SEC on November 15, 2021).
10.13+	Separation Agreement, dated February 10, 2023, by and between the Company and Daniel Barton (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on February 13, 2023).
10.14	License Agreement, dated February 10, 2023, by and among the Company, Helix Technologies, Inc., BT Assets Group, Inc. and Bio-Tech Medical Software, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on February 13, 2023).
10.15	Form of Convertible Promissory Note Redemption Agreement, dated each of November 12, 2024 and November 13, 2024, by and among the Company and certain holders of the Company's 3.5% Convertible Promissory Notes (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on November 13, 2024).
19	Forian Inc. Insider Trading Policy (incorporated by reference to Exhibit 19 of the Company's Annual Report on Form 10-K filed with the SEC on March 29, 2024).
21*	List of Subsidiaries.
23.1*	Consent of CBIZ CPAs P.C.
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-15(e) or Rule 15d-15(e).
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-15(e) or Rule 15d-15(e).
32.1*	Certification of Chief Executive Officer and Chief Financial Officer of Periodic Report Pursuant to 18 U.S.C. Section 1350.
97+	Forian Inc. Incentive Compensation Recoupment Policy (incorporated by reference to Exhibit 97 of the Company's Annual Report on Form 10-K filed with the SEC on March 29, 2024).
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed with this Annual Report on Form 10-K.

\+ Indicates management contract or compensatory plan.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on April 11, 2025.

FORIAN INC.

By: /s/ Max Wygod
Max Wygod
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on April 11, 2025 by the following persons on behalf of the registrant and in the capacities indicated:

Signature	Title
/s/ Max Wygod Max Wygod	Executive Chairman and Chief Executive Officer (Principal Executive Officer)
/s/ Michael Vesey Michael Vesey	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Mark Adler, M.D. Mark Adler, M.D.	Director
/s/ Ian Banwell Ian Banwell	Director
/s/ Adam Dublin Adam Dublin	Director and Chief Strategy Officer
/s/ Jennifer Hajj Jennifer Hajj	Director
/s/ Shahir Kassam-Adams Shahir Kassam-Adams	Director
/s/ Stanley Trotman, Jr. Stanley Trotman, Jr.	Director
/s/ Alyssa Varadhan Alyssa Varadhan	Director
/s/ Kristiina Vuori, M.D., Ph.D. Kristiina Vuori, M.D., Ph.D.	Director