



December 16, 2024

Dear Valued Shareholders,

As we conclude another productive year at Vaso Corporation, we would like to take this opportunity to first and foremost thank you for your confidence in our Company. The purpose of this letter is to provide an overview of our Company's business progress, operations throughout the year, and to highlight our objectives for the year ahead.

To start, we would like to express our appreciation for your support and patience during an eventful year as we reset strategic priorities. The recent termination of the proposed Achari business combination was due to changes in the business terms for the transaction, which our Board of Directors believe would no longer result in the business combination being in the best interest of our shareholders. Despite this development, 2024 is expected to end strong across our various business units, paving the way for an exciting year ahead.

Vaso Corporation provides a distinctive competitive advantage as a leading human capital, information technology and MedTech business with a focus on healthcare professional sales services, network and IT services across sectors, and proprietary medical products. Our top priority in 2025 will be to continue growing organically across our diversified business portfolio, working closely with our customers and partners, while continuing to explore strategic opportunities to create increased shareholder value. Throughout the year, we have illustrated the importance of our diversified business model that combines human capital, creativity and technology, which together represent our most valuable assets. We are encouraged about our strategic position across all our business operations.

Our **VasoHealthcare** business continues to thrive as the exclusive sales representative business for GE HealthCare. Among our achievements this year was the strong growth of the VasoHealthcare Ultrasound business, which we unveiled in 2023 and has exceeded expectations across all areas of the operation. In 2024 we also launched Ascend, a new company onboarding program for improved employee engagement and productivity, reduced attrition, and expedited acclimation into the organization. Lastly, we were successful in building new internal processes around core company priorities to drive increased market visibility, balanced portfolio representation, and improved sales performance. As we look ahead, one of VasoHealthcare's core objectives is to expand its imaging sales team to increase emphasis on growth opportunities in cardiology, neurology, urology, and orthopedics while driving revenue through improved company processes, focused on expediting the customer delivery and installation experience. Furthermore, in 2025 we intend to broaden our engagement with rural health and physician trade organizations to drive advocacy and improve patient care in underserved markets across the US.

Our **VasoTechnology** business experienced a year of numerous operational accomplishments resulting in revenue growth of over four percent for the first nine months of 2024. From an

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operational excellence perspective, we expanded our cloud product offering within the radiology sector; we released a new virtual services engine to our WolfPac device line, which significantly reduced footprint while increasing performance; and we successfully implemented a major data center and core business system upgrade. Additionally, in our professional service business, we productized both cyber security compliance and technology expense audits. Adding to our extensive telecom aggregation offering, we have become an authorized Starlink reseller. As VasoTechnology continues to plan for the year ahead, we are on track to complete the integration of the Salesforce CRM tool set by the end of the first quarter, creating increased visibility and efficiency to our sales workflow. Our focus will continue to be cloud-based services for all of our offerings. Overall, we see indicators that suggest our growth trend will continue into 2025.

This year **VasoMedical** expanded its offering of Analysis, Reporting, Communication System (ARCS) cloud-based platform with the successful launch of ARCS MCT (mobile cardiac telemetry) Cloud. Together with previously launched ARCS Holter Cloud for electrocardiography (ECG) and blood pressure (BP), it now completes our ARCS Cloud platform, offered as software as a service (SaaS), a comprehensive cardiac ambulatory monitoring platform for ABPM (ambulatory blood pressure monitoring), Holter, Event, and MCT. In addition, our ARCS ECG Algorithm analysis engine, another cloud-based SaaS, enjoyed great growth in 2024 as well; as of December 2024, there were approximately 200 million minutes of ECG signal analyzed by ARCS ECG Algorithm in 2024, doubling our annual target of 100 million minutes. With regards to our BIOX products, we continued to excel with registrations obtained in four new countries, to mitigate risks associated with the Chinese market. In 2025, our goal is to continue to expand our BIOX products into international markets given the success we have experienced in Germany and Brazil, which helped offset some of the declines in the China sales. Our strategy will also include growing ARCS Cloud platform sales in the US while signing ARCS Cloud platform international customers.

With regards to our recent financial results for the three months ended September 30, 2024, the Company's revenue was \$20.8 million, an increase of 7% when compared to the prior year's third quarter revenue of \$19.4 million, mainly due to higher revenue from the network services business in our IT segment. We recorded a net loss of \$1.2 million for the third quarter of 2024 compared to net income of \$1.2 million for the same quarter in 2023, as operating expenses increased, including \$1.5 million in non-recurring expenses relating to investment banking activities. The Company's financial position remains very strong as it continues to generate positive operating cashflow, which was \$3.6 million during the first nine months of the year. As of September 30, 2024, we had \$26.8 million in cash, cash equivalents and short-term investments and virtually no debt. In addition, total deferred revenue increased by \$1.4 million during the quarter to \$33.1 million, which will be recognized as revenue in future reporting periods when the underlying products or services are delivered.

Earlier this month Vaso executives attended a major innovation industry show held annually by the Radiological Society of North America (RSNA), which helped validate to our leadership the

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significant number of strategic industry opportunities that Vaso can capitalize upon in the next several years. We remain cautiously optimistic about the Company's performance for the remainder of the year, as historically the fourth quarter has been the quarter with the highest revenue and income of the year, due to the cyclical nature of our business. We are focused on optimizing our business performance to seize new growth opportunities in 2025 as market conditions continue to stabilize. As such, we remain enthusiastic about the future.

On behalf of our management team and Board of Directors, I would like to underscore our commitment to driving growth, innovation, and uncovering favorable opportunities that will deliver value to customers and shareholders in the year ahead. We wish you a happy and healthy holiday season and prosperous 2025.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jun Ma', with a stylized, cursive flourish at the end.

Jun Ma
Chief Executive Officer
Vaso Corporation