UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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, 2025

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

Commission File No. 0-18105

VASO CORPORATION
(Exact name of registrant as specified in Its Charter)

Delaware	**11-2871434**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification No.)*
137 Commercial Street, Plainview, New York	**11803**
(Address of Principal Executive Offices)	*(Zip Code)*

Registrant's telephone number, including area code: *(516) 997-4600*

Securities registered under Section 12(b) of the Act: *None*

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
N/A	N/A	N/A

Securities registered under Section 12(g) of the Act:

Common Stock, $.001 par value
(Title of Class)

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 past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "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 §240.10D-1(b). ☐

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

The aggregate market value of common stock held by non-affiliates was approximately $12.8 million based on the closing sales price of the common stock as quoted on the OTCQX on June 30, 2025.

At March 27, 2026, the number of shares outstanding of the issuer's common stock was 175,953,035.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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VASO CORPORATION
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PART I

ITEM 1 – BUSINESS

Forward-Looking Statements

The information contained in this report contains forward-looking statements (as such term is defined in the Securities Exchange Act of 1934 and the regulations thereunder). These forward-looking statements may include projections of, or guidance on, the Company's future financial performance, expected levels of future revenue and expenses, anticipated growth strategies, and anticipated trends in the Company's business or financial results. When used in this report, words such as "anticipates", "continue", "believes", "could", "estimates", "expects", "may", "plans", "potential", "future", "intends", the negative of these terms and similar expressions identify forward-looking statements. Any forward-looking statement made by the Company in this document is based only on the Company's current expectations, estimates and projections about future events and financial trends affecting the financial condition of its business based on information currently available to the Company and speaks only as of the date when made. Forward-looking statements are not historical facts or guarantees of future performance. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control, and actual results may differ materially from this forward-looking information and therefore, should not be unduly relied upon. Among the factors that could cause actual results to differ materially are the following: the effect of business and economic conditions, including the possibility of a downturn or disruptions in the U.S. economy; the impact of US tariff policies; the effect of the dramatic changes taking place in IT and healthcare, including the use of artificial intelligence; continuation of the GEHC agreement; the impact of competitive technology and products and their pricing; medical insurance reimbursement policies; unexpected manufacturing or supplier problems; unforeseen difficulties and delays in product development programs; the actions of regulatory authorities and third-party payers in the United States and overseas; and the risk factors reported from time to time in the Company's SEC reports. The Company undertakes no obligation to update forward-looking statements as a result of future events or developments.

Unless the context requires otherwise, all references to "we", "our", "us", "Company", "registrant", "Vaso" or "management" refer to Vaso Corporation and its subsidiaries.

General Overview

Vaso Corporation (the "Company") principally operates in three distinct business segments in the healthcare equipment and information technology industries. We manage and evaluate our operations, and report our financial results, through these three business segments.

- IT segment, operating through a wholly-owned subsidiary VasoTechnology, Inc. ("VasoTechnology"), primarily focuses on healthcare IT and managed network technology services, with healthcare IT services divested in November 2025;

- Professional sales service segment, operating through a wholly-owned subsidiary Vaso Diagnostics, Inc. d/b/a VasoHealthcare, primarily focuses on the sale of healthcare capital equipment for GE HealthCare Technologies, Inc. ("GEHC") into the health provider middle market; and

- Equipment segment, primarily focuses on the design, manufacture, sale and service of proprietary medical devices and software, operating through a wholly-owned subsidiary VasoMedical, Inc., which in turn operates through Vasomedical Solutions, Inc. ("VasoSolutions") for domestic business and Vasomedical Global Corp. ("Vasomedical Global") for international business, respectively. VasoSolutions also manages the domestic operation of EECP Global Corporation ("EECP Global"), in which the Company holds a 49% minority interest.

The Company's website is www.vasocorporation.com.

VasoTechnology (IT Segment)

VasoTechnology, Inc. was formed in May 2015, at the time the Company acquired all of the assets of NetWolves, LLC and its affiliates, including the membership interests in NetWolves Network Services, LLC (collectively, "NetWolves"). VasoTechnology consisted until November 2025 of a managed network and security service division (NetWolves) and a healthcare IT application VAR (value added reseller) division (VasoHealthcare IT). On November 19, 2025, the Company sold all of the stock of VasoHealthcare IT to Nano-X Imaging Ltd (Nasdaq: NNOX). VasoTechnology's current offerings include:

- Managed network infrastructure (routers, switches and other core equipment).
- Managed network transport (FCC licensed carrier reselling 175+ facility partners).
- Managed network security services.

VasoTechnology uses a combination of proprietary technology, methodology and what management views as best-in-class third-party applications to deliver its value proposition.

VasoHealthcare (Professional Sales Service Segment)

VasoHealthcare commenced operations in 2010, in conjunction with the Company's execution of its exclusive sales representation agreement with GEHC to further the sale of certain medical capital equipment in certain domestic market segments. Its current offerings consist of:

- GEHC diagnostic imaging equipment and ultrasound systems.
- GEHC service agreements for the above equipment.
- GEHC training services for use of the above equipment.
- GEHC and third-party financial services for the above equipment.

VasoHealthcare has built a team of over 90 experienced sales professionals and a management team who utilize proprietary sales management and analytic tools to manage the complete sales process and to increase market penetration.

VasoMedical (Equipment Segment)

The proprietary medical equipment business under VasoMedical dates back to 1995 when the Company began the proprietary Enhanced External Counterpulsation (EECP®) technology in the United States, and has since diversified to include other medical hardware and software. Vasomedical Global was formed in 2011 to combine and coordinate the various international operations of the medical equipment business, including design, development, manufacturing, and sales of medical devices and software, while domestic activities are conducted under Vasomedical Solutions. VasoMedical's proprietary devices and software primarily consist of cardiovascular diagnostic and therapeutic applications, including:

- Biox® series Holter monitors and ambulatory blood pressure recorders.
- ARCS® series analysis, reporting and communication software for ECG and blood pressure signals, including cloud-based software suite and algorithm in the form of a SaaS (software as a service) subscription.
- MobiCare® multi-parameter wireless vital-sign monitoring system.
- EECP® therapy systems for non-invasive, outpatient treatment of ischemic heart disease.

This segment uses its substantial in-house knowledge and intellectual property for cardiovascular devices and software coupled with its engineering resources to cost-effectively create and market its proprietary technology. It sells and services its products to customers in the U.S. and China directly and sells and/or services its products in the international market mainly through independent distributors.

Historical Background

Vaso Corporation was incorporated in Delaware in July 1987. For most of its history, the Company primarily was a single-product company designing, manufacturing, marketing and servicing its proprietary Enhanced External Counterpulsation, or EECP®, therapy systems, mainly for the treatment of angina. In 2010, it began to diversify its business operations. The Company changed its name to Vaso Corporation in 2016 to more accurately reflect the diversified nature of its business and continues to use the original name VasoMedical for its proprietary medical device subsidiary.

In May 2010, the Company launched its Professional Sales Service business through a wholly-owned subsidiary Vaso Diagnostics, Inc. d/b/a VasoHealthcare, which was appointed by GEHC as its exclusive representative for the sale of select GEHC diagnostic imaging equipment, and expanded in 2023 to include ultrasound systems, to specific market segments in the 48 contiguous states of the United States and the District of Columbia. The original agreement with GEHC ("GEHC Agreement") was for three years ending June 30, 2013; it has been extended several times with the current extension through December 31, 2030, subject to earlier termination under certain conditions.

In June 2014, the Company began its IT segment business by entering into a Value Added Reseller Agreement ("VAR Agreement") with GEHC to become a national value added reseller of then GEHC Digital's software solutions such as Picture Archiving and Communication System ("PACS"), Radiology Information System ("RIS"), and related services, including implementation, training, management and support. This business focuses primarily on customer segments served by VasoHealthcare. A new wholly owned subsidiary, VasoHealthcare IT Corp. ("VHC-IT"), was formed to conduct the Company's healthcare IT business. In 2021, the VAR Agreement was terminated and the Company partnered with other vendors providing similar products. In November 2025, VHC-IT was sold to Nano-X Imaging Ltd.

In May 2015, the Company further expanded its IT business segment by acquiring all of the assets of NetWolves, LLC and its affiliates, including the membership interests in NetWolves Network Services, LLC (collectively, "NetWolves"), pursuant to an asset purchase agreement. NetWolves designs and delivers efficient and cost-effective multi-network and multi-technology solutions as a managed network provider, as well as provides a complete single-source solution that includes design, network redundancy, application device management, real-time network monitoring, reporting and support systems as a comprehensive solution.

The Company's proprietary equipment business also has been significantly expanded from the original EECP®-only operations. In September 2011, the Company acquired FGE, a British Virgin Islands company, which owned or controlled two Chinese operating companies - Life Enhancement Technology Ltd. ("LET") and Biox Instruments Co. Ltd. ("Biox") - to expand its technical and manufacturing capabilities and to enhance its distribution network, technology, and product portfolio. Biox was a variable interest entity ("VIE") controlled by FGE through certain contracts and an option to acquire all the shares of Biox by FGE's wholly owned subsidiary Gentone, and in March 2019 Gentone exercised its option to acquire all of the shares of Biox. In August 2014, the Company through Gentone acquired all of the outstanding shares of Genwell Instruments Co. Ltd. ("Genwell"), which was formed in 2010 to develop the MobiCare® wireless multi-parameter patient monitoring system and holds intellectual property rights for this system. As a result, the Company has expanded its equipment products portfolio to include Biox® series ambulatory patient monitoring systems, ARCS® series cloud-based software suite and algorithm for ECG and blood pressure monitoring and analysis, and the MobiCare® patient monitoring device.

In April 2014, the Company entered into a cooperation agreement with Chongqing PSK-Health Sci-Tech Development Co., Ltd. ("PSK") of Chongqing, China, the leading manufacturer of external counterpulsation, or ECP, therapy systems in China, to form a joint venture company, VSK Medical Limited ("VSK"), a Cayman Islands company, for the global marketing, sale and advancement of ECP therapy technology. The Company owned 49.9% of VSK, which commenced operations in January 2015. In March 2018, the Company terminated the cooperation agreement with PSK and sold its shares in VSK to PSK. On May 20, 2020, the Company closed on the sale of 51% of the capital stock of its wholly-owned subsidiary EECP Global Corporation ("EECP Global") to PSK. EECP Global was formed in September 2019 to hold all the assets and liabilities of its EECP business. Concurrently with the closing of the transaction, the Company signed Management Service Agreement with EECP Global to provide management service for the business and operation of EECP Global in the United States. The agreement provides an initial term of three years starting April 1, 2020, the effective date of the sale, which is automatically renewable for additional one-year terms. The agreement's current term ends April 1, 2026 and will be automatically renewed for another year. Pursuant to the agreement, EECP Global reimburses the Company all direct expenses and pays a monthly management fee during the term of the agreement.

Termination of Achari Business Combination Agreement

As previously disclosed, the Company entered into a business combination agreement (the "Business Combination Agreement"), dated as of December 6, 2023, with Achari Ventures Holdings Corp. I, a Delaware corporation ("Achari"), and Achari Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Achari ("Merger Sub"). The Business Combination Agreement provided, among other things, that on the terms and subject to the conditions set forth therein, Merger Sub would merge with and into the Company (the "Merger"), with the Company surviving as a wholly owned subsidiary of Achari. On September 17, 2024, Vaso provided to Achari a notice of termination of the Business Combination Agreement. Business combination transaction costs presented in the Consolidated Statements of Operations and Comprehensive Income (Loss) include investment banking and other advisory and legal costs incurred in connection with the Business Combination Agreement.

Management

The Company currently bases its headquarters in Plainview, Long Island, NY pursuant to a lease which expires in September 2028. The Company's executive officers include its President and Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), and Chief Financial Officer ("CFO").

The management of the Company's IT segment is led by the President of VasoTechnology and NetWolves, which is based in Tampa, FL.

In the professional sales services segment, we sell GEHC diagnostic imaging products and ultrasound systems to our assigned accounts in the 48 contiguous states of the United States, Alaska and the District of Columbia through a nationwide team of approximately 80 sales employees led by several regional managers and an executive team who report to the President of VasoHealthcare. The operation is also supported by in-house administrative, analytic, technical and other support staff, as well as applicable GEHC employees.

The equipment segment is under the direct supervision of the CEO of the Company. Regulatory, technical, sales and marketing efforts in the domestic market are led by a Vice President Operations at VasoMedical, and the managers of our China subsidiaries, based in Wuxi, China, are in charge of the development and production of all our proprietary products and marketing and sales in China and the international markets. We sell our Biox® series and other products in China through a group of sales managers as well as through distributors covering various regions of China and other international geographies. The marketing and sales efforts of ARCS® software in the Unites States are under the management of a national director of sales and marketing of VasoMedical.

Competition

In the U.S. diagnostic imaging market where we sell GEHC products, our main competitors are other diagnostic imaging equipment manufacturers such as Siemens, Philips, Canon, and Hologic, etc. as well as their channel partners and distributors. Key competitive factors in the market include price, quality, finance availability, delivery speed, service and support, innovation, distribution network, breadth of product and service offerings and brand name recognition. GEHC is a leading competitor in this market.

In the IT segment, our primary competition in the managed network services business includes, but is not limited to, organizations who have a presence in most of the major markets for the following products and services: network services, managed services, and security services. Several of those competitors, many of which are our vendors, are: Verizon, AT&T, CenturyLink, IBM and Cisco Resellers, small regional IT integrators and large company internal IT departments.

In the ambulatory monitoring system business, there are numerous competitors of various size and strength. The Biox® product line is among the few from China with CE Mark certification for Europe, CFDA approval for China, US FDA clearances as well as Brazilian Agencia Nacional de Vigilancia Sanitaria (ANVISA) approval, which are among the most important qualifications to market and sell the products around the world.

Regulations on Medical Devices

As a medical device manufacturer and marketer, we are subject to extensive regulation by numerous government regulatory agencies, including the US FDA and similar foreign agencies. We are required to comply with applicable laws, regulations and standards governing the development, preclinical and clinical testing, manufacturing, quality testing, labeling, promotion, import, export, and distribution of our medical devices.

Compliance with Regulations in the United States

The Company has received appropriate US FDA premarket notification (510(k)) clearance for all its products marketed and sold in the United States, including EECP® therapy systems and Biox® ambulatory monitoring systems including ARCS® analysis and report software. We seek US FDA clearance or approval for new products prior to their introduction to the US market.

We are subject to other US FDA regulations that apply prior to and after a product is commercially released. We also are subject to periodic and random inspections by the US FDA for compliance with the current Good Manufacturing Practice, or cGMP, requirements and Quality System Regulation. The US FDA also enforces post-marketing controls that include the requirement to submit medical device reports to the agency when a manufacturer becomes aware of information suggesting that any adverse events are related to its marketed products. The FDA relies on medical device reports to identify product problems and utilizes these reports to determine, among other things, whether it should exercise its enforcement powers. The FDA also may require post-market surveillance studies for specified devices.

We are subject to the Federal Food, Drug, and Cosmetic Act's, or FDCA's, general controls, including establishment registration, device listing and labeling requirements.

The sales and advertising of our products is subject to regulation by the Federal Trade Commission, or FTC. The FTC Act prohibits unfair or deceptive acts or practices in or affecting commerce. Violations of the FTC Act, such as failure to have substantiation for product claims, would subject us to a variety of enforcement actions, including compulsory process, cease and desist orders and injunctions, which can require, among other things, limits on advertising, corrective advertising, consumer redress and restitution, as well as substantial fines or other penalties.

As a medical device sales channel partner and product reseller to healthcare facilities, we are subject to various federal, state and local laws targeting fraud and abuse in the healthcare industry, including anti-kickback and false claims laws.

Foreign Regulation

In most countries where we seek to export our medical devices, a local regulatory clearance must be obtained. The regulatory review process varies from country to country and can be complex, costly, uncertain and time-consuming. Our medical devices are all manufactured in accordance with ISO 13485 (Medical device – Quality management systems – Requirement for regulatory purpose), an internationally agreed standard that sets out the requirements for a quality management system specific to the medical devices industry. All our current medical devices have obtained necessary clearances or approvals prior to their release in the appropriate jurisdictions, including CE marking certification for European Union countries, China FDA (CFDA) approval for mainland China, Korean FDA (KFDA) approval for South Korea, Agência Nacional de Vigilância Sanitária (ANVISA) approval for Brazil, Taiwan FDA (TFDA) for Taiwan, and the Saudi SFDA (MDMA) for the Kingdom of Saudi Arabia.

We are also subject to audits by organizations authorized by foreign countries to determine compliance with laws, regulations and standards that apply to the commercialization of our products in those markets. Examples include auditing by a European Union Notified Body organization (authorized by a member state's Competent Authority) to determine conformity with the Medical Device Directives (MDD) and by an organization authorized by the Brazilian government to determine conformity with the ANVISA requirement.

Patient Privacy

Federal and state laws protect the confidentiality of certain patient health information, including patient records, and restrict the use and disclosure of that protected information. The U.S. Department of Health and Human Services (HHS) published patient privacy rules under the Health Insurance Portability and Accountability Act of 1996 (HIPAA privacy rule) and the regulation was finalized in October 2002. Currently, the HIPAA privacy rule affects us only indirectly in that patient data that we access, collect and analyze may include protected health information. Additionally, we have signed some Business Associate Agreements with Covered Entities that contractually bind us to protect private health information, consistent with the HIPAA privacy rules requirements. We do not expect the costs and impact of the HIPAA privacy rule to be material to our business.

Regulations in the IT Business

As a reseller of telecommunication services and network solutions provider, our products and services are subject to federal, state and local regulations. These regulations govern, in part, our rates and the way we conduct our business, including the requirement to offer telecommunications services pursuant to nondiscriminatory rates, terms, and conditions, the obligation to safeguard the confidentiality of customer proprietary network information, as well as the obligation to maintain specialized records and file reports with the Federal Communications Commission and state regulatory authorities. While we believe we are in compliance with laws and regulations in jurisdictions where we do business, we continue to monitor and assess our compliance.

The Federal Communications Commission ("FCC") exercises jurisdiction over services and regulates interstate and international communications in all 50 states, the District of Columbia and U.S territories. As an independent U.S. government agency overseen by Congress, the FCC is the United States' primary authority for communications laws, regulation and technological innovation.

We maintain Certificates of Public Convenience and Necessity in all 50 states, which enable us to provide services within each state. We are therefore subject to regulation from the Public Utility Commissions in each state.

Intellectual Property

In addition to other methods of protecting our proprietary technology, know-how and show-how as well as trade secrets, we pursue a policy of seeking patent protection, both in the US and abroad, for our proprietary technologies including those in Biox® and MobiCare® products. Moreover, trademarks have been registered for the names "Vaso", "Vasomedical", "VasoGlobal", "VasoSolutions", "VasoHealthcare", "EECP", "Biox", "ARCS" and "MobiCare".

Through our China-based subsidiaries, we own forty-eight invention and utility patents in China that expire at various times through 2046, as well as twenty-seven software copyright certificates in China related to proprietary technologies in physiological data acquisition, analysis and reporting. We also maintain five registered trademarks in China for our products.

Through our NetWolves subsidiary we hold the trademarks "NetWolves", "SRM", and "Wolfpac".

There can be no assurance that our patents will not be violated or that any issued patents will provide protection that has commercial significance. As with any patented technology, litigation could be necessary to protect our patent position. Such litigation can be costly and time-consuming, and there can be no assurance that we will be successful.

Employees

As of December 31, 2025, we employed 282 full-time persons, of which 15 are employed through our headquarters and VasoMedical facility in Plainview, New York; 109 through VasoHealthcare; 102 through our NetWolves operations; and 56 in our China operations. None of our employees are represented by a labor union. We believe that our employee relations are good.

The Company also retains several part-time employees and consultants from time to time for various purposes.

Manufacturing

The Company conducts manufacturing activities for its ambulatory monitoring devices and other medical devices in its Biox facilities in China, and maintains certain manufacturing capability in the Plainview, NY location to satisfy certain domestic and international needs for the EECP® systems per the management agreement with EECP Global.

All manufacturing operations are conducted under the cGMP requirements, as set forth in the FDA Quality System Regulation, as well as ISO 13485 (Medical device – Quality management systems – Requirement for regulatory purpose), an internationally agreed standard that sets out the requirements for a quality management system specific to the medical devices industry. We are also certified to conform to full quality assurance system requirements of the EU Medical Device Directive (MDD 93/42/EEC Annex II) and can apply CE marking to all of our current Biox product models. Lastly, we are certified to comply with the requirements of the Brazilian Agência Nacional de Vigilância Sanitária (ANVISA). All these regulations and standards subject us to inspections to verify compliance and require us to maintain documentation and controls for the manufacturing and quality activities.

We believe our manufacturing capacity and warehouse facility are adequate to meet the current and immediately foreseeable future demand for the production of our medical devices. We believe our suppliers of the other medical devices we distribute or represent are capable of meeting our demand for the foreseeable future.

Additional Information

We are subject to the reporting requirements under the Securities Exchange Act of 1934 and are required to file reports and information with the Securities and Exchange Commission (SEC), including reports on the following forms: annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Act of 1934.

ITEM 1A - RISK FACTORS

An investment in our securities involves certain risks, including, among others, the risks described below. You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this Report on Form 10K. The risks and uncertainties described below are those we have identified as material but are not the only risks and uncertainties facing us. Our business is also subject to general risks and uncertainties that affect many other companies, such as market conditions, geopolitical events, changes in laws or accounting rules, fluctuation in interest rates, terrorism, wars or conflicts, major health concerns, natural disasters or other disruptions of economic or business conditions, including the possibility of a downturn in the U.S. economy. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business, including our results of operations, liquidity and financial position.

Risks Related to Our Business

We are substantially reliant on our relationship with GEHC. We currently derive a significant amount of our revenue and operating income from the GEHC Agreement.

Since 2010, we have been parties to a sales representation agreement with GEHC pursuant to which we act as GEHC's exclusive sales representative for certain GEHC diagnostic imaging products to specific market segments in the 48 contiguous states of the United States and the District of Columbia. The GEHC Agreement has been in effect since May 19, 2010 and the current term of that agreement will expire December 31, 2030, subject to GEHC's right to terminate earlier without cause under certain conditions.

Approximately 50% of our revenue and all of our operating income is generated from sales of GEHC products under this agreement. Moreover, our performance and growth in the professional sales service segment depends partially on the territories, customer accounts and product modalities assigned to us by GEHC, as well as factors beyond our control such as product pricing, availability and delivery schedule, and thus relies on our ability to demonstrate our added value as a channel partner, and on maintaining a positive relationship with GEHC. There is no assurance that the agreement will not be terminated prior to its expiration pursuant to its termination provisions or that it will be extended beyond the current expiration date. Should GEHC terminate or fail to extend the agreement, it would have a material adverse effect on our financial condition and results of operations.

Maintaining profitable operations is dependent on several factors.

Our ability to sustain profitability is dependent on many factors, primarily being continued operation under the GEHC Agreement, as well as attaining and maintaining profitability in our IT and equipment segments, as well as the success of our other strategic initiatives.

We face competition from other companies and technologies.

In all segments of our business, we compete with other companies that market technologies, products and services in the global marketplace. We do not know whether these companies, or other potential competitors, may succeed in developing technologies, products or services that are more efficient or effective than those offered by us, rendering our technology and existing products obsolete or non-competitive. Potential new competitors may also have substantially greater financial, manufacturing and marketing resources than those possessed by us. In addition, other technologies or products may be developed that have an entirely different approach or means of accomplishing the intended purpose of our products. Accordingly, the life cycles of our products are difficult to estimate. To compete successfully, we must keep pace with technological advancements, respond to evolving consumer requirements and achieve market acceptance.

Data security incidents or disruptions in our information technology systems could damage our business.

We are increasingly dependent on information systems and infrastructure to operate our business. Our ability to effectively manage our business depends on the security, reliability and adequacy of our information systems. We review and enhance our computer systems as well as provide training to our employees in an attempt to prevent unauthorized and unlawful intrusions. Despite our implementation of firewalls, switchgear and other network security measures, our servers, databases and other systems may be vulnerable to various cyber and other security threats, including those caused by computer hackers, physical or electronic break-ins, sabotage, computer viruses, malware, worms, and similar disruptions from unauthorized access and tampering with our computer systems, including through social engineering such as phishing attacks, coordinated denial-of-service attacks and similar incidents. The occurrence of some of these risks may be increased due to the work-from-home arrangements that we have implemented for many of our employees. Significant disruptions in our information technology systems or other data security incidents could adversely affect our business operations and reputation.

We depend on management and other key personnel.

We are dependent on a limited number of key management and technical personnel. The loss of one or more of our key employees may harm our business if we are unable to identify other individuals to provide us with similar services. We do not maintain “key person” insurance on any of our employees. In addition, our success depends upon our ability to attract and retain additional highly qualified management, sales, IT, manufacturing and research and development personnel in our various operations. The competition for IT personnel is intense.

We may not continue to receive necessary clearances or approvals from the US FDA or foreign authorities for our medical devices, which could hinder our ability to market and sell certain products in the relevant markets.

If we modify our medical devices and the modifications significantly affect safety or effectiveness, or if we make a change to the intended use, we will be required to submit a new premarket notification (510(k)) or premarket approval (PMA) application to the FDA. We would not be able to market the modified device in the U.S. until the FDA issues a clearance for the 510(k).

If we offer new products that require 510(k) clearance or a PMA, we will not be able to commercially distribute those products in the U.S. until we receive such clearance or approval. Regulatory agency approval or clearance for a product may not be received or may entail limitations on the device’s indications for use that could limit the potential market for the product. Delays in receipt of, or failure to obtain or maintain, regulatory clearances and approvals, could delay or prevent our ability to market or distribute our products. Such delays could have a material adverse effect on our equipment business.

There are similar medical device regulations or requirements in China, Europe, and other foreign markets where we sell our products. Failure to comply with these regulations and requirements could have a material adverse effect on our equipment business.

If we are unable to comply with applicable governmental regulations, we may not be able to continue certain of our operations.

We are subject to extensive regulation across our business lines.

As a reseller of telecommunication services and network solutions provider, our products and services are subject to federal, state and local regulations. These regulations govern, in part, our rates and the way we conduct our business, including the requirement to offer telecommunications services pursuant to nondiscriminatory rates, terms, and conditions, the obligation to safeguard the confidentiality of customer proprietary network information, as well as the obligation to maintain specialized records and file reports with the Federal Communications Commission and state regulatory authorities. While we believe we are in compliance with laws and regulations in jurisdictions where we do business, we must continue to monitor and assess our compliance.

We also must comply with current Good Manufacturing Practice requirements as set forth in the Quality System Regulation to receive US FDA approval to market new products and to continue to market current products. Most states also have similar regulatory and enforcement authority for medical devices.

Our operations in China are also subject to the laws and regulations of the People's Republic of China with which we must be in compliance in order to conduct these operations.

We are subject to various federal, state and local laws targeting fraud and abuse in the healthcare industry, including anti-kickback and false claims laws.

We cannot predict the nature of any future laws, regulations, interpretations, or applications, nor can we predict what effect additional governmental regulations or administrative orders, either domestically or internationally, when and if promulgated, would have on our business in the future. We may be slow to adapt, or we may never adapt to changes in existing requirements or adoption of new requirements or policies. We may incur significant costs to comply with laws and regulations in the future and compliance with laws or regulations may create an unsustainable burden on our business.

We have foreign operations and are subject to the associated risks of doing business in foreign countries.

The Company continues to have operations in China. Operating internationally involves additional risks relating to such things as currency exchange rates, different legal and regulatory environments, political, economic risks relating to the stability or predictability of foreign governments, differences in the manner in which different cultures do business, difficulties in staffing and managing foreign operations, differences in financial reporting, operating difficulties, current uncertainties surrounding US tariff policy and other factors. The occurrence of any of these risks, if severe enough, could have an adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

Commercial law is still developing in China and there are limited legal precedents to follow in commercial transactions. There are many tax jurisdictions each of which may have changing tax laws. Applicable taxes include value added taxes ("VAT"), enterprise income tax ("EIT"), and social (payroll) taxes. Regulations are often unclear. Tax declarations (reports) are subject to review and taxing authorities may impose fines, penalties and interest. These facts create risks for our operations in China.

We depend on several suppliers for the supply of certain products.

As a GEHC channel partner, our sales of GEHC products could be negatively impacted by interruptions or delays to equipment installations, production and quality issues, and any customer concerns related to GEHC. Delivery of GEHC equipment may be negatively impacted due to the current supply chain issues especially as it impacts availability of computer chips. With respect to our proprietary medical products we now manufacture our own products primarily through our China based facilities. However, we do depend on certain independent suppliers for parts, components and certain finished goods.

We may not have adequate intellectual property protection.

Our patents and proprietary technology may not be able to prevent competition by others. The validity and breadth of claims in technology patents involve complex legal and factual questions. Future patent applications may not be issued, the scope of any patent protection may not exclude competitors and our patents may not provide competitive advantages to us. Our patents may be found to be invalid and other companies may claim rights in or ownership of the patents and other proprietary rights held or licensed by us. Also, our existing patents may not cover products that we develop in the future. Moreover, when our patents expire, the inventions will enter the public domain. There can be no assurance that our patents will not be violated or that any issued patents will provide protection that has commercial significance. Litigation may be necessary to protect our patent position. Such litigation may be costly and time-consuming, and there can be no assurance that we will be successful in such litigation.

The loss or violation of certain of our patents and trademarks could have a material adverse effect upon our business.

Since patent applications in the United States are maintained in secrecy until such patent applications are issued, our current product development may infringe patents that may be issued to others. If our products were found to infringe patents held by competitors, we may have to modify our products to avoid infringement, and it is possible that our modified products would not be commercially successful.

Risks Related to Our Industries

Our growth could suffer if the markets into which we sell products decline, do not grow as anticipated or experience cyclicality.

Our growth depends in part on the growth of the IT and healthcare markets that we serve. In our professional sales services segment, our quarterly sales and profits depend significantly on the volume and timing of delivery of the underlying equipment of the orders we booked, and the delivery of such products is difficult to forecast since it is largely dependent on GEHC. Product demand is dependent upon the customer's capital spending budget as well as government funding policies, and matters of public policy as well as product cycles and economic downturns that can affect the spending decisions of these entities. These factors could adversely affect our growth, financial position, and results of operations.

Technological change is difficult to predict and to manage.

We face the challenges that are typically faced by companies in the IT and medical device fields. Our products and services may require substantial development efforts and compliance with governmental clearance or approval requirements. We may encounter unforeseen technological or scientific problems that force abandonment or substantial change in the development of a specific product or process.

We are subject to product liability claims and product recalls that may not be covered by insurance.

The nature of our manufacturing operations exposes us to risks of product liability claims and product recalls. Medical devices as complex as ours frequently experience errors or failures, especially when first introduced or when new versions are released.

We currently maintain product liability insurance. Our product liability insurance may not be adequate and is subject to exclusions from coverage. In the future, insurance coverage may not be available on commercially reasonable terms, or at all. In addition, product liability claims or product recalls could damage our reputation even if we have adequate insurance coverage.

Risks Related to our Securities

Our common stock is subject to price volatility.

The market price of our common stock historically has been and may continue to be highly volatile. Our stock price could be subject to wide fluctuations in response to various factors beyond our control, including, but not limited to:

- actual or anticipated fluctuations in our operating results;
- overall market fluctuations and domestic and worldwide economic conditions;
- medical reimbursement policies;
- announcements of technological innovations, new products or pricing by our competitors;
- the timing of patent and regulatory approvals;
- the timing and extent of technological advancements;
- the sales of our common stock by affiliates or other shareholders with large holdings; and
- other factors described in the "Risk Factors" and elsewhere in this Report.

Our future operating results may fall below the expectations of securities industry analysts or investors. Any such shortfall could result in a significant decline in the market price of our common stock. In addition, the stock market has experienced significant price and volume fluctuations that have affected the market price of stocks generally, including our stock, and that often have been unrelated to the operating performance of such companies. These broad market fluctuations may directly influence the market price of our common stock.

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

We currently do not intend to pay any cash dividends on our common stock in the foreseeable future.

Anti-takeover Risk Factor

The Articles of Incorporation of the Company presently contain certain provisions, such as staggered Board of Directors terms and the ability to issue blank check preferred stock, the lack of stockholder pre-emptive rights, and super majority voting requirements for transactions with substantial shareholders, which may be deemed to be "anti-takeover" in nature in that such provisions may deter, discourage or make more difficult the assumption of control of the Company by another company or person through a tender offer, merger, proxy contest or similar transaction or series of transactions. The overall effects of the "anti-takeover" provisions may be to discourage, make costlier or more difficult, or prevent a future takeover offer, even if shareholders may desire the Company to pursue the takeover offer. These provisions may also increase the possibility that a future bidder for control of the Company will be required to act through arms-length negotiation with the Company's Board of Directors.

ITEM 1C – CYBERSECURITY

Our Board is actively engaged in the oversight of the Company's cybersecurity, information security, data protection, and technology programs ("cybersecurity") . The Audit Committee of the Board serves as the principal agent of the Board in fulfilling its oversight and review of the Company's policies and procedures with respect to cybersecurity risk assessment and risk management. The President of VasoTechnology leads the Company's cybersecurity risk assessment and risk management program and leads the team from our IT business in designing and implementing our cybersecurity program.

The President of VasoTechnology and the executive team in our IT business periodically assesses industry best practices, frameworks, and standards so that our practice is up to date for the effective prevention, detection, mitigation, and remediation of cybersecurity incidents. Our cybersecurity risk management program includes the deployment of tools and activities designed to monitor, detect, prevent and analyze current and emerging cybersecurity threats, and plans and strategies to address threats and incidents. Program highlights include:

- Employing a multi-layer strategy of defense designed to ensure the safety, security, and responsible use of information and data.
- Monitoring of all IT assets, resources, and data 24-hours per day, 7-days per week, 365-days per year by security operations center (SOC).
- Performing annual testing of the Company's incident response plan and cybersecurity posture.
- Incorporating external expertise to manage the SOC, perform penetration tests, cyber-attack simulation exercises, and log management to review anomalies indicating a possible breach.
- Maintaining a business continuity program and cyber insurance.
- Performing periodic employee simulated phishing campaigns.
- Conducting annual cybersecurity and insider threat training for all employees.

The President of VasoTechnology is responsible for informing the Audit Committee and the Board of Directors, the CEO and other members of the senior management team on cybersecurity risks on a regular basis, including evolving cybersecurity threats, cybersecurity incidents, cybersecurity technologies and solutions deployed, major cybersecurity risk areas, and policies and procedures to address those risks and cybersecurity incidents, as well as assessments of our cybersecurity program. The President of VasoTechnology also informs the CEO and other members of our senior management team on a more informal basis of all aspects related to cybersecurity risks and incidents. This practice is intended to ensure that the highest levels of management are kept abreast of the cybersecurity posture and potential risks facing us. Any significant cybersecurity matters and strategic risk management decisions related thereto are escalated to the Board of Directors, ensuring that they have comprehensive oversight and can provide guidance on significant cybersecurity issues.

Although the Company did not experience any cybersecurity incidents that were material during fiscal year 2025, cybersecurity risk cannot be eliminated, and future incidents may occur.

As of the date of this report, the Company is not aware of any material risks from cybersecurity threats, including those resulting from previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations, or financial condition. For more information about the cybersecurity risks we face, see the risk factors entitled "Data security incidents or disruptions in our information technology systems could damage our business" in Item 1A "Risk Factors" of this Form 10-K.

ITEM 2 – PROPERTIES

The Company houses its headquarters and domestic medical device operations at an 8,700 square foot facility located at 137 Commercial Street, Plainview, New York 11803, under a lease with a term that expires on September 30, 2028 and with a base annual rental of approximately $85,000. The Company's NetWolves unit leases a 16,200 square foot facility in Tampa, Florida, under a lease expiring in June 2027 with an annual rental of approximately $240,000. We believe that our current facilities are adequate for foreseeable current and future needs.

We lease our office, engineering and production facilities in China. Specifically, we lease approximately 14,700 square feet of space in Wuxi, China under leases expiring in August 2026, September 2026, and December 2026 at an aggregate annual cost of approximately $75,000. Such leases are renewable upon expiration. We also lease office space of approximately 1,700 square feet to host our software R&D team in Tianjin, China under a lease expiring in February 2028 at an annual cost of approximately $23,000.

ITEM 3 – LEGAL PROCEEDINGS

The Company is currently, and has been in the past, a party to various routine legal proceedings, primarily employee-related matters, incident to the ordinary course of business. The Company believes that the outcome of all such pending legal proceedings in the aggregate is unlikely to have a material adverse effect on the business or consolidated financial condition of the Company.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Our common stock currently trades on the OTC Market (OTCQX) under the symbol VASO. The number of record holders of common stock as of March 27, 2026, was approximately 736. The table below sets forth the range of high and low trade prices of the common stock for the fiscal periods specified.

	Year ended December 31, 2025		Year ended December 31, 2024	
	High	Low	High	Low
First quarter	$ 0.15	$ 0.11	$ 0.33	$ 0.27
Second quarter	$ 0.15	$ 0.12	$ 0.31	$ 0.21
Third quarter	$ 0.13	$ 0.11	$ 0.30	$ 0.18
Fourth quarter	$ 0.18	$ 0.11	$ 0.19	$ 0.12

The last bid price of the Company's common stock on March 27, 2025 was $0.17 per share. Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Dividend Policy

We have never paid any cash dividends on our common stock and currently do not intend to pay cash dividends in the foreseeable future.

ITEM 6 – [RESERVED]

ITEM 7 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward looking statements. See "Forward Looking Statements" and "Risk Factors" in Item 1 (Business) to review certain conditions that could cause results to differ materially from those contemplated by the forward-looking statements.

The following discussion should be read in conjunction with the financial statements and notes thereto included in this Annual Report on Form 10-K.

General Overview

Our Business Segments

Vaso Corporation (formerly Vasomedical, Inc.) ("Vaso" or the "Company") was incorporated in Delaware in July 1987. We principally operate in three distinct business segments in the healthcare equipment and information technology industries. We manage and evaluate our operations, and report our financial results, through these three business segments.

- IT segment, operating through a wholly-owned subsidiary VasoTechnology, Inc., primarily focuses on healthcare IT and managed network technology services (with healthcare IT services divested in November 2025);

- Professional sales service segment, operating through a wholly-owned subsidiary Vaso Diagnostics, Inc. d/b/a VasoHealthcare, primarily focuses on the sale of healthcare capital equipment for GE HealthCare (GEHC) into the health provider middle market; and

- Equipment segment, primarily focuses on the design, manufacture, sale and service of proprietary medical devices and software, operating through a wholly-owned subsidiary VasoMedical, Inc., which in turn operates through Vasomedical Solutions, Inc. for domestic business and Vasomedical Global Corp. for international business, respectively. VasoSolutions also manages the domestic operation of EECP Global Corporation ("EECP Global"), in which the Company holds a 49% minority interest.

VasoTechnology (IT Segment)

VasoTechnology, Inc. was formed in May 2015, at the time the Company acquired all of the assets of NetWolves, LLC and its affiliates, including the membership interests in NetWolves Network Services LLC (collectively, "NetWolves"). VasoTechnology consisted during 2025 of a managed network and security service division (NetWolves) and a healthcare IT application VAR (value added reseller) division (VasoHealthcare IT). On November 19, 2025, the Company sold all of the stock of VasoHealthcare IT to Nano-X Imaging Ltd. VasoTechnology's current offering includes:

- Managed network infrastructure (routers, switches and other core equipment).

- Managed network transport (FCC licensed carrier reselling 175+ facility partners).

- Managed network security services.

VasoTechnology uses a combination of proprietary technology, methodology and best-in-class third-party applications to deliver its value proposition.

VasoHealthcare (Professional Sales Service Segment)

VasoHealthcare commenced operations in 2010, in conjunction with the Company's execution of its exclusive sales representation agreement with GEHC, which at the time was the healthcare business division of the General Electric Company ("GE"), to further the sale of certain medical capital equipment in certain domestic market segments. Its current offering consists of:

- GEHC diagnostic imaging equipment and ultrasound systems.

- GEHC service agreements for the above equipment.

- GEHC training services for use of the above equipment.

- GEHC and third-party financial services for the above equipment.

VasoHealthcare has built a team of over 90 experienced sales professionals and a management team who utilize highly focused sales management and analytic tools to manage the complete sales process and to increase market penetration.

VasoMedical (Equipment Segment)

The proprietary medical equipment business under VasoMedical traces back to 1995 when the Company began the proprietary Enhanced External Counterpulsation (EECP®) technology in the United States and has since diversified to include other medical hardware and software. Vasomedical Global was formed in 2011 to combine and coordinate the various international operations including design, development, manufacturing, and sales of medical devices and software, while domestic activities are conducted under Vasomedical Solutions. These devices and software primarily consist of cardiovascular diagnostic and therapeutic applications, including:

- Biox® series Holter monitors and ambulatory blood pressure recorders.
- ARCS® series analysis, reporting and communication software for ECG and blood pressure signals, including cloud-based software and algorithm subscription in the form of a SaaS (software as a service) subscription.
- MobiCare® multi-parameter wireless vital-sign monitoring system.
- EECP® therapy systems for non-invasive, outpatient treatment of ischemic heart disease.

This segment uses its extensive in-house knowledge and intellectual property for cardiovascular devices and software coupled with its engineering resources to cost effectively create and market its proprietary technology. It sells and services its products to customers in the U.S. and China directly and sells and/or services its products in the international market mainly through independent distributors.

Strategic Plan and Objectives

Our short- and long-term plans for the growth of the Company and to increase stockholder value are as follows:

- Continue to effectively control operating costs in the current inflationary environment.
- Continue to expand our product and service offerings
- Maintain and improve business performance in our professional sales service segment by increasing market penetration of the GEHC product portfolio we represent, and seek opportunities in medical device sales to represent other vendors.
- Maintain and grow our equipment business by increasing efficiency and continue to transform the operation and explore new revenue models.
- Continue to seek accretive partnership opportunities.
- Continue to evaluate and optimize our business portfolio.
- Explore options in capital markets for liquidity of our stock.

Results of Operations – For the Years Ended December 31, 2025 and 2024

Total revenues increased by $2,329,000, or 2.7%, to $89,096,000 in the year ended December 31, 2025, from $86,767,000 in the year ended December 31, 2024. We reported net income of $1,569,000 and $951,000 for the years ended December 31, 2025 and 2024, respectively, an increase of $618,000, or 65.0%. The increase in net income was primarily due to higher income tax benefit and the gain on sale of VHC-IT in 2025. Our net income was $0.01 per basic and diluted common share for both of the years ended December 31, 2025 and 2024.

Revenues

Revenue in the IT segment was $42,465,000 for the year ended December 31, 2025 as compared to $42,954,000 for the prior year, a decrease of $489,000, or 1.1%, of which $1,421,000 was attributable to a decrease in healthcare IT revenues mainly due to the sale of the VHC-IT business unit in November 2025, partially offset by an increase of $932,000 in managed network services revenue of NetWolves.

Commission revenues in the professional sales service segment increased by $2,856,000, or 6.9%, to $44,191,000 in the year ended December 31, 2025, as compared to $41,335,000 in the year ended December 31, 2024. The increase was primarily due to a higher blended commission rate for GEHC equipment delivered in 2025 as well as a higher volume of GEHC equipment delivered in 2025. As discussed in Note B to the financial statements, the Company defers recognition of commission revenue until the underlying equipment is delivered. As of December 31, 2025, the Company recorded on its consolidated balance sheet deferred commission revenue of $38,595,000 for this segment (of which $19,577,000 was long-term), an increase of $3,612,000, or 10.3%, compared to $34,983,000 of deferred commission revenue at December 31, 2024 (of which $17,821,000 was long-term). The increase in deferred revenue was due principally to booked orders exceeding equipment deliveries in 2025.

Revenue in our equipment segment decreased $38,000, or 1.5%, to $2,440,000 for the year ended December 31, 2025 from $2,478,000 for the year ended December 31, 2024, as a result of a $274,000, or 13.3%, decrease in our China operations due to lower deliveries, partially offset by a $236,000, or 35.9%, increase in our US operations due to higher ARCS®-cloud software-as-a-service revenues.

Gross Profit

The Company recorded gross profit of $54,672,000, or 61.4% of revenue, for the year ended December 31, 2025, compared to $52,050,000, or 60.0% of revenue, for the year ended December 31, 2024. The increase of $2,622,000, or 5.0%, was due to a $2,950,000 increase in the professional sales service segment due to higher revenue; a $172,000 decrease in the IT segment due primarily to lower revenue; and a $156,000 decrease in the equipment segment, mainly as a result of lower gross margin.

IT segment gross profit decreased by $172,000 to $17,433,000, or 41.1% of segment revenues, for the year ended December 31, 2025, as compared to $17,605,000, or 41.0% of segment revenues in the prior year. This decrease was due to $935,000 lower gross profit from the healthcare IT business resulting from lower revenue and lower gross margin, partially offset by $763,000 higher gross profit from the managed network service business resulting from both higher revenue and higher gross margin.

Professional sales service segment gross profit was $35,624,000, or 80.6% of the segment revenues, for the year ended December 31, 2025, an increase of $2,950,000, or 9.0%, from segment gross profit of $32,674,000, or 79.0% of the segment revenue, for the year ended December 31, 2024. The increase in gross profit was due primarily to the increase in the segment revenue as a result of both a higher blended commission rate and higher equipment delivery volume in 2025. Cost of commissions decreased by $94,000, or 1.1%, to $8,567,000 for the year ended December 31, 2025, as compared to cost of commissions of $8,661,000 in 2024. The decrease was due primarily to a change in revenue mix of various commission tiers. Cost of commissions reflects commission expense associated with recognized commission revenues. Commission expense associated with deferred revenue is recorded as deferred commission expense until the related commission revenue is earned.

Equipment segment gross profit decreased by $156,000, or 8.8%, to $1,615,000, or 66.2% of equipment segment revenues, for the year ended December 31, 2025, compared to $1,771,000, or 71.5% of equipment segment revenues, for the year ended December 31, 2024, due primarily to lower gross profit margin in our US operations, resulting from higher software upgrade costs.

Operating (Loss) Income

Operating loss was $2,891,000 for the year ended December 31, 2025 compared to operating income of $285,000 for the year ended December 31, 2024, a decrease of $3,176,000. The decrease was primarily attributable to a $4,799,000 increase in operating loss in the IT segment year over year, partially offset by a $1,894,000 decrease in corporate expenses associated with non-recurring costs of the proposed Achari business combination in 2024.

IT segment loss increased from $1,760,000 for the year ended December 31, 2024 to $6,559,000 for the year ended December 31, 2025, an increase of $4,799,000, or 272.7%, due primarily to a $4,639,000 charge for impairment of goodwill and lower gross profit. Operating income in the professional sales service segment decreased by $224,000, or 3.3%, from $6,828,000 for the year ended December 31, 2024 to $6,604,000 for the year ended December 31, 2025, due mainly to higher selling, general, and administrative (“SG&A”) costs in the diagnostic imaging business, partially offset by higher gross profit. Operating loss in the equipment segment increased by $47,000, or 3.7%, from a loss of $1,284,000 in the prior year to a loss of $1,331,000 for the year ended December 31, 2025, resulting mainly from lower gross profit.

Selling, general and administrative expenses for the years ended December 31, 2025 and 2024 were $52,196,000, or 58.6% of revenues, and $48,984,000, or 56.5% of revenues, respectively, reflecting an increase of $3,212,000 or 6.6%. The increase in SG&A expenditures in the year ended December 31, 2025 resulted primarily from a $3,175,000 increase in the professional sales service segment attributable mainly to higher sales personnel-related and IT costs. SG&A also increased by $57,000 and $36,000 in the IT and corporate segments, respectively, and decreased by $47,000 in the equipment segment.

Research and development (R&D) expenses of $728,000, or 1% of revenues, for the year ended December 31, 2025 decreased by $123,000, or 15%, from $851,000, or 1% of revenues, for the year ended December 31, 2024. The decrease was primarily attributable to lower software development costs in our China operations in 2025.

Adjusted EBITDA

We define Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), which is a non-GAAP financial measure, as net (loss) income, plus net interest expense (income), tax expense, depreciation and amortization, and non-cash expenses for share-based compensation. Adjusted EBITDA is a metric that is used by the investment community for comparative and valuation purposes. We disclose this metric in order to support and facilitate the dialogue with research analysts and investors.

Adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered a substitute for net income, which we consider to be the most directly comparable GAAP measure. Adjusted EBITDA has limitations as an analytical tool, and when assessing our operating performance, you should not consider Adjusted EBITDA in isolation, or as a substitute for net income or other consolidated income statement data prepared in accordance with GAAP. Other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

A reconciliation of net income to Adjusted EBITDA is set forth below:

	(in thousands)	
	Year Ended December 31,	
	2025	**2024**
Net income	$ 1,569	$ 951
Interest expense (income), net	(1,133)	(1,154)
Income tax (benefit) expense	(2,875)	326
Depreciation and amortization	858	824
Share-based compensation	33	54
Adjusted EBITDA	$ (1,548)	$ 1,001

Adjusted EBITDA decreased by $2,549,000, to $(1,548,000) in the year ended December 31, 2025, from $1,001,000 in the year ended December 31, 2024. The decrease was primarily attributable to higher income tax benefit, partially offset by higher net income when compared to the prior year. Net income increased primarily due to higher income tax benefit and the gain on sale of VHC-IT in 2025.

Other Income (Expense), Net

Other income (expense), net for the years ended December 31, 2025 and 2024, was $1,585,000 and $992,000, respectively, an increase of $593,000. The increase was due primarily to the $827,000 gain on sale of VHC-IT, partially offset by $161,000 higher loss on investment in EECP Global in 2025.

Income Tax Expense

During the year ended December 31, 2025, we recorded income tax benefit of $2,875,000, as compared to income tax expense of $326,000 in the year ended December 31, 2024. The Company utilized $4,609,000 and $5,878,000 in net operating loss carryforwards for the years ended December 31, 2025 and 2024, respectively. The increase in income tax benefit in 2025 arose primarily from the release of the remaining deferred tax asset valuation allowance. The Company had net operating loss carryforwards of approximately $14,500,000 at December 31, 2025.

Liquidity and Capital Resources

Cash and Cash Flow – For the year ended December 31, 2025

We have financed our operations and investment activities from working capital. At December 31, 2025, we had cash and cash equivalents of $35,050,000 and working capital of $21,714,000. At March 27, 2026 the Company's cash and cash equivalents were approximately $29.5 million.

Cash provided by operating activities was $9,273,000 during the year ended December 31, 2025, which consisted of net income after non-cash adjustments of $4,443,000 and changes in operating assets and liabilities of $4,830,000. The changes in the account balances primarily reflect increases in deferred revenue of $3,700,000 and increases in accrued commissions and accrued liabilities totaling $1,456,000; partially offsetting these changes were increases in other assets of $777,000 and prepaid expense and other current assets of $380,000, and decreases in accrued commissions of $541,000.

Cash used in investing activities during the year ended December 31, 2025 was $725,000, consisting of $925,000 in purchases of equipment and software, offset by $200,000 in proceeds from sale of VHC-IT.

Cash provided by financing activities during the year ended December 31, 2025 was $248,000, consisting of $249,000 in net proceeds from notes payable, offset by $1,000 in shares withheld for payment of payroll taxes.

Liquidity

The Company expects to generate sufficient cash flow from operations to satisfy its obligations at least for the next twelve months. On December 30, 2022, the Company executed a $3.0 million revolving credit agreement with a lending institution. Advances under the agreement bear interest at Wall Street Journal Prime Rate and are secured by substantially all of the assets of the Company. The agreement expired August 31, 2023 and has undergone subsequent renewals through July 31, 2026. The agreement includes certain financial covenants, and the Company was in compliance with such covenants at December 31, 2025, at which time no amounts had been drawn.

Off-Balance Sheet Arrangements

We do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities (SPES), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As of December 31, 2025, we are not involved in any unconsolidated SPES or other off-balance sheet arrangements.

Effects of Inflation

We believe that inflation and changing prices over the past two years have not had a significant impact on our revenue or on our results of operations.

Critical Accounting Policies and Estimates

Note B of the Notes to Consolidated Financial Statements includes a summary of our significant accounting policies and methods used in the preparation of our financial statements. In preparing these financial statements, we have made our best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. The application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. Our critical accounting policies and estimates are as follows:

Allowance for Commission Adjustments

In our professional sale service segment, we bill a portion of commissions on the orders we booked in advance of delivery of the underlying equipment. Such amounts are classified in our consolidated balance sheets in accounts receivable and deferred revenue, net of estimated commission adjustments. Similarly, commissions payable to our sales force related to such billings are recorded as deferred commission expense, net of the impact of the estimated commission adjustments, when the associated deferred revenue is recorded. The commission adjustments are based on estimates of future order cancellations, which is calculated based on historical cancellation rates over multiple prior years and applicable credit policies. Such cancellation rates are subject to the uncertainty that future activity cancels at higher or lower rates than the past orders on which the rate was calculated, or that credit policies may change. The Company, based on its current year analysis, did not deem a change in rate necessary as of December 31, 2025. Application of the rates only affects the aforementioned balance sheet accounts, there is no impact to the statement of operations.

Valuation Allowance for Deferred Tax Assets

Deferred income taxes are recognized for temporary differences between financial statement and income tax bases of assets and liabilities and loss carry forwards for which income tax benefits are expected to be realized in future years. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount expected to be realized. In estimating future tax consequences, we generally consider all expected future events other than an enactment of changes in the tax laws or rates. Deferred tax assets are continually evaluated for realizability. To the extent our judgment regarding the realization of the deferred tax assets changes, an adjustment to the allowance is recorded, with an offsetting increase or decrease, as appropriate, in income tax expense. Such adjustments are recorded in the period in which our estimate as to the realizability of the assets changed that it is “more likely than not” that all of the deferred tax assets will be realized. The “more likely than not” standard is subjective and is based upon our estimate of a greater than 50% probability that the deferred tax asset will be realized.

The primary underlying uncertainty in evaluating the realizability of our deferred tax assets, which are primarily net operating losses, is the need to accurately project taxable income. The Company generated net operating losses in the years ended December 31, 2017, 2018 and 2019. From 2020 to 2022, this trend reversed and the Company generated increasingly higher taxable income, primarily as a result of the professional sales services segment’s growth in orders, revenue, and operating results. As a result of this trend, and the extension, through December 31, 2026, of the GEHC Agreement which underlies the performance of the professional sales segment, the Company reviewed positive and negative evidence, including improved historical operating results and the likelihood of such results continuing, and also reviewed its expected taxable income for future periods based on the positive trend in operating results and the extension of the GEHC Agreement to the end of 2026, and concluded that it is more likely than not that approximately $5.4 million of tax benefits related to net operating loss carryforwards will be utilized in the future tax years of 2023 to 2026 and, therefore, reduced its valuation allowance during the year ended December 31, 2022 in accordance with ASC 740. In December 2025, the Company extended the GEHC Agreement an additional four years through December 31, 2030 and concluded that is more likely than not that the remaining tax benefits related to net operating loss carryforwards will be utilized in the future tax years of 2027 to 2030, and, therefore, that the remaining approximately $3,000,000 in valuation allowance could be released.

Goodwill and Intangible Assets

Goodwill represents the excess of cost over the fair value of net assets of businesses acquired. The Company accounts for goodwill under the guidance of the ASC Topic 350, “Intangibles: Goodwill and Other”. Goodwill acquired in a purchase business combination and determined to have an indefinite useful life is not amortized, but instead tested for impairment, at least annually, in accordance with this guidance. The recoverability of goodwill is subject to an annual impairment test or whenever an event occurs or circumstances change that would more likely than not result in an impairment. The impairment test is based on the estimated fair value of the underlying businesses and performed in the fourth quarter of each year.

We perform either a quantitative or qualitative assessment to assess if the fair value of the respective reporting unit exceeds its carrying value. The qualitative goodwill impairment assessment requires evaluating factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. As part of our goodwill qualitative assessment process for our two applicable reporting units, when utilized, we evaluate various factors that are specific to the reporting unit as well as industry and macroeconomic factors in order to determine whether it is reasonably likely to have a material impact on the fair value of our reporting units. Examples of the factors that are considered include the results of the most recent impairment test, current forecasts, and changes in the strategic outlook or organizational structure of the reporting units. The financial forecasts of the reporting units are compared to the forecasts used in the prior year analysis to determine if management expectations for the business have changed.

When performing the quantitative assessment to calculate the fair value of a reporting unit, we consider both comparative market multiples as well as estimated discounted cash flows for the reporting unit. The significant estimates and assumptions include, but are not limited to, revenue growth rates, operating margins, and future economic and market conditions. The discount rates are based upon industry weighted average cost of capital ranges. As a supplement, we conduct additional sensitivity analysis to assess the risk for potential impairment based upon changes in the key assumptions such as the discount rate, expected long-term growth rate, and cash flow projections. Based upon the completion of our annual test as of December 31, 2025, we determined that there was no impairment of goodwill in the FGE reporting unit, and that its estimated fair value was in excess of its carrying amount. The carrying amount of the Netwolves reporting unit was determined to exceed its fair value, and an impairment charge of $4,639,000 was recorded for the year ended December 31, 2025 in the Consolidated Statements of Operations and Comprehensive Income.

Intangible assets consist of the value of customer contracts and relationships, patent and technology costs, and software. The cost of significant customer-related intangibles is amortized in proportion to estimated total related revenue; cost of other intangible assets is generally amortized on a straight-line basis over the asset's estimated economic life, which range from five to ten years. The Company capitalizes internal-use software costs incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. We evaluate whether events or circumstances have occurred that warrant a revision to the remaining useful lives of intangible assets. In cases where a revision is deemed appropriate, the remaining carrying amounts of the intangible assets are amortized over the revised remaining useful life.

Recently Issued Accounting Pronouncements

Note B of the Notes to Consolidated Financial Statements includes a description of the Company's evaluation of recently issued accounting pronouncements.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements listed in the accompanying Index to Consolidated Financial Statements are filed as part of this report.

ITEM 9A - CONTROLS AND PROCEDURES

Report on Disclosure Controls and Procedures

Disclosure controls and procedures reporting as promulgated under the Exchange Act is defined as controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our CEO and our CFO have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2025 and have concluded that the Company's disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control involves maintaining records that accurately represent our business transactions, providing reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization, and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be detected or prevented on a timely basis.

Because of its inherent limitations, internal control over our financial statements is not intended to provide absolute guarantee that a misstatement can be detected or prevented in the statements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 COSO framework), as required by Rule 13a-15(c) or 15d-15(c) under the Exchange Act. 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 the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Based on this evaluation and those criteria, the Company's CEO and CFO concluded that the Company's internal control over financial reporting were effective as of December 31, 2025.

This report does not include an attestation report of the Company's Independent Registered Public Accounting Firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's Independent Registered Public Accounting Firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company, as a smaller reporting company, to provide only Management's report in this Annual Report.

Changes in Internal Control over Financial Reporting

For the quarter ended December 31, 2025 there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

Directors of the Registrant

As of March 27, 2026, the members of our Board of Directors are:

Name of Director	Age	Principal Occupation	Director Since
Joshua Markowitz (2)	70	Chairman of the Board and Director	June, 2015
Edgar Rios (1)	73	Vice Chairman of the Board and Director	February, 2011
Jun Ma	62	President, Chief Executive Officer and Director	June, 2007
Jane Moen	46	President, Vasohealthcare and Director	March, 2020
Leon Dembo	71	Director	April, 2023
David Lieberman	81	Director	February, 2011
Behnam Movaseghi (1) (2)	72	Director	July, 2007

(1) Member of the Audit Committee
(2) Member of the Compensation Committee

The following is a brief account of the business experience for at least the past five years of our directors:

Joshua Markowitz has been a director since June 2015 and was appointed Chairman of the Board of the Company in August 2016. Mr. Markowitz has been a practicing attorney in the State of New Jersey for in excess of 30 years. He is currently a senior partner in the New Jersey law firm of Markowitz O'Donnell, LLP.

David Lieberman has been a director of the Company since February 2011 and the Vice Chairman of the Board from February 2011 to December 2024. Mr. Lieberman has been a practicing attorney in the State of New York for more than 45 years, specializing in corporation and securities law. He is currently of counsel to the law firm of Ortoli Rosenstadt, LLP, which performs certain legal services for the Company and its subsidiaries. Mr. Lieberman is a former Chairman of the Board of Herley Industries, Inc., which was sold in March 2011.

Jun Ma, PhD, has been a director since June 2007 and was appointed President and Chief Executive Officer of the Company on October 16, 2008. Dr. Ma has held various positions in academia and business, and prior to becoming President and CEO of the Company, had provided technology and business consulting services to several domestic and international companies in aerospace, automotive, biomedical, medical device, and other industries, including Kerns Manufacturing Corp. and Living Data Technology Corp., both of which are stockholders of our Company. Dr. Ma received his PhD degree in mechanical engineering from Columbia University, MS degree in biomedical engineering from Shanghai University, and BS degree in precision machinery and instrumentation from University of Science and Technology of China.

Jane Moen has been a director since March 2020 and an executive officer of the Company since November 2022. Ms. Moen has been President of the Company's wholly-owned subsidiary Vaso Diagnostics, Inc. d/b/a VasoHealthcare since June 2018 having started as an Account Manager at the inception of VasoHealthcare in April 2010 and being promoted to Regional Manager in January 2012, Director of Product Business Lines in July 2012 and Vice President of Sales in April 2016. Jane Moen has been in the medical sales industry for over 17 years, having had prior experience with Ledford Medical Sales, Vital Signs, Inc., Pfizer Inc. and Ecolab, Inc.

Leon Dembo has been in the private practice of law for the last 43 years and has been the managing partner of Dembo, Brown & Burns LLP (and its predecessor firm, Dembo & Saldutti LLP), specializing in real estate transactions and commercial litigation, since 1991.

Behnam Movaseghi, CPA, has been a director since July 2007. Mr. Movaseghi has been treasurer of Kerns Manufacturing Corporation since 2000, and controller from 1990 to 2000. For approximately ten years prior thereto Mr. Movaseghi was a tax and financial consultant. Mr. Movaseghi is a Certified Public Accountant.

Edgar G. Rios has been a director of the Company since February 2011 and served as Vice Chairman of the Board since January 2025. Mr. Rios was a co-founder, Executive Vice President, General Counsel and Director of AmeriChoice Corporation from its inception in 1989 through its acquisition by UnitedHealthcare in 2002 and continued as a senior executive with United Healthcare through 2007. Prior to co-founding AmeriChoice, Mr. Rios was a senior executive with a number of businesses that provided technology services and non-technology products to government purchasers. Mr. Rios also serves as a member of the Board of Trustees of Meharry Medical School and the Brookings Institution in Washington DC; and as a director of the Los Padres Foundation in Virginia. Mr. Rios holds a J.D. from Columbia University Law School and an A.B. from Princeton University.

Committees of the Board of Directors

Audit Committee and Audit Committee Financial Expert

The Board has a standing Audit Committee. The Board has affirmatively determined that each director who serves on the Audit Committee is independent, as the term is defined by applicable Securities and Exchange Commission ("SEC") and NASDAQ rules. During the year ended December 31, 2025, the Audit Committee consisted of Edgar Rios, committee chair, and Behnam Movaseghi. The members of the Audit Committee have substantial experience in assessing the performance of companies, gained as members of the Company's Board of Directors and Audit Committee, as well as by serving in various capacities in other companies or governmental agencies. As a result, they each have an understanding of financial statements. The Board believes that Behnam Movaseghi meets the qualifications to be deemed to be the "financial expert" on this committee.

The Audit Committee regularly meets with our independent registered public accounting firm without the presence of management.

The Audit Committee operates under a charter approved by the Board of Directors. The Audit Committee charter is available on our website.

Compensation Committee

Our Compensation Committee annually establishes, subject to the approval of the Board of Directors and any applicable employment agreements, the compensation that will be paid to our executive officers during the coming year, and administers our stock-based benefit plans. During the year ended December 31, 2025, the Compensation Committee consisted of Joshua Markowitz, committee chair, and Behnam Movaseghi. Neither of these persons has been officers or employees of the Company at the time of his position on the committee, or, except as otherwise disclosed, had any relationship requiring disclosure herein.

The Compensation Committee operates under a charter approved by the Board of Directors. The Compensation Committee charter is available on our website.

Strategic Planning Committee

The Strategic Planning Committee evaluates opportunities for investment for alignment with the Company's outlook for long-term growth. During the year ended December 31, 2025, the Strategic Planning Committee consisted of Edgar Rios, committee chair, Leon Dembo, Jun Ma and Jane Moen.

Nominating Committee

The Company does not have a standing nominating committee. All members of the Board of Directors participate in the consideration of director nominees. The Board has determined that it is appropriate for the full Board to perform the functions ordinarily assigned to a nominating committee because of the Company's size, the limited number of directors, and the Board's familiarity with the skills, experience, and qualifications required of directors.

In identifying and evaluating candidates for nomination to the Board, the Board considers a variety of factors it deems relevant, including a candidate's experience, background, skills, knowledge, integrity, judgment, and ability to work effectively with other directors and management, as well as the needs of the Board as a whole. The Board does not apply any specific formula or weighting to these factors and does not have formal minimum qualifications for director nominees.

The Board will consider candidates for director recommended by stockholders in the same manner as candidates identified by other means. Stockholders wishing to recommend individuals for consideration as director nominees may do so by submitting the candidate's name and relevant background information to the Company's Secretary at the Company's principal executive offices in accordance with the Company's bylaws. There are no differences in the manner in which the Board evaluates nominees recommended by stockholders versus nominees identified by the Board.

The following members of the Board are not independent under the standards applicable to service on the nominating committee: Jun Ma, Jane Moen and David Lieberman.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES

During the year ended December 31, 2025 there were:

7 meetings of the Board of Directors

4 meetings of the Audit Committee

1 meeting of the Compensation Committee

6 meetings of the Strategic Planning Committee

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires directors, executive officers and persons who beneficially own more than 10% of our common stock (collectively, "Reporting Persons") to file initial reports of ownership and reports of changes in ownership of our common stock with the SEC. Reporting Persons are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file. To our knowledge, based solely on our review of the copies of such reports received or written representations from certain Reporting Persons that no other reports were required, we believe that during the year ended December 31, 2025 all Reporting Persons timely complied with all applicable filing requirements.

Corporate Governance - Code of Ethics

We have adopted a Corporate Code of Business Ethics (the "Code") that applies to all employees, including our principal executive officer, principal financial officer, and directors of the Company. A copy of the Code can be found on our website, www.vasocorporation.com. The Code is broad in scope and is intended to foster honest and ethical conduct, including accurate financial reporting, compliance with laws and the like. If any substantive amendments are made to the Code or if there is any grant of waiver, including any implicit waiver, from a provision of the Code to our Chief Executive Officer or Chief Financial Officer, we will disclose the nature of such amendment or waiver in a Current Report on Form 8-K. Our Code includes an Insider Trading Policy and procedures governing the purchase, sale, and/or other dispositions of the Company's securities by directors, officers, employees, and the Company itself, that the Company believes are reasonably designed to promote compliance with insider trading laws, rules, and regulations. In addition, it is the Company's policy to comply with applicable securities and state laws, including insider trading laws, when engaging in transactions in the Company's securities. A copy of the Company's Insider Trading Policy is filed as Exhibit 19 to this Annual Report.

Executive Officers of the Registrant

As of March 27, 2026 our executive officers are:

Name of Officer	Age	Position held with the Company
Jun Ma, PhD	62	President, Chief Executive Officer
Jane Moen	46	President of VasoHealthcare, Chief Operating Officer
Peter C. Castle	57	President of VasoTechnology
Jonathan P. Newton	65	Chief Financial Officer, Treasurer and Secretary

Peter Castle was a director from August 2010 to December 2019 and served as Chief Operating Officer of the Company after the NetWolves acquisition from June 2015 until January 2025. Prior to the acquisition, Mr. Castle was the President and Chief Executive Officer of NetWolves Network Services, LLC, where he has been employed since 1998. At NetWolves, Mr. Castle also held the position of Chief Financial Officer from 2001 until October 2009, Vice President of Finance since January 2000, Controller from August 1998 until December 1999 and Treasurer and Secretary from August 1999.

Jonathan P. Newton is the Chief Financial Officer, Treasurer and Secretary of the Company. He previously served as Chief Financial Officer of the Company from September 1, 2010 to September 8, 2011, Vice President of Finance and Treasurer until December 10, 2019, and Co-Chief Financial Officer and Treasurer from December 10, 2019 until January 2025. From June 2006 to August 2010, Mr. Newton was Director of Budgets and Financial Analysis for Curtiss-Wright Flow Control. Prior to his position at Curtiss-Wright Flow Control, Mr. Newton was Vasomedical's Director of Budgets and Analysis from August 2001 to June 2006. Prior positions included Controller of North American Telecommunications Corp., Accounting Manager for Luitpold Pharmaceuticals, positions of increasing responsibility within the internal audit function of the Northrop Grumman Corporation and approximately three and one half years as an accountant for Deloitte Haskins & Sells, during which time Mr. Newton became a Certified Public Accountant. Mr. Newton holds a B.S. in Accounting from SUNY at Albany, and a B.S. in Mechanical Engineering from Hofstra University.

ITEM 11 - EXECUTIVE COMPENSATION

The following table sets forth a summary of the compensation of our Chief Executive Officer and our two other most highly compensated officers who were serving as executive officers at the end of the last completed fiscal year for services rendered for the years ended December 31, 2025 and 2024.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($) (1)(2)(3)	Total ($)
Jun Ma, PhD Chief Executive Officer	2025	500,000	250,000					57,485	807,485
	2024	500,000	200,000					56,635	756,635
Jane Moen President of Vasohealthcare, Chief Operating Officer	2025	350,000	350,000					8,712	708,712
	2024	350,000	300,000					61,379	711,379
Jonathan P. Newton Chief Financial Officer, Treasurer and Secretary	2025	231,250	175,000					12,200	418,450
	2024	220,000	125,000					32,136	377,136

(1) Jun Ma received $48,000 in lodging and car allowance, $6,950 in 401(k) matching contributions, and $2,535 in Company-paid life insurance in 2025; and $48,000 in lodging and car allowance, $6,100 in 401(k) matching contributions, and $2,535 in Company-paid life insurance in 2024.
(2) Jane Moen received $4,012 in Company-provided vehicle benefit, and $4,700 in 401(k) matching contributions in 2025; and $50,726 in tax gross-up on vested stock, $6,053 in Company-provided vehicle benefit, and $4,600 in 401(k) matching contributions in 2024.
(3) Jonathan Newton received $6,000 in car allowance and $6,200 in 401(k) matching contributions in 2025; and $6,000 in car allowance, $20,036 in tax gross-up on vested stock, and $6,100 in 401(k) matching contributions in 2024.

Pay versus Performance

In accordance with rules adopted by the Securities and Exchange Commission pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are providing the following disclosure regarding executive compensation for our principal executive officer ("PEO") and Non-PEO named executive officers ("NEOs") and Company performance for the years listed below. The Compensation Committee did not consider the pay versus performance disclosure below in making its pay decisions for any of the years shown.

Year	Summary Compensation Table Total for PEO (1)	Compensation Actually Paid to PEO (1)(2)(3)	Average Summary Compensation Table Total for Non-PEO NEOs (1)	Average Compensation Actually Paid to Non-PEO NEOs (1)(2)(4)	Value of Initial Fixed $100 Investment Based on TSR (5)	Net Income
2025	$ 807,485	$ 807,485	$ 563,581	$ 563,581	$ 100	1,569,000
2024	$ 756,635	$ 756,635	$ 544,258	$ 534,758	$ 71	$ 951,000
2023	$ 921,610	$ 971,610	$ 549,109	$ 584,109	$ 182	$ 4,805,000

(1) The PEO for all years was Jun Ma. The non-PEO NEOs for all years were Jane Moen and Jonathan Newton.

(2) The amounts shown for Compensation Actually Paid have been calculated in accordance with Item 402(v) of Regulation S-K and do not reflect compensation actually earned, realized, or received by the Company's NEOs. These amounts reflect the Summary Compensation Table Total with certain adjustments as described in footnotes 3 and 4 below. Equity values are calculated in accordance with FASB ASC Topic 718.

(3) To calculate the amounts of Compensation Actually Paid to the PEO in each of 2025, 2024 and 2023, the following adjustments were made to the PEO's Summary Compensation Table Total for each respective year:

a. *Year 2025:*

i. None

b. *Year 2024:*

i. None

c. *Year 2023:*

i. We added $50,000, reflecting, as of the applicable vesting date, the change in the fair value during 2023 of equity-based awards granted to the PEO before 2023 that vested during 2023.

(4) To calculate the amounts of Compensation Actually Paid, on average, to our non-PEO NEOs in each of 2025, 2024 and 2023, the following adjustments were made to the Average Summary Compensation Table Total for Non-PEO NEOs for each respective year:

a. *Year 2025:*

i. None

b. *Year 2024:*

i. We deducted $9,500, reflecting, as of the applicable vesting date, the change in the fair value during 2024 of equity-based awards granted to the non-PEO NEOs before 2024 that vested during 2024.

c. *Year 2023:*

i. We added $21,000, reflecting the change in the fair value during 2023 of equity-based awards granted to the non-PEO NEOs before 2023 that were outstanding and unvested as of the end of 2023; and

ii. we added $14,000, reflecting, as of the applicable vesting date, the change in the fair value during 2023 of equity-based awards granted to the non-PEO NEOs before 2023 that vested during 2023.

(5) The values disclosed in this TSR column represent the measurement period value of an investment of $100 in our common stock as of December 31, 2022, and then valued again on each of December 31, 2023, December 31, 2024 and December 31, 2025. Historical stock performance is not necessarily indicative of future stock performance.

Outstanding Equity Awards at Last Fiscal Year End

The Company did not have any equity awards outstanding to its named executive officers at December 31, 2025. When equity awards, including stock options, are granted, they are not granted in anticipation of the release of material non-public information, and the release of material non-public information is not timed on the basis of option or other equity grant dates.

Employment Agreements

On May 10, 2019, the Company modified its Employment Agreement with its President and Chief Executive Officer, Dr. Jun Ma, to provide for continuing five-year term extensions, unless earlier terminated by the Company, but in no event can it extend beyond May 31, 2026. The Employment Agreement provides for annual compensation of $500,000. Dr. Ma is eligible to receive a bonus for each fiscal year during the employment term. The amount and the occasion for payment of such bonus, if any, shall be at the discretion of the Board of Directors. Dr. Ma is also eligible for an award under any long-term incentive compensation plan and grants of options and awards of shares of the Company's stock, as determined at the Board of Directors' discretion. The Employment Agreement further provides for reimbursement of certain expenses and for severance payments in the event of the termination of his employment in the following circumstances: (i) if his employment is terminated by the Company without "Cause" or by Dr. Ma for "Good Reason", he is entitled to receive continued salary for 24 months and a bonus payment in the amount he would have otherwise received had employment not terminated; provided that if the remaining term of the agreement is less than 24 months, the duration of the continued salary shall instead be the greater of 12 months or the remaining term of the agreement. In addition, any unvested options or shares will immediately vest; (ii) If his employment is terminated due to death or disability, his beneficiary will receive 12 months of his salary; and (iii) if a "Change in Control" occurs, and his employment is terminated within 2 years thereafter by the Company without cause or by Dr. Ma for good reason, he is entitled to receive a lump sum payment equal to 2.5 times the sum of (a) his salary plus (b) the average of the annual bonuses paid to Dr. Ma in the three-year period immediately prior to termination.

Under Section 280G of the Internal Revenue Code, if a severance payment made in connection with a change of control to a "disqualified individual", which includes Dr. Ma, exceeds 3 times that person's average annualized compensation for the five preceding tax years ("parachute payment") the paying corporation is denied any deduction for employee compensation on any excess parachute payments, and the recipient is subject to a nondeductible 20% excise tax on such excess parachute payment (in addition to income taxes). To provide a means to avoid this disadvantageous tax treatment the employment agreements contain a "cut back" provision that applies if the severance payment would exceed the 280G limits; in that event, the Corporation will compute the after-tax net amount the employee would receive after paying all taxes (including the excise tax) on the severance payment provided for by the Employment Agreement (the "Original Severance Amount"). If the Original Severance Amount is less than or equal to the net amount the employee would receive if the severance payment was reduced to the highest amount at which no excise tax would be imposed, then the employee will receive the reduced amount so that the excise tax is avoided.

On December 31, 2022, the Company executed an Employment Agreement with the President of its VasoHealthcare subsidiary, Ms. Jane Moen, to provide for a twenty-seven month initial term with extensions, unless earlier terminated by the Company, but in no event can it extend beyond December 31, 2026. The Employment Agreement provides for annual base compensation of $350,000. Ms. Moen is eligible to receive bonuses for each fiscal year during the employment term. The amount and the occasion for payment of such bonuses, if any, shall be based on employment status and achieving certain operating targets. Ms. Moen is also eligible for an award under any long-term incentive compensation plan and grants of options and awards of shares of the Company's stock, as determined at the Board of Directors' discretion. The Employment Agreement further provides for reimbursement of certain expenses and for severance payments in the event of the termination of her employment in the following circumstances: (i) if her employment is terminated by the Company without "Cause" or by Ms. Moen for "Good Reason", she is entitled to $20,000 per month for 24 months and a pro-rated bonus payment in the amount she would have otherwise received had employment not terminated. In addition, any unvested options or shares will immediately vest; (ii) if her employment is terminated due to death or disability, her beneficiary will receive 6 months of her salary.

For purposes of the Employment Agreements, "Cause" means the employee's conviction of or pleading guilty or no contest to, a felony or crime of moral turpitude, willful refusal to perform his or her duties that results in material economic harm to the Company or breach of the confidentiality and non-solicitation/non-compete clauses of his or her Employment Agreement; and "Good Reason" means, in each case without the employee's consent, a reduction in salary, a failure to pay when due salary, bonus or vested stock, or the failure of a successor to assume in writing the obligations of the Agreements. In addition, under the Employment Agreements, a change of control occurs when one of the following events takes place: (i) any person or group acting in concert acquires more than 50% of the total fair market value or voting power of the Company's stock, excluding any acquisition of stock from the company, an affiliate, an employee benefit plan or broad-based employee benefit plan sponsored by the Company; a majority of the members of the Board is replaced during any 30 month period (excluding directors whose nomination was endorsed by a majority of the members of the Board, excluding any new director who became a director as a result of a contested election; a merger, consolidation, reorganization or similar transaction unless the owners of the Company's securities immediately prior to the transaction continue to own 70% of the post-transaction entity in substantially the same proportions or in a transaction in which no person acquires more than 30% of the voting power of the Company's outstanding securities; or a complete liquidation, dissolution, sale or other disposition of substantially all of the assets of the Company except to a subsidiary or an affiliate.

401(k) Plan

The Company maintains a defined contribution plan to provide retirement benefits for its employees - the Vaso Corporation 401(k) Plan adopted in April 1997. As allowed under Section 401(k) of the Internal Revenue Code, the plan provides tax-deferred salary deductions for eligible employees. Employees are eligible to participate in the next quarter enrollment period after employment under the Vaso Corporation Plan. Participants may make voluntary contributions to the plan up to 80% of their compensation under the Vaso Corporation Plan. In the years ended December 31, 2025 and 2024 the Company made discretionary contributions of approximately $379,000 and $345,000, respectively, to match a percentage of employee contributions.

Director's Compensation

Each of the non-employee directors receives an annual fee of $50,000 as well as a fee of $2,500 for each Board of Directors and Committee meeting attended, except for the Chairman who receives a flat fee of $180,000 per annum. Committee chairs receive an additional annual fee of $5,000. Strategic Planning Committee fees vary depending on time incurred.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation (1) ($)	Total ($)
Leon Dembo	67,500	-	-	-	-	-	67,500
David Lieberman	67,500	-	-	-	-	31,306	98,806
Joshua Markowitz	180,000	-	-	-	-	-	180,000
Behnam Movaseghi	80,000	-	-	-	-	-	80,000
Edgar Rios	87,500	-	-	-	-	-	87,500

(1) Represents health benefit premiums for Mr. Lieberman.

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

The following table sets forth the beneficial ownership of shares of our common stock as of March 27, 2026 of (i) each person known by us to beneficially own 5% or more of the shares of outstanding common stock, based solely on filings with the SEC, (ii) each of our executive officers and directors, and (iii) all of our executive officers and directors as a group. Except as otherwise indicated, all shares are beneficially owned, and investment and voting power is held by the persons named as owners. To our knowledge, except under community property laws or as otherwise noted, the persons and entities named in the table have sole voting and sole investment power over their shares of our common stock. Unless otherwise indicated, each beneficial owner listed below maintains a mailing address of c/o Vaso Corporation, 137 Commercial Street, Plainview, New York 11803.

Name of Beneficial Owner	Common Stock Beneficially Owned (1)	% of Common Stock (2)
Joshua Markowitz ** (3)	56,088,318	31.88%
Jun Ma, PhD **	10,498,146	5.97%
Peter Castle **	3,125,000	1.78%
Edgar Rios **	1,625,000	*
Jane Moen **	1,605,087	*
David Lieberman **	1,599,200	*
Jonathan Newton **	1,275,000	*
Behnam Movaseghi **	1,189,404	*
Leon Dembo **	150,000	*
** Directors and executive officers as a group (9 persons)	77,155,155	43.85%

* Less than 1% of the Company's common stock

(1) No officer or director owns more than one percent of the issued and outstanding common stock of the Company unless otherwise indicated.
(2) Applicable percentages are based on 175,953,035 shares of common stock outstanding as of March 27, 2026, adjusted as required by rules promulgated by the SEC.
(3) Joshua Markowitz is the record holder of 350,000 shares of our common stock. Additionally, 55,738,318 shares are held in trust funds of which Mr. Markowitz is the sole trustee.

Equity Compensation Plan Information

The Company previously issued equity compensation under the Vasomedical, Inc. 2013 Stock Plan (the "2013 Plan"). The 2013 Plan has expired, and no additional shares may be issued under this plan. The Company currently maintains the Vasomedical 2016 Stock Plan (the "2016 Plan"), which will expire in 2026, and the Vaso Corporation 2019 Stock Plan (the "2019 Plan"). The Company may issue stock grants under the 2016 Plan and the 2019 Plan at the discretion of our Board of Directors or its Compensation Committee. The value of stock issued under these plans is not less than the fair market value on the date of the grant. The participants in these plans are officers, directors, employees, and consultants of the Company and its subsidiaries and affiliates.

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity Compensation plans approved by security holders	-	$ 0.00	-
Equity Compensation plans not approved by security holders (1)	535,000	$ 0.00	8,881,361
Total	535,000		8,881,361

(1) Includes 535,000 shares of restricted common stock granted, but unvested, under the 2016 Plan. 531,361 shares and 8,350,000 shares remain available for future grants under the 2016 Plan and 2019 Plan, respectively.

See Note O to the Consolidated Financial Statements for description of the material features of our current stock plans not approved by stockholders.

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

Director Independence

We have adopted the NASDAQ Stock Market's standards for determining the independence of directors.

The Board of Directors has assessed the independence of each non-employee director under the independence standards of the NASDAQ Stock Market, and has affirmatively determined that a majority of our directors are independent under the independence standards generally applicable to directors, which includes Mr. Rios, Mr. Markowitz, Mr. Dembo and Mr. Movaseghi. In addition, each member of the Audit Committee and Compensation Committee have also been determined to be independent under the independence standards applicable to service on those committees. The Company does not have a standing nominating committee. The entire Board of Directors serves as the Company's nominating committee. The following members of the Board are not independent under the standards applicable to service on the nominating committee: Jun Ma, Jane Moen and David Lieberman.

We expect each director to attend every meeting of the Board and the committees on which he serves as well as the annual meeting. In the year ended December 31, 2025, all directors attended at least 75% of the meetings of the Board and the committees on which they served.

Related Party Transactions

There were no transactions in which the Company or any of its subsidiaries was a participant, the amount involved exceeded the lesser of (i) $120,000 or (ii) 1% of the Company's average total assets as of the end of its prior 2 fiscal years, and any Director, Director nominee, executive officer, or any of their immediate family members had a direct or indirect material interest reportable under applicable SEC rules, nor are there any such transactions currently proposed.

ITEM 14 - PRINCIPAL ACCOUNTING FEES AND SERVICES

UHY LLP, as our independent registered public accounting firm, performed the audits of our consolidated financial statements for the years ended December 31, 2025 and 2024. The following table sets forth all fees for such periods:

	2025	2024
Audit fees (1)	$ 292,775	$ 377,095
Audit-related fees	-	-
Tax fees	-	-
All other fees (2)	58,950	-
Total	$ 351,725	$ 377,095

(1) Includes $114,000 in 2024 for review of SEC filings associated with the Achari business combination.
(2) Fee for financial due diligence service.

The Audit Committee has adopted a policy that requires advance approval of all audit, audit-related, tax services, and other services performed by the Company's independent auditor. Accordingly, the Audit Committee must approve the permitted service before the independent auditor is engaged to perform it. In accordance with such policies, the Audit Committee approved 100% of the services relative to the above fees.

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Financial Statements and Financial Statement Schedules

(a) The following documents are filed as part of this report:

(1) See Index to Consolidated Financial Statements on page F-1 at beginning of attached financial statements.

(2) Financial Statement Schedules — All financial statement schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and have therefore been omitted.

(b) The following exhibits are filed with or incorporated by reference in this Annual Report on Form 10-K, and this list includes the Exhibit Index.

3.1A	Restated Certificate of Incorporation (2)
3.1B	Certificate of Designations of Preferences and Rights of Series E Convertible Preferred Stock (3)
3.1C	Certificate of Amendment to Certificate of Incorporation (7)
3.2	Amended and Restated By-Laws (10)
4	Specimen Certificate for Common Stock (1)
10.1	Redacted Sales Representative Agreement between GE Healthcare Division of General Electric Company and Vaso Diagnostics, Inc. d/b/a VasoHealthcare, a subsidiary of Vasomedical, Inc. dated as of May 19, 2010 (4).
10.2	Employment Agreement entered into as of March 21, 2011 between Vasomedical, Inc. and Jun Ma, as amended. (6)
10.3	Amendment to Sales Representative Agreement between GE Healthcare Division of General Electric Company and Vaso Diagnostics, Inc. d/b/a VasoHealthcare, a subsidiary of Vasomedical, Inc. dated as of June 20, 2012 (5)
10.4	2016 Stock Plan (8)
10.5	2019 Stock Plan (9)
10.6	Redacted Employment Agreement entered into as of October 1, 2022 between Vaso Corporation and Jane Moen
19	Insider Trading Policy
21	Subsidiaries of the Registrant
31.1	Rule 13a-14 Certification of Chief Executive Officer
31.2	Rule 13a-14 Certification of Chief Financial Officer
32.1	Certification Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Executive Officer
32.2	Certification Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Financial Officer

(1) Incorporated by reference to Registration Statement on Form S-18, No. 33-24095.
(2) Incorporated by reference to Registration Statement on Form S-1, No. 33-46377 (effective 7/12/94).
(3) Incorporated by reference to Exhibit 3.1 to Report on Form 8-K filed June 25, 2010.
(4) Incorporated by reference to Exhibit 10 to Report on Form 8-K/A filed November 9, 2010.
(5) Incorporated by reference to Exhibit 10 to Report on Form 8-K filed June 26, 2012.
(6) Incorporated by reference to Exhibit 10.1 to Report on Form 8-K filed March 25, 2011.
(7) Incorporated by reference to Exhibit 3 to Report on Form 10-Q for the quarter ended September 30, 2016, filed November 14, 2016.
(8) Incorporated by reference to Exhibit 10 Report on Form 10-Q for the quarter ended June 30, 2016, filed August 15, 2016.
(9) Incorporated by reference to Exhibit 10(l) to Report on Form 10-K for the year ended December 31, 2019, filed April 14, 2020.
(10) Incorporated by reference to Exhibit 3.1 to Report on Form 8-K filed February 12, 2026.

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 the 31st day of March 2026.

VASO CORPORATION

By: /s/ Jun Ma
Jun Ma
President, Chief Executive Officer,
and Director (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been executed below on March 31, 2025, by the following persons on behalf of the Registrant and in the capacities indicated:

/s/ Jun Ma Jun Ma	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Jonathan Newton Jonathan Newton	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Joshua Markowitz Joshua Markowitz	Director (Chairman of the Board)
/s/ Edgar Rios Edgar Rios	Director (Vice Chairman of the Board)
/s/ Jane Moen Jane Moen	Director
/s/ David Lieberman David Lieberman	Director
/s/ Behnam Movaseghi Behnam Movaseghi	Director
/s/ Leon Dembo Leon Dembo	Director

Vaso Corporation and Subsidiaries

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Vaso Corporation and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Vaso Corporation and Subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive income, changes in stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements referred to above present fairly, in all material respect, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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.

Critical Audit Matters

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

Critical Audit Matter - Revenue recognized from sales commission with General Electric Healthcare (GEHC)

As discussed in Notes A and B to the financial statements, the Company, through its wholly owned subsidiary VasoHealthcare (VHC), was appointed the exclusive representative for the sale of GEHC's diagnostics imaging equipment to specific market segments and recognized sales commission revenue when the underlying equipment and services have been delivered or completed by GEHC. VHC has total sales commission revenue of approximately $44.2 million for the year ended December 31, 2025, which is concentrated solely with GEHC.

We identified the testing of sales commission revenue generated from GEHC as a critical audit matter. Specifically, the sales commission revenue, along with the associated deferred revenue, accounts receivable and commissions payable for VHC, is calculated through complicated formulas including order data from various files obtained from GEHC monthly and is stored in a spreadsheet file based on the master agreement and various subsequent amendments between GEHC and the Company. The audit of the spreadsheet file was challenging and complex as it requires significant efforts from auditors due to the volume of data, size of the file, and complexity of formulas within the spreadsheet file.

How the Critical Audit Matter Was Addressed in the Audit

During the audit, we obtained an understanding of the design and implementation of the internal control over the revenue recognition process and over the spreadsheet file. For selected orders based on our judgment, we tested the Company's master file for completeness, traced the source data to the various files that are further directly confirmed with GEHC on sales orders, delivery and payments received, tested the formulas for its accuracy and reasonableness and agreed the commission rates to the agreements between GEHC and further confirmed with GEHC as to which sales region achieved the target order volume. Furthermore, for a selection of orders, we verified the delivery date and customer order value to the source documents.

Critical Audit Matter – Valuation of Goodwill

As discussed in Note B to the financial statements, the Company evaluates goodwill for impairment at the reporting unit level at least annually, or more frequently if events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The goodwill balance as of December 31, 2025 was $11.0 million. The Company considers potential impairment by comparing the fair value of a reporting unit to its carrying value. Fair value is estimated by management using both comparable market multiples and estimated discounted cash flow models. An impairment charge of $4.6 million was recorded for the year ended December 31, 2025.

We identified goodwill impairment as a critical audit matter because of the significant judgments made by management to estimate the fair value of the reporting units. This required a high degree of auditor judgment and an increased extent of effort, including our need to involve valuation specialists, when performing audit procedures to evaluate the reasonableness of inputs into the quantitative models driven by management's estimates and assumptions. Significant management estimates include forecasted revenue growth rates, forecasted gross profit, operating expenses and discount rates.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed to evaluate the reasonableness of management's estimates and assumptions included assessing the methodologies used by the Company and testing the significant assumptions used in the quantitative models. We compared current and prior year forecasts prepared by management to historical revenue and gross profit to evaluate the reasonableness of the assumptions and to evaluate management's ability to accurately forecast future revenues and gross profit. We evaluated historical trends in assessing the reasonableness of growth rate assumptions and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting units that would result from changes in these assumptions. We performed procedures to verify the mathematical accuracy of the calculations used by management. We involved our valuation specialists to assist us in identifying the significant assumptions underlying the models, assessing the rationale and supporting documents related to these assumptions, and determining the appropriateness and reasonableness of the methodologies employed. Furthermore, we assessed the appropriateness of the disclosures in the financial statements.

/s/ UHY LLP

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

Sterling Heights, Michigan

March 31, 2026

Vaso Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 35,050	$ 26,271
Accounts and other receivables, net of an allowance for credit losses and commission adjustments of $11,412 at December 31, 2025 and $10,708 at December 31, 2024	15,935	16,999
Receivables due from related parties	926	943
Inventories, net	833	911
Deferred commission expense	3,789	3,659
Prepaid expenses and other current assets	2,027	2,402
Total current assets	58,560	51,185
Property and equipment, net of accumulated depreciation of $9,131 at December 31, 2025 and $10,712 at December 31, 2024	1,263	1,544
Operating lease right of use assets	1,525	2,345
Goodwill	10,961	15,551
Intangibles, net	1,935	1,615
Other assets, net	6,016	5,358
Investment in EECP Global	135	436
Deferred tax assets, net	7,954	4,904
Total assets	$ 88,349	$ 82,938
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 4,008	$ 4,179
Accrued commissions	2,607	3,256
Accrued expenses and other liabilities	9,211	8,251
Finance lease liabilities - current	-	24
Operating lease liabilities - current	934	1,067
Sales tax payable	779	802
Income taxes payable	-	60
Deferred revenue - current portion	19,018	17,072
Notes payable - current portion	286	6
Due to related party	3	3
Total current liabilities	36,846	34,720
LONG-TERM LIABILITIES		
Operating lease liabilities, net of current portion	591	1,278
Deferred revenue, net of current portion	19,577	17,822
Other long-term liabilities	1,906	1,416
Total long-term liabilities	22,074	20,516
COMMITMENTS AND CONTINGENCIES (NOTE Q)		
STOCKHOLDERS' EQUITY		
Preferred stock, $.01 par value; 1,000,000 shares authorized; nil shares issued and outstanding at December 31, 2025 and December 31, 2024	-	-
Common stock, $.001 par value; 250,000,000 shares authorized; 175,953,035 shares issued and outstanding at December 31, 2025 and 175,696,311 shares issued and outstanding at December 31, 2024	176	176
Additional paid-in capital	62,080	62,049
Accumulated deficit	(32,512)	(34,081)
Accumulated other comprehensive loss	(315)	(442)
Total stockholders' equity	29,429	27,702
Total liabilities and stockholders' equity	$ 88,349	$ 82,938

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

Vaso Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(in thousands, except per share data)

	Year ended December 31,	
	2025	**2024**
Revenues		
Managed IT systems and services	$ 42,465	$ 42,954
Professional sales services	44,191	41,335
Equipment sales and services	2,440	2,478
Total revenues	89,096	86,767
Cost of revenues		
Cost of managed IT systems and services	25,032	25,349
Cost of professional sales services	8,567	8,661
Cost of equipment sales and services	825	707
Total cost of revenues	34,424	34,717
Gross profit	54,672	52,050
Operating expenses		
Selling, general and administrative	52,196	48,984
Research and development	728	851
Impairment of goodwill	4,639	-
Business combination transaction costs	-	1,930
Total operating expenses	57,563	51,765
Operating income (loss)	(2,891)	285
Other (expense) income		
Interest and financing costs	(25)	(4)
Interest and other income, net	790	1,000
Gain on sale of subsidiary	827	-
Loss on disposal of fixed assets	(7)	(4)
Total other income, net	1,585	992
Income (loss) before income taxes	(1,306)	1,277
Income tax benefit (expense)	2,875	(326)
Net income	1,569	951
Other comprehensive income		
Foreign currency translation gain (loss)	127	(138)
Comprehensive income	$ 1,696	$ 813
Income per common share		
- basic and diluted	$ 0.01	$ 0.01
Weighted average common shares outstanding		
- basic	175,814	175,395
- diluted	175,995	175,594

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

Vaso Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(in thousands)

	Common Stock		Treasury Stock		Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholder's Equity
	Shares	Amount	Shares	Amount				
Balance at January 1, 2024	**185,627**	**$ 186**	**(10,308)**	**$ (2,000)**	**$ 63,993**	**$ (35,032)**	**$ (304)**	**$ 26,843**
Retirement of treasury shares	(10,308)	$ (10)	10,308	2,000	$ (1,990)	$ -	$ -	$ -
Share-based compensation	377	-	-	-	54	-	-	54
Shares withheld for employee tax liability	-	-	-	-	(8)	-	-	(8)
Foreign currency translation loss	-	-	-	-	-	-	(138)	(138)
Net income	-	-	-	-	-	951	-	951
Balance at December 31, 2024	**175,696**	**$ 176**	**-**	**$ -**	**$ 62,049**	**$ (34,081)**	**$ (442)**	**$ 27,702**
Balance at January 1, 2025	**175,696**	**$ 176**	**-**	**$ -**	**$ 62,049**	**$ (34,081)**	**$ (442)**	**$ 27,702**
Share-based compensation	257	-	-	-	32	-	-	32
Shares withheld for employee tax liability	-	-	-	-	(1)	-	-	(1)
Foreign currency translation gain	-	-	-	-	-	-	127	127
Net income	-	-	-	-	-	1,569	-	1,569
Balance at December 31, 2025	**175,953**	**$ 176**	**-**	**$ -**	**$ 62,080**	**$ (32,512)**	**$ (315)**	**$ 29,429**

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

Vaso Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year ended December 31,	
	2025	**2024**
Cash flows from operating activities		
Net income	$ 1,569	$ 951
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	858	824
Deferred income taxes	(3,050)	51
Loss from investment in EECP Global	408	247
Gain on sale of subsidiary	(827)	-
Impairment of goodwill	4,639	-
Provision for credit losses and commission adjustments	813	777
Write-off of Achari loan	-	573
Share-based compensation	33	54
Changes in operating assets and liabilities:		
Accounts and other receivables	925	(5,065)
Due from related parties	(494)	(365)
Inventories	86	574
Deferred commission expense	(171)	(373)
Prepaid expenses and other current assets	(380)	(474)
Other assets, net	(777)	(524)
Accounts payable	600	1,511
Accrued commissions	(541)	832
Accrued expenses and other liabilities	1,456	921
Sales tax payable	(4)	106
Income taxes payable	(60)	56
Deferred revenue	3,700	2,694
Other long-term liabilities	490	(89)
Net cash provided by operating activities	9,273	3,281
Cash flows from investing activities		
Purchases of equipment and software	(925)	(1,453)
Loan to Achari	-	(573)
Redemption of short-term investments	-	13,756
Proceeds from sale of VasoHealthcare IT Corp.	200	-
Net cash (used in) provided by investing activities	(725)	11,730
Cash flows from financing activities		
Payroll taxes paid by withholding shares	(1)	(8)
Proceeds from note payable	3,622	-
Repayment of notes payable and finance lease obligations	(3,373)	(81)
Net cash provided by (used in) financing activities	248	(89)
Effect of exchange rate differences on cash and cash equivalents	(17)	7
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,779	14,929
Cash and cash equivalents - beginning of year	26,271	11,342
Cash and cash equivalents - end of year	$ 35,050	$ 26,271
SUPPLEMENTAL DISCLOSURE OF CASH INFORMATION		
Interest paid	$ 26	$ 4
Income taxes paid	$ 230	$ 183
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Initial recognition of operating lease right of use asset and liability	$ 185	$ 1,389
Transfer of fixed assets to inventory	$ 261	$ -

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

NOTE A – DESCRIPTION OF BUSINESS

Vaso Corporation was incorporated in Delaware in July 1987. For most of its history, the Company was a single-product company designing, manufacturing, marketing and servicing its proprietary Enhanced External Counterpulsation, or EECP®, therapy systems, mainly for the treatment of angina. In 2010 it began to diversify its business operations. The Company changed its name to Vaso Corporation in 2016 to more accurately reflect the diversified nature of its business mixture, and continues to use the original name VasoMedical for its proprietary medical device subsidiary. Unless the context requires otherwise, all references to "we", "our", "us", "Company", "registrant", "Vaso" or "management" refer to Vaso Corporation and its subsidiaries.

Overview

Vaso Corporation ("the "Company") principally operates in three distinct business segments in the healthcare equipment and information technology industries. We manage and evaluate our operations, and report our financial results, through these three business segments.

- IT segment, operating through a wholly-owned subsidiary VasoTechnology, Inc. ("VasoTechnology"), primarily focuses on healthcare IT and managed network technology services, with the healthcare IT service business divested in November 2025;

- Professional sales service segment, operating through a wholly-owned subsidiary Vaso Diagnostics, Inc. d/b/a VasoHealthcare, primarily focuses on the sale of healthcare capital equipment for GE HealthCare Technologies, Inc. ("GEHC") into the health provider middle market; and

- Equipment segment, primarily focuses on the design, manufacture, sale and service of proprietary medical devices and software, operating through a wholly-owned subsidiary VasoMedical, Inc., which in turn operates through Vasomedical Solutions, Inc. for domestic business and Vasomedical Global Corp. for international business, respectively. VasoSolutions also manages the domestic operation of EECP Global Corporation ("EECP Global"), in which the Company holds a 49% minority interest.

VasoTechnology (IT Segment)

VasoTechnology, Inc. was formed in May 2015, at the time the Company acquired all of the assets of NetWolves, LLC and its affiliates, including the membership interests in NetWolves Network Services, LLC (collectively, "NetWolves"). During 2025 VasoTechnology consisted of a managed network and security service division, NetWolves, and a healthcare IT application VAR (value added reseller) division, VasoHealthcare IT, which was sold in November 2025 to Nano-X Imaging Ltd (Nasdaq: NNOX).

In June 2014, the Company began its IT segment business by executing the Value Added Reseller Agreement ("VAR Agreement") with GEHC to become a national value added reseller of GEHC Digital's software solutions such as Picture Archiving and Communication System ("PACS"), Radiology Information System ("RIS"), and related services, including implementation, training, management and support. This business focuses primarily on customer segments currently served by VasoHealthcare on behalf of GEHC. A new wholly owned subsidiary, VasoHealthcare IT Corp. ("VHC- IT"), was formed to conduct the healthcare IT business. The VAR Agreement with GEHC was terminated in 2021. In November 2025, the Company sold VHC-IT to Nano-X Imaging Ltd. for $800,000, with $200,000 received at closing and up to $600,000 as an earnout based on the post-closing performance of the business. The Company recorded a $827,000 gain on sale of VHC-IT in its Consolidated Statements of Operations and Comprehensive Income.

In May 2015, the Company further expanded its IT segment business by acquiring NetWolves. NetWolves designs and delivers multi-network and multi-technology solutions as a managed network provider, and provides a complete single-source solution that includes design, network redundancy, application device management, real-time network monitoring, reporting and support systems as a comprehensive solution.

VasoHealthcare (Professional Sales Service Segment)

In May 2010, the Company launched its Professional Sales Service business through a wholly-owned subsidiary Vaso Diagnostics, Inc. d/b/a VasoHealthcare, which was appointed by GEHC as its exclusive representative for the sale of select GEHC diagnostic imaging equipment to specific market segments in the 48 contiguous states of the United States and the District of Columbia. The original agreement ("GEHC Agreement") has been extended several times and currently expires December 31, 2030, subject to earlier termination under certain conditions. The scope of the agreement was expanded in 2023 to include ultrasound systems, and the territory was expanded in 2025 to include the State of Alaska.

VasoMedical (Equipment Segment)

The proprietary medical equipment business under VasoMedical traces back to 1995 when the Company began the proprietary Enhanced External Counterpulsation (EECP®) technology in the United States and has since diversified to include other medical hardware and software. Vasomedical Global was formed in 2011 to combine and coordinate the various international operations including design, development, manufacturing, and sales of medical devices and software, while domestic activities are conducted under Vasomedical Solutions.

Over the last 15 years the Company's Equipment business has been significantly expanded from the original EECP®-only operations. In September 2011, the Company acquired Fast Growth Enterprises Limited ("FGE"), a British Virgin Islands company, which owned or controlled two Chinese operating companies - Life Enhancement Technology Ltd. ("LET") and Biox Instruments Co. Ltd. ("Biox") - to expand its technical and manufacturing capabilities and to enhance its distribution network, technology, and product portfolio. Biox was a variable interest entity ("VIE") controlled by FGE through certain contracts and an option to acquire all the shares of Biox by FGE's wholly owned subsidiary Gentone. In March 2019 Gentone exercised its option to acquire all of the shares of Biox. In August 2014, the Company, through Gentone, acquired all of the outstanding shares of Genwell Instruments Co. Ltd. ("Genwell"), which was formed in China in 2010 to develop the MobiCare® wireless multi-parameter patient monitoring system and holds intellectual property rights for this system. As a result, the Company has expanded its equipment products portfolio to include Biox® series ambulatory patient monitoring systems, ARCS® series cloud-based software and algorithm for ECG and blood pressure monitoring and analysis, and the MobiCare® patient monitoring device.

In April 2014, the Company entered into a cooperation agreement with Chongqing PSK-Health Sci-Tech Development Co., Ltd. ("PSK") of Chongqing, China, the leading manufacturer of external counter pulsation, or ECP, therapy systems in China, to form a joint venture company, VSK Medical Limited ("VSK"), a Cayman Islands company, for the global marketing, sale and advancement of ECP therapy technology. The Company owned 49.9% of VSK, which commenced operations in January 2015. In March 2018, the Company terminated the cooperation agreement with PSK and sold its shares in VSK to PSK. On May 20, 2020, the Company closed on the sale of 51% of the capital stock of its wholly-owned subsidiary EECP Global Corporation ("EECP Global") to PSK. EECP Global was formed in September 2019 to hold all the assets and liabilities of its EECP business. Concurrently with the closing of the transaction, the Company signed a Management Service Agreement with EECP Global to provide management service for the business and operation of EECP Global in the United States. The agreement provides an initial term of three years starting April 1, 2020, the effective date of the sale, which is automatically renewable for additional one-year terms. Pursuant to the agreement, EECP Global reimburses the Company all direct expenses and pays a monthly management fee during the term of the agreement.

Termination of Achari Business Combination Agreement

As previously disclosed, the Company entered into a business combination agreement (the "Business Combination Agreement"), dated as of December 6, 2023, with Achari Ventures Holdings Corp. I, a Delaware corporation ("Achari"), and Achari Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Achari. On September 17, 2024, Vaso provided to Achari a notice of termination of the Business Combination Agreement. Business combination transaction costs presented in the Consolidated Statements of Operations and Comprehensive Income include investment banking and other advisory and legal costs incurred associated with the Business Combination Agreement.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the consolidated financial statements are as follows:

Principles of Consolidation

The consolidated financial statements include the accounts of Vaso Corporation, its wholly-owned subsidiaries, and the accounts of the companies over which we exercise control. Significant intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates and assumptions relate to estimates of commission adjustments due to order cancellations, collectability of accounts receivable, the realizability of deferred tax assets, stock-based compensation, values and lives assigned to acquired intangible assets, fair value of reporting units in connection with goodwill impairment test, the adequacy of inventory reserves, variable consideration, and allocation of contract transaction price to performance obligations. Actual results could differ from those estimates.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. ASU 2014-09 replaced most existing revenue recognition guidance in U.S. GAAP. The new standard introduces a five-step process to be followed in determining the amount and timing of revenue recognition. It also provides guidance on accounting for costs incurred to obtain or fulfill contracts with customers, and establishes disclosure requirements which are more extensive than those required under prior U.S. GAAP. Generally, we recognize revenue under Topic 606 for each of our performance obligations either over time (generally, the transfer of a service) or at a point in time (generally, the transfer of a good) as follows:

- VasoTechnology

  Revenue relating to recurring managed network and voice services provided by NetWolves, for which the customer has unlimited access to such services throughout the contract term, are thus recognized as provided on a monthly basis ("over time"). Non-recurring charges related to the provision of such services are recognized in the period provided ("point in time"). In the IT VAR business, software system installations are recognized upon verification of installation and expiration of an acceptance period ("point in time"). Monthly post-implementation customer support – a stand-ready obligation of the Company to provide maintenance services if and when needed - provided under such installations, as well as software solutions offered under a monthly Software as a Service ("SaaS") fee basis, for which the customer has unlimited access to such services throughout the contract term, are thus recognized monthly over the contract term ("over time").

- VasoHealthcare

  Commission revenue is recognized when the underlying equipment has been delivered by GEHC and accepted at the customer site in accordance with the terms of the specific sales agreement ("point in time").

- VasoMedical

  In the United States, we recognized revenue from the sale of our medical equipment in the period in which we deliver the product to the customer ("point in time"). Revenue from the sale of our medical equipment to international markets is recognized upon shipment of the product to a common carrier, as are supplies, accessories and spare parts delivered in both domestic and international markets ("point in time"). Revenue from the provision of ARCS® under a monthly SaaS fee basis, for which the customer has unlimited access to such services throughout the contract term, are thus recognized monthly over the contract term ("over time"). The Company also recognizes revenue from the maintenance of its medical products either on a time and material as-billed basis ("point in time") or through the sale of a service contract, where revenue is recognized ratably over the contract term ("over time").

Disaggregation of Revenue

The following tables present revenues disaggregated by our business operations and timing of revenue recognition:

(in thousands)

	Year Ended December 31, 2025				Year Ended December 31, 2024			
	IT segment	Professional sales service segment	Equipment segment	Total	IT segment	Professional sales service segment	Equipment segment	Total
Network services	$ 39,289	$ -	$ -	$ 39,289	$ 38,357	$ -	$ -	$ 38,357
Software sales and support	3,176	-	-	3,176	4,597	-	-	4,597
Commissions	-	44,191	-	44,191	-	41,335	-	41,335
Medical equipment sales	-	-	2,319	2,319	-	-	2,355	2,355
Medical equipment service	-	-	121	121	-	-	123	123
	$ 42,465	$ 44,191	$ 2,440	$ 89,096	$ 42,954	$ 41,335	$ 2,478	$ 86,767

	Year Ended December 31, 2025				Year Ended December 31, 2024			
	IT segment	Professional sales service segment	Equipment segment	Total	IT segment	Professional sales service segment	Equipment segment	Total
Revenue recognized over time	$ 38,436	$ -	$ 507	$ 38,943	$ 36,737	$ -	$ 382	$ 37,119
Revenue recognized at a point in time	4,029	44,191	1,933	50,153	6,217	41,335	2,096	49,648
	$ 42,465	$ 44,191	$ 2,440	$ 89,096	$ 42,954	$ 41,335	$ 2,478	$ 86,767

Transaction Price Allocated to Remaining Performance Obligations

As of December 31, 2025, the aggregate amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for executed contracts approximates $101 million, of which we expect to recognize revenue as follows:

(in thousands)

	Fiscal years of revenue recognition			
	2026	2027	2028	Thereafter
Unfulfilled performance obligations	$ 45,519	$ 17,924	$ 4,907	$ 32,261

As of December 31, 2024, the aggregate amount of transaction price allocated to performance obligations that were unsatisfied (or partially unsatisfied) for executed contracts approximated $104 million.

Contract Balances

Contract receivables include trade receivables, net and long-term receivables (recorded in Other assets in the consolidated balance sheets). Contract liabilities arise in our IT, VasoHealthcare, and VasoMedical businesses. In our VHC IT business, payment arrangements with clients typically include an initial payment due upon contract signing and milestone-based payments based upon product delivery and go-live, as well as post go-live monthly payments for subscription and support fees. Customer payments received, or receivables recorded, in advance of go-live and customer acceptance, where applicable, are deferred as contract liabilities. Such amounts aggregated $0 and approximately $178,000 at December 31, 2025 and 2024, respectively, and are included in accrued expenses and other liabilities in our consolidated balance sheets.

In our VasoHealthcare business, we bill a portion of commissions on the orders we booked in advance of delivery of the underlying equipment. Such amounts aggregated approximately $38,595,000 and $34,893,000 at December 31, 2025 and 2024, respectively, and are classified in our consolidated balance sheets into current or long-term deferred revenue net of estimated commission adjustments. In addition, we record a contract liability for amounts expected to be credited back to GEHC due to customer order reductions. Such amounts aggregated approximately $1,287,000 and $935,000 at December 31, 2025 and 2024, respectively, and are included in accrued expenses and other liabilities in our consolidated balance sheets.

In our VasoMedical business, we bill amounts for post-delivery services and varying duration service contracts in advance of performance. Such amounts aggregated $0 and approximately $4,000 at December 31, 2025 and 2024, respectively, and are classified in our consolidated balance sheets as either current or long-term deferred revenue.

The following table summarizes the Company's contract receivable and contract liability balances:

	(in thousands)	
	2025	**2024**
Contract receivables - January 1	18,260	13,398
Contract receivables - December 31	17,465	18,260
Increase (decrease)	(795)	4,862
Contract liabilities - January 1	36,007	33,589
Contract liabilities - December 31	39,882	36,007
Increase (decrease)	3,875	2,418

The decrease in contract receivables in 2025 reflects higher collections and the divestiture of VHC-IT, The increase in contract liabilities in 2025 is due primarily to higher orders in our VasoHealthcare business. During the years ended December 31, 2025 and 2024, we recognized approximately $9.6 million and $8.7 million, respectively, of revenues that were included in our contract liability balance at the beginning of such periods.

Costs to Obtain or Fulfill a Contract

Topic 606 requires that incremental costs of obtaining a contract are recognized as an asset and amortized to expense in a pattern that matches the timing of the revenue recognition of the related contract. We have determined the only significant incremental costs incurred to obtain contracts with customers within the scope of Topic 606 are certain sales commissions paid to associates. In addition, the Company elected the practical expedient to recognize the incremental costs of obtaining a contract when incurred for contracts where the amortization period for the asset the Company would otherwise have recognized is one year or less.

Under Topic 606, sales commissions applicable to service contracts exceeding one year have been capitalized and amortized ratably over the term of the contract. In our VHC IT business, commissions allocable to multi-year subscription contracts or multi-year post-contract support performance obligations are amortized to expense ratably over the terms of the multi-year periods. VHC IT commissions allocable to other elements are charged to expense at go-live or customer acceptance. In our professional sales services segment, commissions paid to our sales force are deferred until the underlying equipment is accepted by the customer. We recognized approximately $2,712,000 and $2,808,000 of amortization related to these sales commission assets in "Cost of professional sales services" in 2025 and 2024, respectively, and approximately $42,000 and $54,000 of amortization in "Selling, general and administrative" expense in 2025 and 2024, respectively, in our consolidated statements of operations and comprehensive income.

At December 31, 2025 and 2024, our consolidated balance sheets include approximately $8,223,000 and $7,698,000, respectively, in capitalized sales commissions - primarily in our professional sales services segment - to be expensed in future periods, of which $3,789,000 and $3,659,000, respectively, is recorded in deferred commission expense and $4,434,000 and $4,039,000, respectively, representing the long-term portion, is included in other assets.

Significant Judgments when Applying Topic 606

Contract transaction price is allocated to performance obligations using estimated stand-alone selling price. Judgment is required in estimating stand-alone selling price for each distinct performance obligation. We determine stand-alone selling price maximizing observable inputs such as stand-alone sales when they exist or substantive renewal price charged to clients. In instances where stand-alone selling price is not observable, we utilize an estimate of stand-alone selling price based on historical pricing and industry practices.

Certain revenue we record in our professional sales service segment contains an estimate for variable consideration. Due to the tiered structure of our commission rate, which increases as annual targets are achieved, under Topic 606 we record revenue and deferred revenue at the rate we expect to be achieved by year end. We base our estimate of variable consideration on historical results of previous years' achievement under the GEHC agreement. Such estimate is reviewed each quarter and adjusted as necessary. In addition, the Company records commissions for arranging financing at an estimated rate which is subject to later revision based on certain factors. The Company recognized minimal changes in revenue associated with revisions to variable consideration for previously completed performance obligations for the years ended December 31, 2025 and 2024.

The Company also records commission adjustments to contract liabilities in its professional sales service segment based on estimates of future order cancellations. Such cancellations also result in adjustments to the related capitalized cost to obtain or fulfill a contract.

Shipping and Handling Costs

All shipping and handling expenses are charged to cost of sales. Amounts billed to customers related to shipping and handling costs are included as a component of sales.

Research and Development

Research and development costs attributable to development are expensed as incurred.

Share-Based Compensation

The Company complies with ASC Topic 718, "Compensation – Stock Compensation" ("ASC 718"), which requires all companies to recognize the cost of services received in exchange for equity instruments to be recognized in the financial statements based on their grant date fair values. The Company applies an estimated forfeiture rate to the grant date fair value to determine the annual compensation cost of share-based payment arrangements with employees. The forfeiture rate is estimated based primarily on job title and prior forfeiture experience. The Company did not grant any awards to non-employees during the years ended December 31, 2025 and 2024.

The Company did not grant any stock awards during the year ended December 31, 2025. The total fair value of shares vested during the year ended December 31, 2025 was $34,000 for employees.

During the year ended December 31, 2024, the Company granted 150,000 restricted shares of common stock valued at $19,500 to a director. The shares vested immediately. The total fair value of shares vested during the year ended December 31, 2024 was $26,000 for directors and officers and $34,000 for employees. The weighted average grant date fair value of shares granted during the year ended December 31, 2024 was $0.13 per share, based on the closing price as of the grant date.

The Company did not grant any stock options during the years ended December 31, 2025 or 2024, nor were any options exercised during such periods. No options were outstanding at December 31, 2025 or 2024.

Share-based compensation expense recognized for the years ended December 31, 2025 and 2024 was $33,000 and $54,000, respectively, and is recorded in selling, general, and administrative and research and development expense in the consolidated statements of operations and comprehensive income. Unrecognized expense related to existing share-based compensation and arrangements is approximately $46,000 at December 31, 2025 and will be recognized over a weighted-average period of approximately 22 months.

Cash and Cash Equivalents

Cash and cash equivalents represent cash and short-term, highly liquid investments either in certificates of deposit, U.S. Treasury bills, money market funds, or investment grade commercial paper issued by major corporations and financial institutions that generally have maturities of three months or less from the date of acquisition.

Financial Instruments

The Company complies with the provisions of ASC 820 “Fair Value Measurements and Disclosures” (“ASC 820”). Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying amount of assets and liabilities including cash and cash equivalents, accounts receivable, prepaids, accounts payable, accrued expenses and other current liabilities approximated their fair value as of December 31, 2025 and 2024, due to the relative short maturity of these instruments. Property and equipment, intangible assets, capital lease obligations, and goodwill are not required to be re-measured to fair value on a recurring basis. These assets are evaluated for impairment if certain triggering events occur. If such evaluation indicates that impairment exists, the respective asset is written down to its fair value.

The following table presents information about the Company's assets measured at fair value as of December 31, 2025 and 2024:

	(in thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Balance as of December 31, 2025**
Assets				
Cash equivalents invested in money market funds and treasury bills	$ 33,820	$ -	$ -	$ 33,820

	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Balance as of December 31, 2024**
Assets				
Cash equivalents invested in money market funds and treasury bills	$ 24,859	$ -	$ -	$ 24,859

Accounts Receivable, net

The Company's accounts receivable are due from customers to whom we sell our products and services, distributors engaged in the distribution of our products and from GEHC. Credit is extended based on evaluation of a customer's financial condition and, generally, collateral is not required. Accounts receivable are generally due 30 to 90 days from shipment and services provided and are stated at amounts due from customers net of allowances for credit losses, returns, term discounts and other allowances. Accounts that are outstanding longer than the contractual payment terms are considered past due. Estimates are used in determining the allowance for credit losses based on the Company's historical collections experience, current trends and future economic conditions, credit policy and a percentage of its accounts receivable by aging category. In determining these percentages, the Company reviews historical write-offs of its receivables. The Company also looks at the credit quality of its customer base as well as changes in its credit policies. The Company continuously monitors collections and payments from our customers, and writes off receivables when all efforts at collection have been exhausted. While credit losses have historically been within expectations and the provisions established, the Company cannot guarantee that it will continue to experience the same credit loss rates that it has in the past.

The changes in the Company's allowance for doubtful accounts and commission adjustments are as follows:

	(in thousands) **Year ended December 31,**	
	2025	**2024**
Beginning Balance	$ 10,708	$ 9,708
Provision for losses on accounts receivable	313	426
Direct write-offs, net of recoveries	(684)	(204)
Commission adjustments	1,075	778
Ending Balance	$ 11,412	$ 10,708

Concentrations of Credit Risk

We market our equipment and IT software solutions principally to hospitals, diagnostic imaging centers and physician private practices. We perform credit evaluations of our customers' financial condition and, as a result, believe that our receivable credit risk exposure is limited. For the years ended December 31, 2025 and 2024, no customer in our equipment or IT segment accounted for 10% or more of revenues or accounts receivable. In our professional sales service segment, 100% of our revenues and accounts receivable are with GEHC; however, we believe this risk is acceptable based on GEHC's financial position and our long history of doing business with GEHC.

The Company maintains cash balances in certain U.S. financial institutions which exceed the Federal Depository Insurance Corporation ("FDIC") coverage of $250,000 by approximately $8,571,000. The Company has not experienced any losses on these accounts and believes it is not subject to any significant credit risk on these accounts. In addition, the FDIC does not insure the Company's foreign bank balances, which aggregated approximately $1,023,000 and $592,000 at December 31, 2025 and 2024, respectively.

Inventories

The Company values inventories in the equipment segment at the lower of cost or net realizable value, with cost being determined on a first-in, first-out basis. The Company regularly reviews inventory quantities on hand, particularly raw materials and components, and records a provision for excess and slow moving inventory based primarily on existing and anticipated design and engineering changes to its products as well as forecasts of future product demand.

In our IT Segment, we purchase computer hardware and software for specific customer requirements and value such inventories using the specific identification method.

Property and Equipment

Property and equipment, including assets under finance leases, are stated at cost less accumulated depreciation and amortization. Major improvements are capitalized and minor replacements, maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the cost and related accumulated depreciation are removed from the consolidated balance sheets. Depreciation is expensed over the estimated useful lives of the assets, which range from two to eight years, on a straight-line basis. Accelerated methods of depreciation are used for tax purposes. We amortize leasehold improvements over the useful life of the related leasehold improvement or the life of the related lease, whichever is less.

Impairment of Long-lived Assets

The Company reviews the recoverability of all long-lived assets, including the related useful lives, whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset might not be recoverable. If required, the Company compares the estimated fair value determined by either the undiscounted future net cash flows or appraised value to the related asset's carrying value to determine whether there has been an impairment. If an asset is considered impaired, the asset is written down to fair value, which is based either on discounted cash flows or appraised values in the period the impairment becomes known. No assets were determined to be impaired as of December 31, 2025 and 2024.

Goodwill and Intangible Assets

Goodwill represents the excess of cost over the fair value of net assets of businesses acquired. The Company accounts for goodwill under the guidance of the ASC Topic 350, "Intangibles: Goodwill and Other". Goodwill acquired in a purchase business combination and determined to have an indefinite useful life is not amortized, but instead tested for impairment, at least annually, in accordance with this guidance. The recoverability of goodwill is subject to an annual impairment test or whenever an event occurs or circumstances change that would more likely than not result in an impairment. The impairment test is based on the estimated fair value of the underlying businesses and performed in the fourth quarter of each year.

We perform either a quantitative or qualitative assessment to assess if the fair value of the respective reporting unit exceeds its carrying value. The qualitative goodwill impairment assessment requires evaluating factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. As part of our goodwill qualitative assessment process for our two applicable reporting units, when utilized, we evaluate various factors that are specific to the reporting unit as well as industry and macroeconomic factors in order to determine whether it is reasonably likely to have a material impact on the fair value of our reporting units. Examples of the factors that are considered include the results of the most recent impairment test, current forecasts, and changes in the strategic outlook or organizational structure of the reporting units. The financial forecasts of the reporting units are compared to the forecasts used in the prior year analysis to determine if management expectations for the business have changed.

When performing the quantitative assessment to calculate the fair value of a reporting unit, we consider both comparative market multiples as well as estimated discounted cash flows for the reporting unit. The significant estimates and assumptions include, but are not limited to, revenue growth rates, operating margins, and future economic and market conditions. The discount rates are based upon industry weighted average cost of capital ranges. As a supplement, we conduct additional sensitivity analysis to assess the risk for potential impairment based upon changes in the key assumptions such as the discount rate, expected long-term growth rate, and cash flow projections. Based upon the completion of our annual test as of December 31, 2025, we determined that there was no impairment of goodwill in the FGE reporting unit, and that its estimated fair value was in excess of its carrying amount. The carrying amount of the Netwolves reporting unit was determined to exceed its fair value, and an impairment charge of $4,639,000 was recorded for the year ended December 31, 2025 in the Consolidated Statements of Operations and Comprehensive Income.

Intangible assets consist of the value of customer contracts and relationships, patent and technology costs, and software. The cost of significant customer-related intangibles is amortized in proportion to estimated total related revenue; cost of other intangible assets is generally amortized on a straight-line basis over the asset's estimated economic life, which range from five to ten years. The Company capitalizes internal-use software development costs incurred during the application development stage. Costs related to preliminary project activities, training, data conversion, and post implementation activities are expensed as incurred. The Company capitalized $688,000 and $570,000 in software development costs for the years ended December 31, 2025 and 2024, respectively. No intangible assets were determined to be impaired as of December 31, 2025 and 2024.

Deferred Revenue

Amounts billable under the agreement with GEHC in advance of delivery of the underlying equipment are recorded initially as deferred revenue, and commission revenue is subsequently recognized as customer acceptance of such equipment is reported to us by GEHC. Similarly, commissions payable to our sales force related to such billings are recorded as deferred commission expense when the associated deferred revenue is recorded. Commission expense is recognized when the corresponding commission revenue is recognized.

In our equipment segment, we record revenue on extended service contracts ratably over the term of the related service contracts.

Income Taxes

Deferred income taxes are recognized for temporary differences between financial statement and income tax bases of assets and liabilities and loss carry-forwards for which income tax benefits are expected to be realized in future years. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount expected to be realized. In estimating future tax consequences, we generally consider all expected future events other than an enactment of changes in the tax laws or rates. Deferred tax assets are continually evaluated for the expected realization. To the extent our judgment regarding the realization of the deferred tax assets changes, an adjustment to the allowance is recorded, with an offsetting increase or decrease, as appropriate, in income tax expense. Such adjustments are recorded in the period in which our estimate as to the realization of the assets changed that it is "more likely than not" that all of the deferred tax assets will be realized. The "realization" standard is subjective and is based upon our estimate of a greater than 50% probability that the deferred tax asset can be realized.

The Company also complies with the provisions of ASC Topic 740, "Income Taxes", which prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by the relevant taxing authority based on the technical merits. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. Derecognition of a tax benefit previously recognized results in the Company recording a tax liability that reduces ending retained earnings. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2025 and 2024. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at December 31, 2025 and 2024. Generally, the Company is no longer subject to income tax examinations by major domestic taxing authorities for years before 2021. Under the China tax regulatory framework, there is no statute of limitations on examination of tax filings by tax authorities. However, we understand that the general practice of the China tax regulatory authority is to audit going back no more than five years. Management is currently unaware of any issues under review that could result in significant payments, accruals or material deviations from its position.

Foreign Currency Translation Gain (Loss) and Comprehensive Income

When the Company operates in a foreign jurisdiction that has a functional currency other than the U.S. dollar, the value of foreign denominated assets and liabilities are translated into US dollars using published exchange rates in effect at the consolidated balance sheet date. Equity accounts are translated at historical rates except for the changes in accumulated deficit during the year as the result of the income statement translation process. Revenues and expenses and cash flows are translated using a weighted average exchange rate for the period. Resulting translation adjustments are recorded as a component of accumulated other comprehensive income (loss) on the accompanying consolidated balance sheets. For the years ended December 31, 2025 and 2024, other comprehensive income includes gains (losses) of $127,000 and $(138,000), respectively, which were entirely from foreign currency translation gain (loss).

Net Income Per Common Share

Basic income per common share was computed based on the weighted average number of common shares outstanding, including vested restricted shares, without inclusion of potentially dilutive common stock. Diluted earnings per common share is based on the weighted average number of common and potential dilutive common shares outstanding.

Diluted earnings per share were computed based on the weighted average number of common shares outstanding, including vested restrictive shares, plus all potentially dilutive common shares. A reconciliation of basic to diluted shares used in the earnings per share calculation is as follows:

	(in thousands) Year ended December 31,	
	2025	**2024**
Basic weighted average shares outstanding	175,814	175,395
Dilutive effect of unvested restricted shares	181	199
Diluted weighted average shares outstanding	175,995	175,594

No common stock equivalents were excluded from the computation of diluted earnings per share for the years ended December 31, 2025 and 2024.

Recently Adopted Accounting Standards

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09, Income Taxes (Topic 740), Improvement to Income Tax Disclosures, which requires enhanced income tax disclosures, including disaggregation of information in the rate reconciliation table and disaggregated information related to income taxes paid. The Company adopted ASU 2023-09 as of March 31, 2025. Such additional disclosures are included within Note P of the Consolidated Financial Statements.

In July 2025, the FASB issued ASU No. 2025-05 ("ASU 2025-05"), ASU No. 2025-05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. ASU 2025-05 provides (1) all entities with a practical expedient and (2) entities other than public business entities, with an accounting policy election when estimating credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. If elected, this expedient removes the requirement, when estimating expected credit losses, to consider changes in forecasted macroeconomic conditions, such as changes in unemployment rates or gross domestic product growth. Instead, companies electing the expedient may assume that current conditions as of the balance sheet date will not change for the remaining life of the asset. This authoritative guidance is effective for annual periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company adopted the practical expedient of ASU 2025-05 on October 1, 2025 and elected to apply the standard prospectively. The adoption had no material impact on its Consolidated Financial Statements.

Recently Issued Accounting Standards To Be Adopted

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's consolidated financial statements properly reflect the change. New pronouncements assessed by the Company recently are discussed below:

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disclosure of disaggregated information about certain income statement line items in the notes to the financial statements. The ASU is effective for annual reporting periods beginning with the year ending December 31, 2027. Early adoption is permitted. The Company is currently evaluating the impact of adopting this standard on its Consolidated Financial Statements.

In September 2025, the FASB issued ASU No. 2025-06 ("ASU 2025-06"), ASU No. 2025-06, Intangibles—Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. ASU 2025-06 updates the cost capitalization threshold for internal-use software development costs by removing all references to software project development stages and providing new guidance on how to evaluate whether the probable-to-complete recognition threshold has been met. This authoritative guidance is effective for annual periods beginning after December 15, 2027, and interim periods within those annual reporting periods. The Company is currently evaluating the effect of this new guidance on its Consolidated Financial Statements.

NOTE C – SEGMENT REPORTING

The Company operates its business in three segments – the IT segment, the professional sales service segment, and the equipment segment. The IT segment includes the operations of NetWolves and VasoHealthcare IT Corp. The professional sales service segment operates through the VasoHealthcare subsidiary and is currently engaged solely in the fulfillment of the Company's responsibilities under our agreement with GEHC. The equipment segment is engaged in designing, manufacturing, marketing and supporting of proprietary medical devices and software, as well as managing the domestic business of EECP® per a management service agreement with EECP Global.

The chief operating decision maker is the Company's Chief Executive Officer, who, in conjunction with upper management, evaluates segment performance based on operating income and Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization – defined as net (loss) income, plus net interest expense (income), tax expense, depreciation and amortization, and non-cash expenses for share-based compensation). Administrative functions such as finance and human resources are centralized and related expenses allocated to each segment. Other costs not directly attributable to operating segments, such as audit, legal, director fees, investor relations, and others, as well as certain assets – primarily cash balances – are reported in the Corporate entity below. There are no intersegment revenues. Summary financial information for the segments is set forth below:

	(in thousands) Year Ended December 31,	
	2025	**2024**
Revenues from external customers		
IT	$ 42,465	$ 42,954
Professional sales service	44,191	41,335
Equipment	2,440	2,478
Total revenues	$ 89,096	$ 86,767
Gross Profit		
IT	$ 17,433	$ 17,605
Professional sales service	35,624	32,674
Equipment	1,615	1,771
Total gross profit	$ 54,672	$ 52,050
Significant segment expenses		
Selling, general & administrative		
IT	$ 19,353	$ 19,296
Professional sales service	29,020	25,846
Equipment	2,218	2,273
Corporate	1,605	1,569
Total selling, general and administrative	$ 52,196	$ 48,984
Other segment items		
IT	$ 4,639	$ 69
Equipment	728	782
Corporate	-	1,930
Total other segment items	$ 5,367	$ 2,781
Operating income (loss)		
IT	$ (6,559)	$ (1,760)
Professional sales service	6,604	6,828
Equipment	(1,331)	(1,284)
Corporate	(1,605)	(3,499)
Total operating income (loss)	$ (2,891)	$ 285
Depreciation and amortization		
IT	$ 549	$ 629
Professional sales service	140	109
Equipment	169	86
Corporate	-	-
Total depreciation and amortization	$ 858	$ 824
Capital expenditures		
IT	$ 178	$ 810
Professional sales service	79	215
Equipment	665	427
Corporate	3	-
Total capital expenditures	$ 925	$ 1,452

	December 31, 2025	December 31, 2024
Identifiable Assets		
IT	$ 17,932	$ 23,798
Professional sales service	23,130	23,846
Equipment	6,643	6,639
Corporate	40,644	28,655
Total assets	$ 88,349	$ 82,938

Other segment items include impairment of goodwill, research and development costs and business combination transaction costs. For the years ended December 31, 2025 and 2024, GEHC accounted for 50% and 48% of revenue, respectively. Also, GEHC accounted for $12.1 million, or 76%, and $13.1 million, or 77%, of accounts and other receivables at December 31, 2025 and 2024, respectively. The equity method investment in EECP Global of $135,000 and $436,000 at December 31, 2025 and 2024, respectively, is held in the equipment segment.

Our revenues were derived from the following geographic areas:

	(in thousands) Year Ended December 31,	
	2025	2024
Domestic (United States)	$ 86,690	$ 84,699
Non-domestic (foreign)	2,406	2,068
	$ 89,096	$ 86,767

NOTE D – ACCOUNTS AND OTHER RECEIVABLES

The following table presents information regarding the Company's accounts and other receivables as of December 31, 2025 and 2024:

	(in thousands)	
	December 31, 2025	December 31, 2024
Trade receivables	$ 27,347	$ 27,707
Allowance for credit losses and commission adjustments	(11,412)	(10,708)
Accounts and other receivables, net	$ 15,935	$ 16,999

Trade receivables include amounts due for shipped products and services rendered. Amounts currently due under the GEHC Agreement are subject to adjustment in subsequent periods should the underlying sales order amount, upon which the receivable is based, change.

Allowance for credit losses and commission adjustments include estimated losses resulting from the inability of our customers to make required payments, and adjustments arising from estimated future changes in sales order amounts that may reduce the amount the Company will ultimately receive under the GEHC Agreement.

NOTE E – INVENTORIES

Inventories, net of reserves, consisted of the following:

	(in thousands)	
	December 31, 2025	**December 31, 2024**
Raw materials	$ 492	$ 596
Work in process	57	12
Finished goods	284	303
	$ 833	$ 911

At December 31, 2025 and 2024, the Company maintained reserves for slow moving inventories of $169,000 and $170,000, respectively.

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	(in thousands)	
	December 31, 2025	**December 31, 2024**
Office, laboratory and other equipment	$ 2,287	$ 2,589
Equipment furnished for customer use	6,923	8,452
Right of use assets - finance leases	1,116	1,116
Furniture and fixtures	68	99
	10,394	12,256
Less: accumulated depreciation and amortization	(9,131)	(10,712)
Property and equipment, net	$ 1,263	$ 1,544

Accumulated amortization of right of use (“ROU”) assets under finance leases aggregated approximately $1,059,000 and $1,015,000 at December 31, 2025 and 2024, respectively. Depreciation expense amounted to approximately $489,000 and $463,000 for the years ended December 31, 2025 and 2024, respectively. Amortization of ROU assets under finance leases is included in depreciation expense.

NOTE G – GOODWILL AND OTHER INTANGIBLES

Goodwill of $9,736,000 is attributable to the NetWolves reporting unit within the IT segment. The remaining $1,225,000 of goodwill is attributable to the FGE reporting unit within the Equipment segment. The changes in the carrying amount of goodwill are as follows:

	(in thousands)	
	Year Ended December 31, 2025	**Year Ended December 31, 2024**
Beginning of period	$ 15,551	$ 15,588
Foreign currency translation adjustment	49	(37)
Impairment	(4,639)	-
End of period	$ 10,961	$ 15,551

The Company's other intangible assets consist of capitalized customer-related intangibles, patent and technology costs, and software costs, as set forth in the following table:

	(in thousands)	
	December 31, 2025	**December 31, 2024**
Customer-related		
Costs	$ 5,831	$ 5,831
Accumulated amortization	(5,151)	(4,987)
	680	844
Patents and Technology		
Costs	1,894	1,894
Accumulated amortization	(1,894)	(1,894)
	-	-
Software		
Costs	3,876	3,188
Accumulated amortization	(2,621)	(2,417)
	1,255	771
	$ 1,935	$ 1,615

The Company owns, through our Chinese subsidiaries, forty-eight invention and utility patents that expire at various times through 2046, as well as twenty-seven software copyright certificates in China related to proprietary technologies in physiological data acquisition, analysis and reporting. Costs incurred for submitting the applications to the United States Patent and Trademark Office or other foreign authorities for these patents have been capitalized. Patent and technology costs are being amortized using the straight-line method over 10-year and 8-year lives, respectively. The Company begins amortizing patent costs once a filing receipt is received stating the patent serial number and filing date from the Patent Office or other foreign authority. The cost of significant customer-related intangibles is amortized in proportion to estimated total related revenue; cost of other customer-related intangible assets is amortized on a straight-line basis over the asset's estimated economic life of seven years. Software costs are amortized on a straight-line basis over its expected useful life of five years.

Amortization expense amounted to approximately $369,000 and $361,000 for the years ended December 31, 2025 and 2024, respectively. Amortization of intangibles for the next five years is:

Years ending December 31,	*(in thousands)*
2026	495
2027	421
2028	400
2029	307
2030	134
	$ 1,757

NOTE H – OTHER ASSETS

Other assets consist of the following:

	(in thousands)	
	December 31, 2025	**December 31, 2024**
Deferred commission expense - noncurrent	$ 4,434	$ 4,039
Trade receivables - noncurrent	1,530	1,261
Other, net of allowance for loss on loan receivable of $412 at December 31, 2025 and 2024	52	58
	$ 6,016	$ 5,358

NOTE I – DEFERRED REVENUE

The changes in the Company's deferred revenues are as follows:

	(in thousands)	
	Year ended December 31,	
	2025	**2024**
Deferred revenue at beginning of year	$ 34,894	$ 32,200
Net additions:		
Deferred extended service contracts	(1)	(2)
Deferred commission revenues	17,833	16,125
Recognized as revenue:		
Deferred extended service contracts	-	(3)
Deferred commission revenues	(14,131)	(13,426)
Deferred revenue at end of year	38,595	34,894
Less: current portion	19,018	17,072
Long-term deferred revenue at end of year	$ 19,577	$ 17,822

NOTE J – ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following:

	(in thousands)	
	December 31, 2025	**December 31, 2024**
Accrued compensation	$ 3,999	$ 3,141
Accrued expenses - other	2,758	2,933
Order reduction liability	1,287	935
Other liabilities	1,167	1,242
	$ 9,211	$ 8,251

NOTE K – NOTES PAYABLE AND REVOLVING CREDIT AGREEMENT

Notes payable consists of the following:

	(in thousands)	
	December 31, 2025	**December 31, 2024**
Notes payable	286	6
Less: current portion	(286)	(6)
	$ -	$ -

Notes payable consists of a term loan at December 31, 2025 and a vehicle loan at December 31, 2024. The term loan bore interest at 2.6% per annum and was repaid in January 2026. The vehicle loan matured in August 2025.

On December 30, 2022, the Company executed a $3.0 million revolving credit agreement with a lending institution. Advances under the agreement bear interest at Wall Street Journal Prime Rate and are secured by substantially all of the assets of the Company. The agreement expired August 31, 2025 and has undergone subsequent renewal through July 31, 2026. The agreement includes certain financial covenants, and the Company was in compliance with such covenants at December 31, 2025, at which time no amounts had been drawn.

NOTE L – LEASES

The Company periodically enters into finance leases, typically with terms of 3 to 5 years, to acquire equipment for its data center. The Company enters into operating leases for its facilities in New York, Florida, and China, as well as for vehicles and equipment provided to certain employees in the professional sales services segment. The operating lease terms range from 2 to 4 years. The Company excluded the renewal option on its applicable facility leases from the calculation of its ROU assets and lease liabilities. The Company made the accounting policy decision not to recognize lease assets and liabilities for leases with a term of 12 months or less and elected the following practical expedients upon adoption of ASC 842 “Leases”:

- whether expired or existing contracts contain leases under the new definition of a lease;
- lease classification for expired or existing leases; and
- whether previously capitalized initial direct costs would qualify for capitalization under Topic 842.

Finance and operating lease liabilities consist of the following:

	(in thousands)	
	December 31, 2025	**December 31, 2024**
Lease liabilities - current		
Finance leases	$ -	$ 24
Operating leases	934	1,067
	$ 934	$ 1,091
Lease liabilities - net of current portion		
Finance leases	$ -	$ -
Operating leases	591	1,278
	$ 591	$ 1,278

A reconciliation of undiscounted cash flows to finance and operating lease liabilities recognized in the consolidated balance sheet at December 31, 2025 is set forth below:

	(in thousands)		
Years ending December 31,	**Finance leases**	**Operating leases**	**Total**
2026	-	943	943
2027	-	523	523
2028	-	167	167
2029	-	12	12
Undiscounted lease payments	-	1,645	1,645
Amount representing interest	-	(120)	(120)
Discounted lease liabilities	-	1,525	1,525

Additional disclosures of lease data are set forth below:

	(in thousands) Year ended December 31,	
	2025	**2024**
Lease costs:		
Finance lease costs:		
Amortization of right-of-use assets	$ 45	$ 64
Interest on lease liabilities	1	11
	46	75
Operating lease costs	1,214	1,192
Short-term lease costs	78	91
Total lease cost	$ 1,338	$ 1,358
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 1	$ 83
Operating cash flows from operating leases	1,214	1,192
Financing cash flows from finance leases	24	72
	$ 1,239	$ 1,347

	December 31, 2025	**December 31, 2024**
Weighted-average remaining lease term - finance leases (months)	-	4
Weighted-average remaining lease term - operating leases (months)	23	31
Weighted-average discount rate - finance leases	0.0%	16.4%
Weighted-average discount rate - operating leases	8.1%	8.2%

The Company used the rate implicit in the lease, where known, or its incremental borrowing rate as the rate used to discount the future lease payments.

NOTE M – EQUITY IN THE EECP BUSINESS

On May 20, 2020, the Company closed on the sale of 51% of the capital stock of its then wholly-owned subsidiary EECP Global Corporation ("EECP Global") to Chongqing PSK-Health Sci-Tech Development Co. Ltd, a China-based company, for $1,150,000. EECP Global was formed in September 2019 to hold all the assets and liabilities of its EECP business. Concurrently with the closing of the transaction, the Company signed a Management Service Agreement with EECP Global to provide management service for the business and operation of EECP Global in the United States. The agreement provides an initial term of three years starting April 1, 2020, the effective date of the sale, which is automatically renewable for additional one-year terms. Pursuant to the agreement, EECP Global reimburses the Company all direct expenses and pays a monthly management fee during the term of the agreement.

The Company uses the equity method to account for its interest in EECP Global, as it has the ability to exercise significant influence over the entity, and reports its share of EECP Global operations in Other Income (Expense) on its consolidated statements of operations and comprehensive income. For the years ended December 31, 2025 and 2024, the Company's share of EECP Global's loss was approximately $408,000 and $247,000, respectively. At December 31, 2025 and 2024, the Company recorded Receivables due from related parties, net of allowance for credit loss of $850,000 and $350,000 at December 31, 2025 and 2024, respectively, of approximately $910,000 and $916,000, respectively, on its consolidated balance sheets for amounts due from EECP Global for fees and cost reimbursements, net of receivables collected on its behalf due to EECP Global.

NOTE N – STOCKHOLDERS' EQUITY

Chinese subsidiaries dividends and statutory reserves

The payment of dividends by entities organized in China is subject to limitations. In particular, regulations in China currently permit payment of dividends only out of accumulated profits as determined in accordance with People's Republic of China ("PRC") accounting standards and regulations. Based on PRC accounting standards, our Chinese subsidiaries are also required to set aside at least 10% of after-tax profit each year to their general reserves until the accumulative amount of such reserves reaches 50% of the registered capital. As of December 31, 2025 and 2024, statutory reserves aggregating approximately $35,000 were recorded in the Company's consolidated balance sheets. These reserves are not distributable as cash dividends. In addition, our PRC subsidiaries are required to allocate a portion of their after-tax profit to their staff welfare and bonus fund at the discretion of their respective boards of directors. Moreover, if any of our PRC subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Distribution of dividends from the Chinese operating companies to foreign shareholders is also subject to a withholding tax.

NOTE O – STOCK ISSUANCE PLANS

2016 Stock Issuance Plan

On June 15, 2016, the Board approved the 2016 Stock Plan (the "2016 Plan") for officers, directors, and senior employees of the Corporation or any subsidiary of the Corporation. The stock issuable under the 2016 Plan shall be shares of the Company's authorized but unissued or re-acquired common stock. The maximum number of shares of common stock that may be issued under the 2016 Plan is 7,500,000 shares.

The 2016 Plan consists of a Stock Issuance Program, under which eligible persons may, at the discretion of the Board, be issued shares of common stock directly, as a bonus for services rendered or to be rendered to the Corporation or any subsidiary of the Corporation.

During the year ended December 31, 2025, no shares of common stock were granted under the 2016 Plan and no shares were withheld for withholding taxes applicable to shares vested in 2025.

2019 Stock Issuance Plan

In May 2019, the Board approved the 2019 Stock Plan (the "2019 Plan") for officers, directors, and senior employees of the Corporation or any subsidiary of the Corporation. The stock issuable under the 2019 Plan shall be shares of the Company's authorized but unissued or reacquired common stock. The maximum number of shares of common stock that may be issued under the 2019 Plan is 15,000,000 shares.

The 2019 Plan consists of a Stock Issuance Program, under which eligible persons may, at the discretion of the Board, be issued shares of common stock directly, as a bonus for services rendered or to be rendered to the Corporation or any subsidiary of the Corporation.

During the year ended December 31, 2025, no shares were granted under the 2019 Plan.

The following table summarizes non-vested restricted shares under all plans for the year ended December 31, 2025:

	Shares Available for Future Issuance	Unvested shares	Weighted Average Grant Date Fair Value
Balance at December 31, 2023	8,996,709	1,358,333	$ 0.11
Authorized	-	-	$ -
Granted	(150,000)	150,000	$ 0.13
Vested	-	(677,015)	$ 0.08
Forfeited	34,652	(34,652)	$ 0.11
Expired	-	-	$ -
Balance at December 31, 2024	8,881,361	796,666	$ 0.13
Authorized	-	-	$ -
Granted	-	-	$ -
Vested		(256,724)	$ 0.13
Forfeited	4,942	(4,942)	$ 0.10
Expired	(4,942)	-	$ -
Balance at December 31, 2025	8,881,361	535,000	$ 0.14

The Company has a total of 64,630,604 remaining authorized but unissued shares of common stock after reserves for all stock plans are taken into account.

NOTE P – INCOME TAXES

The following is a geographical breakdown of income before the provision for income taxes:

	(in thousands) Year ended December 31,	
	2025	2024
Domestic	$ (1,019)	$ 1,691
Foreign	(287)	(414)
Income (loss) before provision for income taxes	$ (1,306)	$ 1,277

The provision for income taxes consisted of the following:

	(in thousands) Year ended December 31,	
	2025	2024
Current provision		
Federal	$ -	$ -
State	175	275
Foreign	-	-
Total current provision	175	275
Deferred provision (benefit)		
Federal	(2,372)	40
State	(678)	11
Foreign	-	-
Total deferred provision (benefit)	(3,050)	51
Total income tax provision (benefit)	$ (2,875)	$ 326
Effective income tax rate	220.17%	25.53%

The income tax benefit of $2,875,000 for the year ended December 31, 2025 was due to $175,000 in state income taxes and a $3,050,000 increase in net deferred tax assets, due primarily to the release of $3,027,000 in valuation allowance. The income tax expense of $326,000 for the year ended December 31, 2024 was due to $275,000 in state income taxes and a $51,000 reduction in deferred tax assets.

The following is a reconciliation of the effective income tax rate to the federal statutory rate:

	For the year ended	
	December 31, 2025	December 31, 2024
	%	%
Federal statutory rate	21.00	21.00
State income taxes	(9.73)	29.22
Change in valuation allowance relating to operations	231.79	(49.81)
Foreign tax rate differential	(12.20)	6.65
R&D credit	(4.75)	9.13
Nondeductible expenses	(6.40)	8.74
Other	0.46	0.60
	220.17	25.53

The effective tax rate increased mainly due to the impact of the release of the deferred tax asset valuation allowance partially offset by lower state income taxes in 2025.

As of December 31, 2025, the recorded gross deferred tax assets were $10,345,000, reflecting a decrease of $955,000 during the year ended December 31, 2025, which was offset by a valuation allowance of $0, reflecting a decrease of $3,027,000.

The components of our deferred tax assets and liabilities are summarized as follows:

	(in thousands)	
	December 31, 2025	December 31, 2024
Deferred Tax Assets:		
Net operating loss carryforwards	$ 3,872	$ 5,104
Amortization	506	530
Stock-based compensation	2	2
Allowance for doubtful accounts	292	254
Reserve for slow moving inventory	48	48
Tax credits	146	208
Expense accruals	1,448	1,254
Capitalized R&D	-	141
Deferred revenue	4,031	3,759
Total gross deferred taxes	10,345	11,300
Valuation allowance	-	(3,027)
Net deferred tax assets	10,345	8,273
Deferred Tax Liabilities:		
Deferred commissions	(905)	(883)
Goodwill	(1,486)	(2,480)
Depreciation	-	(6)
Total deferred tax liabilities	(2,391)	(3,369)
Total deferred tax assets	7,954	4,904
Recorded as:		
Non-current deferred tax assets	7,954	4,904
Non-current deferred tax liabilities	-	-
Total deferred tax assets	$ 7,954	$ 4,904

The activity in the valuation allowance is set forth below:

	(in thousands)	
	2025	**2024**
Valuation allowance, January 1,	$ 3,027	$ 3,663
Release of allowance	(3,027)	-
Change in valuation allowance	-	(636)
Valuation allowance, December 31,	$ -	$ 3,027

At December 31, 2025, the Company had net operating loss carryforwards for federal and state income tax purposes of approximately $7.5 million expiring at various dates from 2030 through 2037 and approximately $7 million with no expiration date.

Income tax payments, net of refunds, by jurisdiction for the years ended December 31 2025 and 2024 were as follows:

	For the year ended	
	December 31, 2025	**December 31, 2024**
Income Taxes Paid:		
Federal	$ -	$ -
State		
Texas	45	40
California	41	11
New Jersey	30	-
Illinois	23	27
Michigan	-	17
New York	15	-
Tennessee	14	27
All other	62	24
State taxes paid	230	146
Local		
New York City	-	37
Foreign	-	-
Total taxes paid	$ 230	$ 183

Under current tax law, the utilization of tax attributes will be restricted if an ownership change, as defined, were to occur. Section 382 of the Internal Revenue Code provides, in general, that if an "ownership change" occurs with respect to a corporation with net operating and other loss carryforwards, such carryforwards will be available to offset taxable income in each taxable year after the ownership change only up to the "Section 382 Limitation" for each year (generally, the product of the fair market value of the corporation's stock at the time of the ownership change, with certain adjustments, and a specified long-term tax-exempt bond rate at such time). The Company's ability to use its loss carryforwards will be limited in the event of an ownership change.

NOTE Q – COMMITMENTS AND CONTINGENCIES

Sales representation agreement

In December 2025, the Company concluded an amendment of the GEHC Agreement with GEHC, originally signed on May 19, 2010 and previously extended in 2012, 2015, 2017 and 2021. The amendment extended the term of the original agreement, which began on July 1, 2010, through December 31, 2030, subject to early termination by GEHC without cause with certain conditions. Under the agreement, VasoHealthcare is the exclusive representative for the sale of select GEHC diagnostic imaging and ultrasound products to specific market accounts in the 48 contiguous states of the United States, Alaska and the District of Columbia. The circumstances under which early termination of the agreement may occur with cause include: not materially achieving certain sales goals, not maintaining a minimum number of sales representatives, and not meeting various legal and GEHC policy requirements. The Company met all the contractual conditions in 2025.

Employment Agreements

On May 10, 2019, the Company modified its Employment Agreement with its President and Chief Executive Officer, Dr. Jun Ma, to provide for a five-year term with extensions, unless earlier terminated by the Company, but in no event can it extend beyond May 31, 2026. The Employment Agreement provides for annual compensation of $500,000. Dr. Ma is eligible to receive a bonus for each fiscal year during the employment term. The amount and the occasion for payment of such bonus, if any, shall be at the discretion of the Board of Directors. Dr. Ma is also eligible for an award under any long-term incentive compensation plan and grants of options and awards of shares of the Company's stock, as determined at the Board of Directors' discretion. The Employment Agreement further provides for reimbursement of certain expenses, and certain severance benefits in the event of termination within two years after a change in control.

On December 31, 2022, the Company executed an Employment Agreement with the President of its VasoHealthcare subsidiary, Ms. Jane Moen, to provide for a twenty-seven month initial term with extensions, unless earlier terminated by the Company, but in no event can it extend beyond December 31, 2026 or the earlier termination of the GEHC Agreement. The Employment Agreement provides for annual base compensation of $350,000. Ms. Moen is eligible to receive bonuses for each fiscal year during the employment term. The amount and the occasion for payment of such bonuses, if any, shall be based on employment status as well as achieving certain operating targets. Ms. Moen is also eligible for an award under any long-term incentive compensation plan and grants of options and awards of shares of the Company's stock, as determined at the Board of Directors' discretion. The Employment Agreement further provides for reimbursement of certain expenses, and certain severance benefits in the event of termination prior to the expiration date of the Employment Agreement.

Licensing and Support Service Agreement

In November 2025, NetWolves extended the licensing and support service agreement of its billing system for an additional four years, to expire December 2028. The agreement provides for monthly recurring charges based on a percentage of billed revenues using these services, which charges aggregated approximately $369,000 and $352,000 for the years ended December 31, 2025 and 2024, respectively.

Litigation

The Company is currently, and has been in the past, a party to various routine legal proceedings, primarily employee related matters, incident to the ordinary course of business. The Company believes that the outcome of all such pending legal proceedings in the aggregate is unlikely to have a material adverse effect on the business or consolidated financial condition of the Company.

Foreign operations

During the years ended December 31, 2025 and 2024, the Company had and continues to have operations in China. Operating transactions in China are denominated in the Chinese currency called RMB or CNY, which is not freely convertible into foreign currencies. Operating internationally involves additional risks relating to such things as currency exchange rates, different legal and regulatory environments, political, economic risks relating to the stability or predictability of foreign governments, differences in the manner in which different cultures do business, difficulties in staffing and managing foreign operations, differences in financial reporting, operating difficulties, and other factors.

Commercial law is still developing in China and there are limited legal precedents to follow in commercial transactions. There are many tax jurisdictions, each of which may have changing tax laws. Applicable taxes include value added taxes ("VAT"), Enterprise Income Tax, and social (payroll) taxes. Foreign tax regulations are often unclear. Tax declarations (reports) are subject to review and taxing authorities may impose fines, penalties and interest. These facts create risks in China.

NOTE R – 401(k) PLANS

The Company maintains a defined contribution plan to provide retirement benefits for its employees - the Vaso Corporation 401(k) Plan adopted in April 1997. As allowed under Section 401(k) of the Internal Revenue Code, the plan provides tax-deferred salary deductions for eligible employees. Employees are eligible to participate in the next quarter enrollment period after employment and participants may make voluntary contributions to the plan up to 80% of their compensation, subject to applicable IRS annual limitations. The Company made discretionary contributions of approximately $379,000 and $345,000 in the years ended December 31, 2025 and 2024, respectively.

Exhibit 21

Name	State of Incorporation	Percentage Owned by Company
Vaso Diagnostics, Inc.	New York	100%
VasoMedical, Inc.	Delaware	100%
Vasomedical Global Corp.	New York	100%
Vasomedical Solutions, Inc.	New York	100%
VasoTechnology, Inc.	Delaware	100%
NetWolves Network Services LLC	Florida	100%
EECP Global Corporation	New York	49%
Fast Growth Enterprises Limited	British Virgin Islands	100%

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a/15d OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jun Ma, certify that:

1. I have reviewed this report on Form 10-K of Vaso Corporation and subsidiaries (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jun Ma
Jun Ma
President and Chief Executive Officer

Dated: March 31, 2026

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a/15d OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonathan Newton, certify that:

1. I have reviewed this report on Form 10-K of Vaso Corporation and subsidiaries (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jonathan Newton
Jonathan Newton
Chief Financial Officer

Dated: March 31, 2026

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jun Ma, President and Chief Executive Officer of Vaso Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2025 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Dated: March 31, 2026

/s/ Jun Ma
Jun Ma
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonathan Newton, Chief Financial Officer of Vaso Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2025 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Dated: March 31, 2026

/s/ Jonathan Newton
Jonathan Newton
Chief Financial Officer