

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

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 7, 2025

STRAN & COMPANY, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

001-41038

(Commission File Number)

04-3297200

(IRS Employer
Identification No.)

2 Heritage Drive, Suite 600, Quincy, MA

(Address of principal executive offices)

02171

(Zip Code)

800-833-3309

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.0001 per share | SWAG | The Nasdaq Stock Market LLC |
| Warrants, each warrant exercisable for one share of Common Stock at an exercise price of \$4.81375 | SWAGW | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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.

Item 2.02 Results of Operations and Financial Condition.

On March 7, 2025, Stran & Company, Inc. (the "Company") issued a press release reporting its financial results for the three and nine months ended September 30, 2024 and the decision of the Nasdaq Hearings Panel to grant the request of the Company to continue its listing on The Nasdaq Stock Market LLC. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information furnished pursuant to this Item 2.02 (including Exhibit 99.1 hereto), shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, as amended (the "Securities Act"), except as expressly set forth by specific reference in such a filing.

Forward-Looking Statements

The press release attached as Exhibit 99.1 hereto and the statements contained therein include "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or the Company's future financial or operating performance. In some cases, you can identify these statements because they contain words such as "may," "will," "believes," "expects," "anticipates," "estimates," "projects," "intends," "should," "seeks," "future," "continue," "plan," "target," "predict," "potential," or the negative of such terms, or other comparable terminology that concern the Company's expectations, strategy, plans, or intentions. Forward-looking statements relating to expectations about future results or events are based upon information available to the Company as of today's date and are not guarantees of the future performance of the Company, and actual results may vary materially from the results and expectations discussed. Forward-looking statements include, but are not limited to, the Company's expectations regarding synergies from its acquired businesses, its financial position and operating performance, its expectations regarding its business initiatives, the Company's expectations about its operating performance, trends in its business, the effectiveness of its growth strategies, its market opportunity, and demand for its products and services in general. The Company's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected, including risks and uncertainties described in the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current

Reports on Form 8-K, and other filings with the Securities and Exchange Commission. All subsequent written and oral forward-looking statements concerning the Company or other matters and attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. The Company does not undertake any obligation to publicly update any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof, except as required by law.

Item 7.01 Regulation FD Disclosure.

The information set forth in Item 2.02 of this Current Report on Form 8-K is incorporated by reference herein.

The information furnished pursuant to this Item 7.01 (including Exhibit 99.1 hereto), shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Exchange Act or the Securities Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description of Exhibit |
|--------------------|---|
| 99.1 | Press Release dated March 7, 2025 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 7, 2025

STRAN & COMPANY, INC.

/s/ Andrew Shape

Name: Andrew Shape

Title: President and Chief Executive Officer

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Stran & Company Reports Financial Results for Three and Nine Months Ended September 30, 2024

- Granted Listing Extension from Nasdaq Hearing Panel -

Quincy, MA / March 7, 2025 / Stran & Company, Inc. ("Stran" or the "Company") (NASDAQ: SWAG) (NASDAQ: SWAGW), a leading outsourced marketing solutions provider that leverages its promotional products and loyalty incentive expertise, today provided a business update and reported financial results for the three and nine months ended September 30, 2024.

On March 3, 2025, the Nasdaq Hearings Panel informed the Company that it determined to grant the request of Stran to continue its listing on Nasdaq subject to three conditions. The first was that the Company become current on its financial filings, which the Company has met as of today through the filing of its Form 10-Q for the third quarter of 2024. The second was that the Company meet the Nasdaq minimum closing bid price requirement. As the Company previously reported, it received written notice on February 20, 2025 of regaining compliance with this requirement. The third was that the Company hold its annual shareholder meeting for 2024, which it intends to do in a timely manner following the filing of its Form 10-K for 2024.

Andy Shape, President and CEO of Stran, commented, "We are pleased to report our third-quarter 2024 financial results, marking our return to full compliance with Nasdaq's periodic financial reporting requirement. With this milestone behind us, only our annual meeting remains in order to regain full Nasdaq compliance. For the three months ended September 30, 2024, sales grew by 2.4% to \$20.1 million. Despite some reduced customer spending in the second half of 2024, we are confident that the recent acquisition of Gander Group will be a catalyst for revenue growth in 2025. Additionally, we have maintained a strong financial position, with \$17.0 million in cash, cash equivalents, and investments as of September 30, 2024."

"Importantly, during the quarter we acquired the strategic assets of Gander Group. This acquisition reinforces our commitment to expanding our market presence and delivering greater value to our clients and shareholders. Gander Group's industry-leading expertise in casino continuity and loyalty programs perfectly complements our promotional solutions, creating powerful cross-selling opportunities and operational efficiencies. Additionally, welcoming Gander Group's leadership strengthens our capabilities, allowing us to further enhance our offerings and drive long-term growth."

"With our re-audited financials complete and filings up to date, we are fully focused on driving significant growth and expanding our market presence. As we look to 2025, we are optimistic about our trajectory, with strong organic growth opportunities and strategic initiatives positioning us for accelerated expansion. We look forward to capitalizing on these opportunities and reconnecting with our shareholders soon through our quarterly conference calls."

Financial Results

Three Months Ended September 30, 2024 Results

Sales increased 2.4% to approximately \$20.1 million for the three months ended September 30, 2024, from approximately \$19.7 million for the three months ended September 30, 2023. For the Stran segment, the decrease was primarily due to lower spending from new and existing clients. For the Stran Loyalty Solutions, LLC ("SLS") segment, the increase was due to the acquisition of the Gander Group assets in August 2024.

Gross profit decreased 7.0% to approximately \$6.0 million, or 29.5% of sales, for the three months ended September 30, 2024, from approximately \$6.4 million, or 32.5% of sales, for the three months ended September 30, 2023. For the Stran segment, the decrease in the dollar amount of gross profit was due to a decrease in sales of approximately \$3.0 million, which was partially offset by a decrease in cost of sales of approximately \$1.9 million. The decrease in gross profit margin for the Stran segment to 31.8% for the three months ended September 30, 2024 compared to 32.5% for the three months ended September 30, 2023 was primarily due to increases in product costs from vendors. For the SLS segment, the increase in the dollar amount was due to the acquisition of the Gander Group assets in August 2024.

Net loss for the three months ended September 30, 2024 was approximately \$2.0 million, compared to net profit of approximately \$1.3 million for the three months ended September 30, 2023. This change was primarily due to the increase in operating expenses along with the decrease in gross profit.

Nine Months Ended September 30, 2024 Results

Sales increased 4.9% to approximately \$55.7 million for the nine months ended September 30, 2024, from approximately \$53.1 million for the nine months ended September 30, 2023. For the Stran segment, the decrease was primarily due to lower spending from new and existing clients. For the SLS segment, the increase was due to the acquisition of the Gander Group assets in August 2024.

Gross profit decreased 0.1% to approximately \$17.0 million, or 30.6% of sales, for the nine months ended September 30, 2024, from approximately \$17.1 million, or 32.1% of sales, for the nine months ended September 30, 2023. For the Stran segment, the decrease in the dollar amount of gross profit was due to a decrease in sales of approximately \$0.9 million, which was partially offset by a decrease in cost of sales of approximately \$0.2 million. The decrease in gross profit margin for the Stran segment to 31.4% for the nine months ended September 30, 2024 compared to 32.1% for the nine months ended September 30, 2023 was primarily due to increases in product costs from vendors. For the SLS segment, the increase in the dollar amount was due to the acquisition of the Gander Group assets in August 2024.

Net loss for the nine months ended September 30, 2024 was approximately \$3.6 million, compared to net loss of approximately \$0.1 million for the nine months ended September 30, 2023. This change was primarily due to an increase in operating expenses.

About Stran

For over 30 years, Stran has grown to become a leader in the promotional products industry, specializing in complex marketing programs to help recognize the value of promotional products, branded merchandise, and loyalty incentive programs as a tool to drive awareness, build brands and impact sales. Stran is the chosen promotional programs manager of many Fortune 500 companies, across a variety of industries, to execute their promotional marketing, loyalty and incentive, sponsorship activation,

recruitment, retention, and wellness campaigns. Stran provides world-class customer service and utilizes cutting-edge technology, including efficient ordering and logistics technology to provide order processing, warehousing and fulfillment functions. The Company's mission is to develop long-term relationships with its clients, enabling them to connect with both their customers and employees in order to build lasting brand loyalty. Additional information about the Company is available at: www.stran.com.

Forward Looking Statements

This press release contains "forward-looking statements" that are subject to substantial risks and uncertainties. All statements, other than statements of historical fact, contained in this press release are forward-looking statements. Forward-looking statements contained in this press release may be identified by the use of words such as "anticipate," "believe," "contemplate," "could," "estimate," "expect," "intend," "seek," "may," "might," "plan," "potential," "predict," "project," "target," "aim," "should," "will" "would," or the negative of these words or other similar expressions, although not all forward-looking statements contain these words. Forward-looking statements include, but are not limited to, the Company's expectations regarding synergies from its acquired businesses, its financial position and operating performance, its expectations regarding its business initiatives, the Company's expectations regarding about its operating performance, trends in its business, the effectiveness of its growth strategies, its market opportunity, and demand for its products and services in general. Forward-looking statements are based on the Company's current expectations and are subject to inherent uncertainties, risks and assumptions that are difficult to predict. Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. These and other risks and uncertainties are described more fully in the section titled "Risk Factors" in the Company's periodic reports which are filed with the Securities and Exchange Commission. Forward-looking statements contained in this announcement are made as of this date, and the Company undertakes no duty to update such information except as required under applicable law.

Contacts:

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BALANCE SHEETS (in thousands, except share and per share amounts)

| <u>ASSETS</u> | <u>September 30, 2024</u> (unaudited) | <u>December 31, 2023</u> |
|---|--|------------------------------|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 10,036 | \$ 8,059 |
| Investments | 6,934 | 10,393 |
| Accounts receivable, net | 13,748 | 16,223 |
| Accounts receivable - related parties | 1,092 | 853 |
| Inventory | 4,768 | 4,782 |
| Prepaid corporate taxes | 34 | 62 |
| Prepaid expenses | 1,310 | 953 |
| Deposits | 650 | 1,717 |
| Other current assets | 63 | — |
| Total current assets | 38,635 | 43,042 |
| Property and equipment, net | 1,727 | 1,521 |
| OTHER ASSETS: | | |
| Intangible assets - customer lists, net | 4,301 | 3,114 |
| Intangible assets - trade name | 654 | — |
| Goodwill | 2,542 | — |
| Other assets | 23 | 23 |
| Right of use asset - office leases | 930 | 1,336 |
| Total other assets | 8,450 | 4,473 |
| Total assets | \$ 48,812 | \$ 49,036 |

LIABILITIES AND STOCKHOLDER'S EQUITY

| | | |
|--|---------------|---------------|
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | \$ 6,194 | \$ 4,745 |
| Accrued payroll and related | 1,537 | 2,568 |
| Unearned revenue | 3,002 | 1,116 |
| Rewards program liability | 3,000 | 875 |
| Sales tax payable | 212 | 344 |
| Current portion of contingent earn-out liabilities | 156 | 224 |
| Current portion of installment payment liabilities | 372 | 786 |
| Current portion of lease liability | 443 | 528 |
| Total current liabilities | 14,916 | 11,186 |

| | | | |
|---|--|------------------|------------------|
| LONG-TERM LIABILITIES: | | | |
| Long-term contingent earn-out liabilities | | 763 | 763 |
| Long-term installment payment liabilities | | 339 | 639 |
| Long-term lease liability | | 491 | 798 |
| Total long-term liabilities | | <u>1,593</u> | <u>2,200</u> |
| Total liabilities | | 16,509 | 13,386 |
| Commitments and contingencies | | | |
| STOCKHOLDER'S EQUITY: | | | |
| Preferred stock, \$0.0001 par value; 50,000,000 shares authorized, 0 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively | | — | — |
| Common stock, \$0.0001 par value; 300,000,000 shares authorized, 18,589,086 and 18,539,000 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively | | 2 | 2 |
| Additional paid-in capital | | 38,436 | 38,263 |
| Accumulated deficit | | (6,156) | (2,602) |
| Accumulated other comprehensive loss | | 21 | (13) |
| Total stockholders' equity | | <u>32,303</u> | <u>35,650</u> |
| Total liabilities and stockholders' equity | | <u>\$ 48,812</u> | <u>\$ 49,036</u> |

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STATEMENTS OF OPERATIONS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(in thousands, except share and per share amounts)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|----------------------------|--|----------------------------|
| | 2024 | 2023 (Restated) | 2024 | 2023 (Restated) |
| SALES | | | | |
| Sales | \$ 19,730 | \$ 18,951 | \$ 55,204 | \$ 52,207 |
| Sales – related parties | 414 | 723 | 460 | 853 |
| Total sales | <u>20,144</u> | <u>19,674</u> | <u>55,664</u> | <u>53,060</u> |
| COST OF SALES: | | | | |
| Cost of sales | 13,873 | 12,719 | 38,278 | 35,348 |
| Cost of sales - related parties | 319 | 556 | 354 | 656 |
| Total cost of sales | <u>14,192</u> | <u>13,275</u> | <u>38,632</u> | <u>36,004</u> |
| GROSS PROFIT | 5,952 | 6,399 | 17,032 | 17,056 |
| OPERATING EXPENSES: | | | | |
| General and administrative expenses | 8,136 | 5,732 | 20,993 | 17,968 |
| Total operating expenses | <u>8,136</u> | <u>5,732</u> | <u>20,993</u> | <u>17,968</u> |
| (LOSS) INCOME FROM OPERATIONS | (2,184) | 667 | (3,961) | (912) |
| OTHER INCOME: | | | | |
| Other (expense) income | (22) | 202 | (6) | 219 |
| Interest income | 64 | 183 | 239 | 467 |
| Realized gain on investments | 103 | 77 | 176 | 98 |
| Total other income | <u>145</u> | <u>462</u> | <u>409</u> | <u>784</u> |
| (LOSS) INCOME BEFORE INCOME TAXES | (2,039) | 1,129 | (3,552) | (128) |
| Provision (benefit) for income taxes | (1) | (136) | 2 | 15 |
| NET (LOSS) INCOME | \$ (2,038) | \$ 1,265 | \$ (3,554) | \$ (143) |
| NET (LOSS) INCOME PER COMMON SHARE | | | | |
| Basic | \$ (0.11) | \$ 0.07 | \$ (0.19) | \$ (0.01) |
| Diluted | \$ (0.11) | \$ 0.04 | \$ (0.19) | \$ (0.01) |
| WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING | | | | |
| Basic | 18,589,086 | 18,534,772 | 18,584,359 | 18,514,875 |
| Diluted | 18,589,086 | 29,239,195 | 18,584,359 | 18,514,875 |

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