

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: June 30, 2025

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-41038

**STRAN & COMPANY, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction  
of incorporation)

**04-3297200**

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

**500 Victory Road, Suite 301, Quincy, MA**

(Address of principal executive offices)

**02171**

(Zip Code)

**800-833-3309**

(Registrant's telephone number, including area code)

**2 Heritage Drive, Suite 600, Quincy, MA 02171**

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

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T 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 ☐

Non-accelerated filer ☒

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 11, 2025, there were a total of 18,555,366 shares of the registrant's common stock outstanding.

STRAN & COMPANY, INC.

Quarterly Report on Form 10-Q  
Period Ended June 30, 2025

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PART I

**FINANCIAL INFORMATION**

ITEM 1. FINANCIAL STATEMENTS.

**STRAN & COMPANY, INC.  
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**STRAN & COMPANY, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)

	June 30, 2025	December 31, 2024
	(Unaudited)	
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 13,070	\$ 9,358
Investments	4,997	8,856
Accounts receivable, net	22,063	18,092
Accounts receivable - related parties, net	402	573
Inventory	6,736	5,389
Prepaid corporate taxes	—	28
Prepaid expenses	2,391	2,308
Deposits	467	423
Other current assets	4	455
Total current assets	50,130	45,482
Property and equipment, net	1,618	1,701
OTHER ASSETS:		
Intangible assets - customer lists, net	3,934	4,170
Intangible assets - trade name	654	654
Goodwill	2,321	2,321
Other assets	222	23
Right of use assets	2,336	797
Total other assets	9,467	7,965
Total assets	\$ 61,215	\$ 55,148
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 9,513	\$ 8,919
Accrued payroll and related	2,044	1,513
Unearned revenue	4,817	4,423
Rewards program liability	9,000	6,000
Sales tax payable	315	353
Corporate taxes payable	9	—
Current portion of contingent earn-out liabilities	105	256
Current portion of installment payment liabilities	158	365
Current portion of lease liabilities	661	366
Total current liabilities	26,622	22,195
LONG-TERM LIABILITIES:		
Long-term contingent earn-out liabilities	455	455
Long-term installment payment liabilities	425	425
Long-term lease liabilities	1,880	432
Total long-term liabilities	2,760	1,312
Total liabilities	29,382	23,507
Commitments and contingencies (Note K)		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.0001 par value; 50,000,000 shares authorized, 0 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Common stock, \$0.0001 par value; 300,000,000 shares authorized, 18,546,461 and 18,598,574 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	2	2
Additional paid-in capital	38,285	38,391
Accumulated deficit	(6,492)	(6,742)
Accumulated other comprehensive income (loss)	38	(10)
Total stockholders' equity	31,833	31,641
Total liabilities and stockholders' equity	\$ 61,215	\$ 55,148

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

**STRAN & COMPANY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024**  
(in thousands, except share and per share amounts)  
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
<b>SALES</b>				
Sales	\$ 32,577	\$ 16,693	\$ 61,271	\$ 35,474
Sales – related parties	—	—	—	46
Total sales	32,577	16,693	61,271	35,520
<b>COST OF SALES:</b>				
Cost of sales	22,708	11,226	42,920	24,405
Cost of sales - related parties	—	—	—	35
Total cost of sales	22,708	11,226	42,920	24,440
<b>GROSS PROFIT</b>	9,869	5,467	18,351	11,080
<b>OPERATING EXPENSES:</b>				
General and administrative expenses	9,474	6,575	18,491	12,857
Total operating expenses	9,474	6,575	18,491	12,857
<b>INCOME (LOSS) FROM OPERATIONS</b>	395	(1,108)	(140)	(1,777)
<b>OTHER INCOME:</b>				
Other income	285	1	280	16
Interest income	77	82	119	175
Realized gain on investments	—	3	67	73
Total other income	362	86	466	264
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	757	(1,022)	326	(1,513)
Provision for income taxes	114	3	76	3
<b>NET INCOME (LOSS)</b>	\$ 643	\$ (1,025)	\$ 250	\$ (1,516)
<b>NET INCOME (LOSS) PER COMMON SHARE</b>				
Basic	\$ 0.03	\$ (0.06)	\$ 0.01	\$ (0.08)
Diluted	\$ 0.03	\$ (0.06)	\$ 0.01	\$ (0.08)
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING</b>				
Basic	18,592,339	18,589,086	18,600,373	18,581,957
Diluted	18,596,826	18,589,086	18,603,432	18,581,957

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

**STRAN & COMPANY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024**  
(in thousands)  
(unaudited)

	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net income (loss)	\$ 643	\$ (1,025)	\$ 250	\$ (1,516)
Other comprehensive income (loss):				
Unrealized gain (loss) on investment, net of tax	33	48	48	(19)
Total other comprehensive income (loss)	33	48	48	(19)
Comprehensive income (loss)	\$ 676	\$ (977)	\$ 298	\$ (1,535)

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

**STRAN & COMPANY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024**  
(in thousands, except share amounts)  
(unaudited)

	<b>Preferred Stock</b>		<b>Common Stock</b>		<b>Additional</b>	<b>Accumulated</b>			
	<b>Shares</b>	<b>Value</b>	<b>Shares</b>	<b>Value</b>	<b>Paid-in</b>	<b>Other</b>	<b>Accumulated</b>	<b>Stockholders'</b>	
					<b>Capital</b>	<b>Comprehensive</b>	<b>Deficit</b>	<b>Equity</b>	
						<b>Income (Loss)</b>			
Balance, January 1, 2025	—	\$ —	18,598,574	\$ 2	\$ 38,391	\$ (10)	\$ (6,742)	\$	31,641
Stock-based compensation	—	—	9,833	—	9	—	—	—	9
Other comprehensive income	—	—	—	—	—	15	—	—	15
Net loss	—	—	—	—	—	—	(393)	—	(393)
Balance, March 31, 2025	—	\$ —	18,608,407	\$ 2	\$ 38,400	\$ 5	\$ (7,135)	\$	31,272
Issuance of restricted stock awards	—	—	48,347	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	31	—	—	—	31
Repurchase and retirement of ordinary shares	—	—	(110,293)	—	(146)	—	—	—	(146)
Other comprehensive income	—	—	—	—	—	33	—	—	33
Net income	—	—	—	—	—	—	643	—	643
Balance, June 30, 2025	—	\$ —	18,546,461	\$ 2	\$ 38,285	\$ 38	\$ (6,492)	\$	31,833

  

	<b>Preferred Stock</b>		<b>Common Stock</b>		<b>Additional</b>	<b>Accumulated</b>			
	<b>Shares</b>	<b>Value</b>	<b>Shares</b>	<b>Value</b>	<b>Paid-in</b>	<b>Other</b>	<b>Accumulated</b>	<b>Stockholders'</b>	
					<b>Capital</b>	<b>Comprehensive</b>	<b>Deficit</b>	<b>Equity</b>	
						<b>Loss</b>			
Balance, January 1, 2024	—	\$ —	18,539,000	\$ 2	\$ 38,263	\$ (13)	\$ (2,602)	\$	35,650
Stock-based compensation	—	—	50,086	—	150	—	—	—	150
Other comprehensive loss	—	—	—	—	—	(67)	—	—	(67)
Net loss	—	—	—	—	—	—	(491)	—	(491)
Balance, March 31, 2024	—	\$ —	18,589,086	\$ 2	\$ 38,413	\$ (80)	\$ (3,093)	\$	35,242
Stock-based compensation	—	—	—	—	20	—	—	—	20
Other comprehensive income	—	—	—	—	—	48	—	—	48
Net loss	—	—	—	—	—	—	(1,025)	—	(1,025)
Balance, June 30, 2024	—	\$ —	18,589,086	\$ 2	\$ 38,433	\$ (32)	\$ (4,118)	\$	34,285

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

**STRAN & COMPANY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**SIX MONTHS ENDED JUNE 30, 2025 AND 2024**  
(in thousands)  
(unaudited)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 250	\$ (1,516)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	521	341
Noncash operating lease expense	537	274
Change in allowance for credit losses	360	(288)
Noncash interest accretion	23	72
Stock-based compensation	40	170
Changes in operating assets and liabilities:		
Accounts receivable, net	(4,331)	4,496
Accounts receivable – related parties, net	172	25
Inventory	(1,347)	808
Prepaid corporate taxes	29	30
Prepaid expenses	(82)	336
Deposits	(44)	(193)
Other assets	252	—
Accounts payable and accrued expenses	590	(871)
Accrued payroll and related	531	(1,357)
Unearned revenue	395	(262)
Rewards program liability	3,000	2,475
Sales tax payable	(38)	(117)
Corporate taxes payable	9	—
Operating lease liabilities	(333)	(256)
Net cash provided by operating activities	<u>534</u>	<u>4,167</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(202)	(364)
Proceeds from sale of investments	4,400	4,608
Purchase of investments	(493)	(3,836)
Net cash provided by investing activities	<u>3,705</u>	<u>408</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of contingent earn-out liabilities	(151)	—
Payment of installment payment liabilities	(230)	(760)
Payment for stock repurchase	(146)	—
Net cash used in financing activities	<u>(527)</u>	<u>(760)</u>
NET INCREASE IN CASH	3,712	3,815
CASH AND CASH EQUIVALENTS - BEGINNING	9,358	8,059
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 13,070</u>	<u>\$ 11,874</u>

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



STRAN & COMPANY, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
SIX MONTHS ENDED JUNE 30, 2025 AND 2024  
(CONTINUED)  
(in thousands)  
(unaudited)

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	<u>2025</u>	<u>2024</u>
<i>Cash paid during the period for:</i>		
Interest	\$ 24	\$ —
Income taxes	\$ 67	\$ 29
<i>Noncash investing and financing activities:</i>		
Right of use assets obtained in exchange for lease liabilities	\$ 2,077	\$ —

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

**STRAN & COMPANY, INC.**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(in thousands, except share and per share amounts)**

**A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

1. Organization - Stran & Company, Inc. was incorporated under the laws of the Commonwealth of Massachusetts and commenced operations on November 17, 1995. The Company re-incorporated under the laws of the State of Nevada on May 24, 2021.

On August 23, 2024, Stran Loyalty Solutions, LLC, a Nevada limited liability company (the “Purchaser” or “Stran Loyalty Solutions”), a wholly-owned subsidiary of the Company, entered into a Secured Party Sale Agreement, dated as of August 23, 2024 (the “Sale Agreement”), between Stran Loyalty Solutions and Sallyport Commercial Finance, LLC, a Delaware limited liability company (“Secured Party”), pursuant to which Stran Loyalty Solutions agreed to purchase, on an as-is basis, all of the rights and interests of Gander Group, in and to substantially all of the assets of Gander Group (the “Gander Group Assets”) from Secured Party as a private sale pursuant to Article 9 of the Uniform Commercial Code (the “Gander Group Transaction”).

The Gander Group Transaction was treated as a business combination in accordance with Accounting Standards Codification (“ASC”) 805, Business Combinations. Stran Loyalty Solutions is a wholly owned subsidiary of the Company and Gander Group Louisiana, LLC is a wholly owned subsidiary of Stran Loyalty Solutions.

Unless otherwise stated in this Quarterly Report on Form 10-Q, references to “we”, “our”, or the “Company” refer to Stran & Company, Inc. The Company is headquartered in Quincy, Massachusetts.

2. Operations - The Company is an outsourced marketing solutions provider that sells branded products to customers. The Company purchases products and branding through various third-party manufacturers and decorators and resells the finished goods to customers.

In addition to selling branded products, the Company offers clients custom sourcing capabilities; a flexible and customizable e-commerce solution for promoting branded merchandise and other promotional products, managing promotional loyalty and incentives, print collateral, and event assets, order and inventory management, and designing and hosting online retail popup shops, fixed public retail online stores, and online business-to-business service offerings; creative and merchandising services; warehousing/fulfillment and distribution; print-on-demand; kitting; point of sale displays; and loyalty and incentive programs.

3. Method of Accounting - The Company’s unaudited condensed consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. (“U.S. GAAP”).
4. Basis of Presentation - The accompanying unaudited condensed consolidated financial statements as of and for the three and six months ended June 30, 2025, include the accounts of the Company and have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and the notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 14, 2025.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, and we believe that the disclosures are adequate to make the information presented not misleading. In our opinion, all adjustments (consisting solely of normal recurring adjustments) necessary to state fairly the information in the following unaudited condensed consolidated financial statements of the Company have been included. The results of operations for interim periods are not necessarily indicative of the results for the full year.

5. Principles of Consolidation - The Company’s unaudited condensed consolidated financial statements include the accounts of its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.
6. Use of Estimates - The Company prepares its unaudited condensed consolidated financial statements in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

**STRAN & COMPANY, INC.**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(in thousands, except share and per share amounts)**

7. Fair Value Measurements and Fair Value of Financial Instruments - The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

The carrying value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and reward card program liabilities are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

8. Concentration of Credit Risk - Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable and deposits in excess of federally insured limits. These risks are managed by performing ongoing credit evaluations of customers' financial condition and by maintaining all deposits in high quality financial institutions.

As of June 30, 2025 and December 31, 2024, the Company maintained deposits in four banks that exceeded the federal insured deposit limit of the Federal Deposit Insurance Corporation ("FDIC").

For the three and six months ended June 30, 2025, the Company had no major customers to which sales accounted for more than 10% of the Company's revenues. The Company had accounts receivable from one customer amounting to 16.7% of the total accounts receivable balance.

For the three months ended June 30, 2024, the Company had one customer who accounted for approximately 12.7% of the Company's revenue and 17.2% of the total accounts receivable balance. For the six months ended June 30, 2024, the Company had one customer who accounted for approximately 10.1% of the Company's revenues.

9. Revenue Recognition - The Company accounts for revenue under ASC 606, Revenue for Contracts with Customers. Revenue is generated through various types of transactions, including promotional product sales, administering a customer's rewards program, administering redemption code programs, and additional contract add-ons to enhance customer experience. The Company follows the five step model of revenue recognition:

- i. identify the contract(s) with a customer;
- ii. identify the performance obligations in the contract;
- iii. determine the transaction price;
- iv. allocate the transaction price to the performance obligations within the contract; and
- v. recognize revenue when (or as) the entity satisfies a performance obligation.

The Company's contract assessment and approval varies based on whether the customer requests a one-time sale or a long-term contract. Customers with long-term contracts require signed Master Sales Agreements, while one-time sales contracts may be approved via email, electronic signature, or verbally. Once the contract is identified and approved, the Company assesses the goods or services promised within the contract to determine whether each promised good or service is a performance obligation. The Company identifies each piece of promotional product as an individual performance obligation based on the following fact pattern. Customers can benefit from each item of promotional product produced on its own. Each piece of promotional product does not significantly modify or customize other promotional products and are not highly interdependent or interrelated with each other. The Company can, and frequently does, break portions of contracts into separate shipments to meet customer demands. As such, each piece of promotional product is considered a separate and distinct performance obligation.

**STRAN & COMPANY, INC.**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(in thousands, except share and per share amounts)

The transaction price for the majority of the Company's sales can be clearly identified in a significant majority of the contracts due to an observable selling price. The transaction price is then allocated to the performance obligation(s), i.e. promotional product. The agreements include clearly identified prices.

The Company recognizes revenue when or as performance obligations are satisfied by transferring control of a promised good or service to a customer. Stran evaluates transfer of control primarily from the customer's perspective. Considering the transaction from the customer's perspective reduces the risk that revenue is recognized for activities that do not transfer control of a good or service to the customer. Management determines, at contract inception, whether control of a good or service transfers to a customer over time or at a point in time. The assessment of whether control transfers over time or at a point in time is critical to the timing of revenue recognition. Payments from customers received in advance of the performance obligation being met are recognized as liabilities until performance occurs. In general, receivables from customer are primarily due within 30 days of the invoice date.

10. Accounts Receivable and Allowance for Credit Losses - Accounts receivable at June 30, 2025 and December 31, 2024, includes allowance for credit losses of \$1,151 and \$791 (inclusive of \$427 and \$327 for related party receivables), respectively. Accounts receivable at December 31, 2023 was \$17,076.

	June 30, 2025	December 31, 2024
Trade accounts receivable	\$ 22,787	\$ 18,556
Less: allowance for credit losses on accounts receivable	(724)	(464)
<b>Total accounts receivable, net</b>	<b>\$ 22,063</b>	<b>\$ 18,092</b>
Accounts receivable - related party	829	900
Less: allowance for credit losses on accounts receivable - related party	(427)	(327)
<b>Total accounts receivable - related party, net</b>	<b>402</b>	<b>573</b>
<b>Total accounts receivable from all sources, net</b>	<b>\$ 22,465</b>	<b>\$ 18,665</b>

The Company evaluates our accounts receivable through a continuous process of assessing our portfolio on an individual customer and overall basis. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts and the financial condition of our customers. The Company also considers the economic environment of our customers, both from a marketplace and geographic perspective, in evaluating the need for an allowance. Based on our review of these factors, we establish or adjust allowances for specific customers. Credit losses can vary substantially over time and the process involves judgment and estimation that require a number of assumptions about matters that are uncertain. Accordingly, our results of operations can be affected by adjustments to the allowance due to actual write-offs that differ from estimated amounts. See Note P, "Credit Losses," to our unaudited condensed consolidated financial statements included in this report for more information.

11. Goodwill - Goodwill represents the excess purchase price of the acquired businesses over the fair value of identifiable net assets acquired. Goodwill is not amortized; rather, it is subject to a periodic assessment for impairment. The Company reviews goodwill for possible impairment annually on October 1 every year or whenever events or circumstances indicate that the carrying amount may not be recoverable.

To determine whether goodwill is impaired, annually or more frequently if needed, the Company performs a multi-step impairment test. Impairment testing is conducted at the reporting unit level. The Company first has the option to assess qualitative factors to determine if it is more likely than not that the carrying value of a reporting unit exceeds its estimated fair value. Under ASC 350, Intangibles - Goodwill and Other, the qualitative assessment requires the consideration of factors such as recent market transactions, macroeconomic conditions, and changes in projected future cash flows or planned revenue or earnings of the reporting unit as potential indicators when determining the need for a quantitative assessment of impairment. The Company may also elect to skip the qualitative testing and proceed directly to the quantitative testing. When performing quantitative testing, the Company first estimates the fair values of its reporting unit using a combination of an income and market approach. To determine fair values, the Company is required to make assumptions about a wide variety of internal and external factors. Significant assumptions used in the impairment analysis include financial projections of free cash flow (including significant assumptions about operations including the rate of future revenue growth, capital requirements, and income taxes), long-term growth rates for determining terminal value, and discount rates. Comparative market multiples are used to corroborate the results of the discounted cash flow test. These assumptions require significant judgement. The single step is to determine the estimated fair value of the reporting unit and compare it to the carrying value of the reporting unit, including goodwill. If we conclude based on our qualitative assessment that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we then measure the fair value of the reporting unit and compare its fair value to its carrying value (Step 1 of the goodwill impairment test). The majority of the inputs used in the discounted cash flow model are unobservable and thus are considered to be Level 3 inputs. The inputs for the market capitalization calculation are considered Level 1 inputs.

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12. Uncertainty in Income and Other Taxes - The Company adopted the standards for Accounting for Uncertainty in Income Taxes, which required the Company to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of June 30, 2025 and December 31, 2024, the Company determined it had uncertain tax positions of \$3,371 and \$3,141, respectively. The Company believes the impact will not be material as it will be able to utilize net operating losses to offset a majority of the risk. The Company recorded a nominal amount of interest expense which is included as part of income tax expense.

13. Income Taxes - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are provided for differences between the basis of assets and liabilities for financial statements and income tax purposes offset by a valuation allowance.

The Company recorded an income tax expense of approximately \$114 thousand and \$3 thousand in the unaudited condensed consolidated statement of operations for the three months ended June 30, 2025, and 2024, respectively. The Company recorded an income tax expense of approximately \$76 thousand and \$3 thousand in the unaudited condensed consolidated statement of operations for the six months ended June 30, 2025, and 2024, respectively.

As of year-end 2024, the Company had federal and state net operating losses ("NOL") of approximately \$4.0 million and \$4.8 million, respectively. The federal NOLs generated will carryforward indefinitely. Generally, state NOLs will begin to expire March 31, 2028. In accordance with Section 382 of the U.S. Internal Revenue Code, the usage of the Company's NOL carryforwards may be subject to annual limitations to the extent that greater than 50% ownership changes have occurred. Tax returns for the years ended 2021 through 2025 are subject to review by tax authorities.

The Company's effective tax rate for the three months ended June 30, 2025, and 2024 was 15.1% and (0.3%) respectively. The Company's effective tax rate for the six months ended June 30, 2025, and 2024 was 23.3% and (0.2%) respectively. The change in the effective tax rate from the comparison of similar periods in 2025 versus 2024, as noted above, primarily relates to the Company's estimated earnings and a partial release of the valuation allowance from period to period. The Company recorded a full valuation allowance in 2022 and continues to maintain a cumulative loss.

14. Stock-Based Compensation - The Company accounts for its stock-based awards in accordance with ASC 718, Compensation - Stock Compensation. This guidance requires all stock-based payments to employees to be recognized in the unaudited condensed consolidated statements of operations based on their fair values. The Company uses the Black-Scholes option pricing model to determine the fair value of options granted. The Company has elected to account for forfeitures as they occur. The Company is recognizing compensation costs only for those stock-based awards expected to vest. Cumulative compensation expense is at least equal to the compensation expense for vested awards. Stock-based compensation is recognized on a straight-line basis over the service period of each award. The Company records compensation cost as an element of general and administrative expense in the accompanying unaudited condensed consolidated statements of operations.
15. Stock Option and Warrant Valuation - Stock option and warrant valuation models require the input of assumptions. The fair value of stock-based payment awards was estimated using the Black-Scholes option model with a volatility figure derived from an index of historical stock prices for comparable entities. For warrants and stock options issued to non-employees, the Company accounts for the expected life based on the contractual life of the warrants and stock options. For employees, the Company accounts for the expected life of options in accordance with the "simplified" method, which is used for "plain-vanilla" options, as defined in the accounting standards codification. The risk-free interest rate was determined from the implied yields of U.S. Treasury zero-coupon bonds with a remaining life consistent with the expected term of the options.

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16. Advertising - The Company follows the policy of charging the costs of advertising to expense as incurred. For the three months ended June 30, 2025 and 2024, advertising costs amounted to \$103 and \$90, respectively. For the six months ended June 30, 2025 and 2024, advertising costs amounted to \$244 and \$195, respectively.

17. Segments - In its operation of the business, management, including our chief operating decision maker ("CODM"), who is also our Chief Executive Officer, reviews certain financial information, including segmented internal profit and loss statements prepared on a basis not consistent with GAAP.

For each of its segments, the CODM uses segment revenue, gross margin and segment operating income in the annual budgeting and forecasting process. The CODM considers budget-to-actual variances on a monthly basis for profit measures when making decisions about allocating capital and personnel to the segments. The CODM also uses segment gross margin for evaluating product pricing and segment operating income to assess the performance for each segment by comparing the results and return on assets of each segment with one another. The CODM uses segment gross margin and segment operating income in determining the compensation of certain employees.

During the periods presented, we reported our financial performance based on the following segments: Stran & Company, Inc. and Stran Loyalty Solutions, LLC.

18. Reclassification - Certain prior period statement of cash flow amounts have been reclassified to conform to the Company's current period presentation. These reclassifications have no impact on the Company's previously reported cash flows.

19. Recent Accounting Pronouncements

***Recent Accounting Pronouncements - Adopted:***

ASU 2024-01 – Compensation – Stock Compensation (Topic 718)

In March 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2024-01, which clarifies the accounting for profits interest awards. This update provides guidance on determining whether a profits interest or similar award falls within the scope of ASC 718 Compensation—Stock Compensation or other guidance. The ASU aims to ensure consistency and transparency in the accounting for these awards by providing clearer criteria and illustrative examples.

The guidance is effective for fiscal years and interim periods beginning after December 15, 2024, with early adoption permitted. The Company adopted the standard on January 1, 2025. Its adoption did not have a material impact on the Company's unaudited condensed consolidated financial statements.

***Recent Accounting Pronouncements - Not Yet Adopted:***

ASU 2023-09 – Income Taxes (Topic 740)

In December 2023, the FASB issued ASU 2023-09, which amends the guidance on income tax disclosures. This update aims to improve the transparency and usefulness of income tax disclosures by requiring entities to provide more detailed information about the nature and effects of income tax uncertainties, the components of income tax expense, and the effective tax rate reconciliation. Additionally, the ASU mandates enhanced disclosures about deferred tax assets and liabilities, including the valuation allowance and the impact of tax law changes.

The guidance is effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025, with early adoption permitted. The Company is currently evaluating the impact of adoption of this ASU.

ASU 2024-03 - Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, which requires the disaggregation, in the notes to the financial statements, of certain cost and expense captions presented on the face of the Company's statements of operations, to provide enhanced transparency to investors. The update may be applied either prospectively or retrospectively. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted.

The Company is currently evaluating the impact ASU 2024-03 will have on its disclosures.

No other new accounting pronouncements adopted or issued had or are expected to have a material impact on the unaudited condensed consolidated financial statements.

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**B. FAIR VALUE MEASUREMENTS:**

Fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management as of June 30, 2025 and December 31, 2024.

***Fair Value on a Recurring Basis***

The Company follows the guidance in ASC 820, Fair Value Measurement, for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period. The estimated fair value of the Company's investments and money market accounts represent Level 1 measurements. The estimated fair value of the earn-out liabilities represents Level 3 measurements. There were no transfers between levels within the fair value measurement hierarchy during the quarter ended June 30, 2025. The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2025 and December 31, 2024, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	June 30, 2025	December 31, 2024
Assets:			
Investments	1	\$ 4,997	\$ 8,856
Liabilities:			
Earn-out liabilities	3	\$ 560	\$ 711

**Investments**

The Company's investments consisted of the following as of June 30, 2025:

	Cost	Unrealized Gain (Loss)	Fair Value
Money market fund	\$ 1,363	\$ —	\$ 1,363
Corporate bonds	2,562	7	2,569
Mutual funds	267	—	267
US Treasury bills	798	—	798
	<u>\$ 4,990</u>	<u>\$ 7</u>	<u>\$ 4,997</u>

The Company's investments consisted of the following as of December 31, 2024:

	Cost	Unrealized Gain (Loss)	Fair Value
Money market fund	\$ 4,843	\$ —	\$ 4,843
Corporate bonds	2,958	(6)	2,952
Mutual funds	267	—	267
US Treasury bills	798	(4)	794
	<u>\$ 8,866</u>	<u>\$ (10)</u>	<u>\$ 8,856</u>

**Earn-Out Liabilities**

In connection with certain of the Company's asset acquisitions, certain earn-out liabilities were established which reflect the estimated amounts payable upon the achievement of sales from acquired intangible assets over a period of time following the acquisition. As of June 30, 2025, the Company has earn-out liabilities associated with its purchase of Trend Brand Solutions, T.R. Miller Co., and Premier NYC.

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Assumptions used in determining the fair market value of the earn-out liabilities include the acquired asset's projected gross profit, discount rates, remaining time intervals and residual earn-out percentages. The following table summarizes the key unobservable inputs into the models used to estimate the fair value of the earn-out liabilities at June 30, 2025:

<b>Unobservable Inputs</b>	<b>June 30, 2025</b>
Projected annual gross profit	\$ 907 - \$4,398
Earnout percentage	40.0% - 45.0%
Expected volatility	25.0%
Risk-free rate	3.6% - 4.2%
Discount rate	5.0% - 5.2%
Required Metric Risk Premium	5.3% - 7.7%
Time period to settlement	0.4 - 2.4 years

A reconciliation of the earn-out liabilities is included below:

Balance as of December 31, 2024	\$ 711
Payments earned and paid	(151)
Balance as of June 30, 2025	<u>\$ 560</u>
Current portion of contingent earn-out liabilities	\$ 105
Long-term contingent earn-out liabilities	\$ 455

**C. INVENTORY:**

Inventory consists of the following:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Finished goods (branded products)	\$ 6,638	\$ 5,093
Goods in process (un-branded products)	98	296
	<u>\$ 6,736</u>	<u>\$ 5,389</u>

**D. PROPERTY AND EQUIPMENT, NET:**

Property and equipment, net consists of the following:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Leasehold improvements	\$ —	\$ 6
Office furniture and equipment	688	660
Software	3,142	2,967
Transportation equipment	62	62
	<u>3,892</u>	<u>3,695</u>
Accumulated depreciation	(2,274)	(1,994)
	<u>\$ 1,618</u>	<u>\$ 1,701</u>

The Company recorded depreciation expense of \$143 and \$126 for the three months ended June 30, 2025 and 2024, respectively. The Company recorded depreciation expense of \$285 and \$170 for the six months ended June 30, 2025 and 2024, respectively.



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**E. GOODWILL AND INTANGIBLE ASSETS:**

The following table summarizes the activity in the Company's goodwill balance:

Balance as of December 31, 2023 (1)	\$	—
Gander Group Acquisition (see Note F)		2,542
Measurement period adjustment		(221)
Balance as of December 31, 2024	\$	2,321
Balance as of June 30, 2025	\$	2,321

(1) Net of accumulated impairment loss of \$1,992 as of December 31, 2023.

The following table presents details of the Company's intangible assets, estimated lives and related accumulated amortization:

	Weighted - Average Remaining Useful Life	As of June 30, 2025			As of December 31, 2024		
		Gross	Accumulated Amortization	Net Carrying Amount	Gross	Accumulated Amortization	Net Carrying Amount
Customer lists	8.1 years	\$ 5,175	\$ (1,241)	\$ 3,934	\$ 5,175	\$ (1,005)	\$ 4,170
Total intangible assets - customer lists, net		\$ 5,175	\$ (1,241)	\$ 3,934	\$ 5,175	\$ (1,005)	\$ 4,170
Trade name	Indefinite	\$ 654	\$ —	\$ 654	\$ 654	\$ —	\$ 654
Total intangible assets - trade name		\$ 654	\$ —	\$ 654	\$ 654	\$ —	\$ 654

The Company recorded amortization expense of \$106 and \$85 for the three months ended June 30, 2025 and 2024, respectively. The Company recorded amortization expense of \$236 and \$171 for the six months ended June 30, 2025 and 2024, respectively.

The following table presents future estimated amortization expense based on existing intangible assets held for use:

**Fiscal Years:**

Remainder of 2025	\$	246
2026		488
2027		488
2028		488
2029		488
Thereafter		1,736
Total	\$	3,934

Actual future estimated amortization expense could differ from these estimated amounts as a result of future acquisitions, dispositions, impairments, and other factors or changes.

**F. ACQUISITIONS**

Gander Group Acquisition

On August 23, 2024, Stran Loyalty Solutions entered into the Sale Agreement, between Stran Loyalty Solutions and the Secured Party, pursuant to which Stran Loyalty Solutions agreed to purchase, on an as-is basis, all of the rights and interests of the Gander Group Assets from Secured Party as the Gander Group Transaction. Gander Group provides promotional products and programs to its customers. The Company entered into the acquisition to expand its customer base to other industries.

Under the Sale Agreement, the aggregate consideration for the Gander Group Assets consisted of (a) cash payments by Stran Loyalty Solutions to Secured Party of approximately \$1,099 (the "Cash Purchase Price"), and (b) cash payment of \$370 per the Release Agreement (as defined below). The aggregate purchase price was \$1,469.

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As a result of the Gander Group Transaction Closing, the Company indirectly acquired substantially all of the assets of Gander Group, including all of the equity of Gander Group Louisiana, LLC, a Louisiana limited liability company, which became a wholly-owned subsidiary of Stran Loyalty Solutions.

In addition, Stran Loyalty Solutions entered into a Release Agreement, dated as of August 23, 2024, between Gander Group and Stran Loyalty Solutions (the “Release Agreement”). Under the Release Agreement, Gander Group granted a full and complete waiver and release of Stran Loyalty Solutions and its affiliates of any non-competition, non-solicitation, or similar restrictive covenants of any parties owed to Gander Group or any of its affiliates and Stran was required to pay an additional \$370 to Gander Group.

The Sale Agreement and the Release Agreement included provisions for indemnification, reimbursement for returned items, handling of assets and liabilities during Gander Group’s wind-down, and certain other matters.

Cash	\$ 1,099
Gander release agreement payments	370
Total consideration	<u>\$ 1,469</u>

The following table summarizes the purchase price allocations relating to the Gander Group Acquisition:

Accounts receivable	\$ 1,717
Prepaid expenses and other assets	946
Inventory	939
Customer relationships	1,458
Goodwill	2,542
Trade name	654
Other long-term assets	58
Accounts payable and accrued expenses	(4,698)
Customer deposits	(2,147)
Total consideration	<u>\$ 1,469</u>

The Gander Group Assets were valued using a combination of a multi-period excess earnings methodology, a form of a discounted cash flow approach, and a relief from royalty methodology, a form of a present value of cash flows approach. The \$1,717 balance of accounts receivable is the fair value of accounts receivable, net of amounts that are expected to be collected as of the acquisition date. The goodwill represents the excess fair value after the allocation of intangibles, of which approximately \$2,321 is expected to be deductible for tax purposes.

The Company incurred approximately \$435 of acquisition related transaction costs in conjunction with the Gander Group Acquisition.

*Pro forma disclosure for the Gander Group Acquisition*

The following unaudited pro forma financial information reflects the consolidated results of operations of the Company for the six months ended June 30, 2024, as if the Gander Group Acquisition had taken place on January 1, 2024. The pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transactions been effected on the assumed date:

	<b>June 30, 2024</b>
Sales	<u>\$ 60,431</u>
Net income	<u>\$ 877</u>

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**G. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:**

Accounts payable and accrued expenses consist of the following:

	June 30, 2025	December 31, 2024
Inventory purchases	\$ 7,514	\$ 6,363
Accrued expenses	1,999	2,556
	<u>\$ 9,513</u>	<u>\$ 8,919</u>

**H. REWARD CARD PROGRAM LIABILITY:**

The Company manages reward card programs for customers. Under this program, the Company receives cash and simultaneously records a liability for the total amount received. These accounts are adjusted on a periodic basis as reward cards are funded or reduced at the direction of the customers. As of June 30, 2025 and December 31, 2024, the Company had deposits totaling \$9,000 and \$6,000, respectively.

**I. INSTALLMENT PAYMENT LIABILITIES:**

The installment payment liabilities incurred in connection with certain of the Company's asset acquisitions were initially measured at fair value on the date of acquisition by discounting the contractually agreed upon payments using the Bloomberg B+ corporate yield curve as of the valuation date, applying rates commensurate with the term to payment. The credit rating was determined utilizing Bloomberg's default risk function for the Company as of the respective acquisition valuation dates. The installment payment amounts and payment dates were based on the purchase agreements and the discount rates utilized at the date of the Company's asset acquisition.

A reconciliation of the installment payment liabilities is included below:

Balance as of December 31, 2024	\$ 790
Interest accretion	23
Payments made	(230)
Balance as of June 30, 2025	<u>\$ 583</u>
Current portion of installment payment liabilities	\$ 158
Long-term installment payment liabilities	\$ 425

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**J. REVENUE:**

Revenue disaggregated according to the timing of transfer of goods or services (e.g., at a point in time) was as follows:

Revenue generated per major product category	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Promotional products - dropshipping	\$ 11,953	\$ 8,128	\$ 21,138	\$ 16,538
Promotional products – bulk dropshipping	3,584	3,123	9,915	8,889
Promotional products – Company owned inventory	4,296	3,605	7,190	6,204
Casino continuity program	10,197	—	17,565	—
Promotional products – third-party distributor	2,102	1,402	4,697	3,076
Rewards program	365	254	590	540
Additional services	80	181	176	273
	<u>\$ 32,577</u>	<u>\$ 16,693</u>	<u>\$ 61,271</u>	<u>\$ 35,520</u>

Unearned revenue includes customer deposits and deferred revenue which represent prepayments from customers. The Company had unearned revenue as follows:

	June 30, 2025	June 30, 2024
Balance at January 1,	\$ 4,423	\$ 1,116
Revenue recognized	(4,920)	(1,042)
Amounts collected or invoiced	5,314	780
Unearned revenue	<u>\$ 4,817</u>	<u>\$ 854</u>

For the six months ended June 30, 2025 and 2024, the Company recognized \$428 thousand and \$1,044 thousand associated with unearned revenue balances outstanding at December 31, 2024 and 2023, respectively.

**K. COMMITMENTS AND CONTINGENCIES:**

Legal Proceedings

The Company may from time to time become involved in various legal actions incidental to our business. As of the date of this report, the Company is not involved in any legal proceedings that it believes could have a material adverse effect on its financial position or results of operations. However, the outcome of any current or future legal proceeding is inherently difficult to predict and any dispute resolved unfavorably could have a material adverse effect on the Company's business, financial position, and operating results.

Lease Agreements - Operating Leases

On May 31, 2020, the Company renewed a lease for a 10,500 square foot office space in Quincy, MA. The lease renewed on June 1, 2020 and is for a term of 60 months from the renewal date. This lease terminated on May 31, 2025.

On February 1, 2023, the Company entered into a lease for a 5,600 square foot office space in Tomball, TX. The lease commenced on February 1, 2023 and is for a term of 36 months from the commencement date. The lease included an escalation clause with annual increases of approximately 2.3% increase per year. The Company recorded an initial right-of-use asset and lease liability of \$184 thousand. The associated lease right-of-use asset and lease liability is \$38 thousand as of June 30, 2025, based on the present value of payments and an incremental borrowing rate of 4%. As the Company's lease did not provide an implicit rate, the Company estimated the incremental borrowing rate based on the credit quality of the Company and by comparing interest rates available in the market for similar borrowings.

On May 31, 2023, the Company entered into a lease for a 25,000 square foot office space and warehouse in Walpole, MA. The lease commenced on June 1, 2023 and is for a term of 60 months from the commencement date. The lease included an escalation clause with annual increases of approximately 2% increase per year. The Company recorded an initial right-of-use asset of \$849 thousand and lease liability of \$834 thousand. The associated right-of-use asset and lease liability is \$516 thousand and \$511 thousand, respectively, as of June 30, 2025, based on the present value of payments and an incremental borrowing rate of 4.0%. As the Company's lease did not provide an implicit rate, the Company estimated the incremental borrowing rate based on the credit quality of the Company and by comparing interest rates available in the market for similar borrowings.

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On March 9, 2021, Bangarang Enterprises, the former owner of the Gander Group, entered into a lease for a 9,000 square foot office space in Irvine, CA. The lease commenced on April 1, 2021 with a term of 48 months from the commencement date. The lease terminated on October 31, 2024.

On November 26, 2024, the Company entered into a lease for a 6,500 square foot office space in Irvine, CA. The lease commenced on January 1, 2025 and is for a term of 36 months from the commencement date. The lease included an escalation clause with annual increases of approximately 4% increase per year. The Company recorded an initial right-of-use asset and lease liability of \$548 thousand. The associated right-of-use asset and lease liability is \$465 thousand and \$497 thousand, respectively, as of June 30, 2025, based on the present value of payments and an incremental borrowing rate of 6.7%. As the Company's lease did not provide an implicit rate, the Company estimated the incremental borrowing rate based on the credit quality of the Company and by comparing interest rates available in the market for similar borrowings.

On January 10, 2025, the Company entered into a seven-year lease agreement for new office space in North Quincy, Massachusetts. The new lease term commenced on June 1, 2025 and expires on May 31, 2032 with an option to extend the lease an additional five years. The lease contains an initial base rent of approximately \$21 thousand per month with 2.2% - 2.5% annual escalations, plus a percentage of taxes and operating expenses incurred by the lessor in connection with the ownership and management of the property. The Company recorded an initial right-of-use asset of \$1.3 million and lease liability of \$1.5 million. The associated right-of-use asset and lease liability is \$1,264 thousand and \$1,516 thousand, respectively, as of June 30, 2025, based on the present value of payments and an incremental borrowing rate of 6.5%.

The Company rents other office space on terms of 12 months or less or on a month-to-month basis which are not included in the analysis above.

Operating lease expenses were approximately \$194 thousand and \$154 thousand for the three months ended June 30, 2025 and 2024, respectively, and \$395 thousand and \$326 thousand for the six months ended June 30, 2025 and 2024, respectively, and were included in general and administrative expenses in the unaudited condensed consolidated statements of operations.

The following schedule represents maturities of operating lease liabilities as of June 30, 2025:

	<b>Operating Minimum Lease Payments</b>
Remainder of 2025	\$ 375
2026	702
2027	679
2028	335
2029	276
Thereafter	693
<b>Total</b>	<b>3,060</b>
Less amount representing interest	(519)
<b>Present value of payments</b>	<b>\$ 2,541</b>

The following schedule sets forth supplemental cash flow information related to operating leases for the three and six months ended June 30, 2025 and 2024 :

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Other information				
Operating cash flows from operating lease	\$ 217	\$ 132	\$ 333	\$ 256

The aggregate weighted average remaining lease term was 5.2 years and 2.7 years as of June 30, 2025 and December 31, 2024. The aggregate weighted average discount rate was 5.9% and 3.7% as of June 30, 2025 and December 31, 2024.

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**L. STOCKHOLDERS' EQUITY:**

Common Stock

In accordance with the Company's Articles of Incorporation dated May 24, 2021, the Company is authorized to issue 300,000,000 shares of \$0.0001 par value common stock, of which 18,546,461 and 18,598,574 shares were issued and outstanding at June 30, 2025 and December 31, 2024, respectively. Common stockholders are entitled to one vote per share and are entitled to receive dividends when, as and if declared by the board of directors.

Warrants

On November 12, 2021, in connection with the Company's Initial Public Offering ("IPO") the Company issued 4,987,951 publicly-traded warrants ("IPO Warrants") at an exercise price of \$5.1875 per unit, equal to 125% of the IPO Price. These warrants were immediately exercisable. Due to the subsequent private placement (see below), the exercise price per share of the publicly-traded warrants was reduced to \$4.81375 as of December 10, 2021. In conjunction with the Company's IPO, the Company issued warrants to the underwriters of the IPO which entitled the holders to purchase up to 149,639 shares of common stock. These warrants were exercisable beginning six months after the date of the IPO at an exercise price of \$5.1875 per unit.

On December 10, 2021, in connection with the completion of a private placement ("PIPE") for shares of the Company's common stock, the Company issued 5,464,903 warrants ("PIPE Warrants") at an exercise price of \$4.97 per share. In conjunction with the Company's PIPE offering, the Company issued warrants to the placement agent for the PIPE which entitled the holders to purchase up to 131,158 shares of common stock at an exercise price of \$4.97 per share. These warrants were exercisable beginning six months from the date of the PIPE with a five-year expiration term.

As of June 30, 2025, IPO warrants totaling 659,456 have been exercised.

As of June 30, 2025 and December 31, 2024, there have been no exercises of the PIPE Warrants and there were 5,596,061 PIPE Warrants remaining outstanding.

The following table reflects all outstanding and exercisable warrants at June 30, 2025 and December 31, 2024:

	<b>Number of Warrants Outstanding</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Life (Years)</b>	<b>Aggregate Intrinsic Value</b>
Outstanding at December 31, 2024	10,074,195	\$ 4.91	3.0	\$ —
Outstanding at June 30, 2025	10,074,195	\$ 4.91	2.5	\$ —

Stock Repurchase Program

On February 21, 2022, the board of directors of the Company authorized a repurchase of up to \$10 million of the Company's shares from time to time pursuant to a stock repurchase program. Under the terms of the repurchase program, the Company may repurchase shares through open market or negotiated private transactions. The timing and extent of any purchases depend upon ongoing assessments of the Company's capital needs, market conditions and the price of the Company's common stock, and other corporate considerations, as determined by management, and are subject to the restrictions relating to volume, price and timing under applicable laws, including but not limited to, Rule 10b-18 promulgated under the Exchange Act. On June 30, 2025, the Company adopted broker repurchase instructions pursuant to Rule 10b-18 and Rule 10b5-1 promulgated pursuant to the Exchange Act. Each of the above broker repurchase instructions was adopted in accordance with the restrictions that would apply to the Company if it were subject to the Stran & Company, Inc. Second Amended and Restated Insider Trading Policy (the "Insider Trading Policy"), which generally permits insider purchases of the Company's stock during the period beginning on the second business day following the day of public release of the Company's quarterly or annual earnings and ending on the last day of the then-current quarter; repurchases pursuant to a plan that meets the requirements of Rule 10b5-1; or that meet certain other requirements.

The Company did not repurchase any shares during the three and six months ended June 30, 2024 or the three months ended March 31, 2025.

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The following table provides information about stock repurchases during the period April 1, 2025 to June 30, 2025. There were no shares of common stock repurchased for the three months ending March 31, 2025.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan or Program
April 1, 2025 - April 30, 2025	—	\$ —	—	\$ 6,617,594
May 1, 2025 - May 31, 2025	30,949	\$ 1.21	1,846,115	\$ 6,575,864
June 1, 2025 - June 30, 2025	79,344	\$ 1.37	1,925,459	\$ 6,471,760

**M. STOCK-BASED COMPENSATION:**

In November 2021, the board of directors adopted the Amended and Restated 2021 Equity Incentive Plan (the “2021 Plan”) which provides for the granting of non-qualified stock options and restricted stock to the Company’s employees, officers, directors, and outside consultants to purchase shares of the Company’s common stock. As of June 30, 2025, the number of shares of common stock available for issuance under the 2021 Plan is 983,905 shares of common stock.

Stock-based compensation expense included the following components:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock options	\$ 2	\$ 17	\$ 10	\$ 17
Restricted stock	29	3	30	153
	<u>\$ 31</u>	<u>\$ 20</u>	<u>\$ 40</u>	<u>170</u>

All stock-based compensation expense is recorded in general and administrative expense in the unaudited condensed consolidated statements of operations.

Stock Options

The fair value of options is estimated on the date of grant using the Black-Scholes option pricing model. The fair value is amortized as compensation cost on a straight-line basis over the requisite service period of the awards, which is generally the vesting period. Expected volatility is based on historical volatility from a representative sample of publicly traded companies. The expected term represents the period of time that the options are expected to be outstanding. The risk-free interest rate is estimated using the rate of return on U.S. Treasury Notes with a life that approximates the expected life of the option. Stock-based compensation is based on awards that are ultimately expected to vest.

Option awards are generally granted with an exercise price equal to the fair value of the Company’s stock at the date of grant; those options generally vest based on four years of continuous service and have 10-year contractual terms.

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A summary of option activity under the 2021 Plan as of and for the six months ended June 30, 2025 is presented below:

<b>Options</b>	<b>Shares</b>	<b>Weighted Average Exercise Price</b>	<b>Aggregate Intrinsic Value</b>
Outstanding at December 31, 2024	1,376,333	\$ 4.03	\$ —
Granted	45,000	1.34	—
Forfeited or expired and other adjustments	(17,167)	3.72	—
Outstanding at June 30, 2025	1,404,166	\$ 3.91	\$ 16
Vested and exercisable at June 30, 2025	1,261,167	\$ 4.02	\$ 7

The weighted-average remaining contractual term for the options outstanding and exercisable is approximately 6.6 years and 6.5 years, respectively, as of June 30, 2025.

**Restricted Stock**

Restricted stock consists of time-based restricted stock units (“RSUs”) and performance-based restricted stock units (PSUs). RSUs granted under the 2021 Plan generally vest over 3 to 4 years, based on continued employment, and are settled upon vesting with shares of the Company’s common stock on a one-for-one basis. PSUs granted under the 2021 Plan are issued and vest immediately as various performance goals and targets are achieved.

A summary of restricted stock activity under the 2021 Plan as of and for the six months ended June 30, 2025 is presented below:

<b>Restricted Stock</b>	<b>Time-Based RSUs</b>
Outstanding at December 31, 2024	4,000
Granted	48,347
Vested	(24,000)
Forfeited	—
Outstanding at June 30, 2025	28,347

**N. INCOME (LOSS) PER SHARE:**

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the year. The computation of diluted net income (loss) per share is similar to the computation of basic net income (loss) per share, except that diluted net income (loss) per share includes the assumed exercise of dilutive warrants and stock options, using the treasury stock method unless the effect is anti-dilutive. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants would be used to purchase the Company’s common stock at the average market price during the period.



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The following tables set forth the computation of basic and diluted net income per share of common stock for the three and six months ended June 30, 2025:

	<b>Three Months Ended June 30, 2025</b>	<b>Six Months Ended June 30, 2025</b>
<b>Basic net income per common share:</b>		
<b>Numerator:</b>		
Net income	\$ 643	\$ 250
<b>Denominator:</b>		
Weighted average number of shares of common stock outstanding	18,592,339	18,600,373
Basic net income per common share	<u>\$ 0.03</u>	<u>\$ 0.01</u>
<b>Diluted net income per common share:</b>		
<b>Numerator:</b>		
Net income	\$ 643	\$ 250
<b>Denominator:</b>		
Number of shares used in basic computation	18,592,339	18,600,373
Add: effect of dilutive securities		
Warrants	—	—
Stock options	4,487	3,059
Weighted average number of shares of common stock outstanding used to calculate diluted income per share	<u>18,596,826</u>	<u>18,603,432</u>
Diluted net income per common share	<u>\$ 0.03</u>	<u>\$ 0.01</u>

For the three and six months ended June 30, 2024, as a result of the net losses in these periods, all warrants and stock options have been excluded from the calculation of diluted net income (loss) per share and, therefore, there was no difference in the weighted average number of common shares for basic and diluted loss per share as the effect of all potentially dilutive shares outstanding was anti-dilutive.

The following table summarizes the outstanding shares of potentially dilutive securities per share because their inclusion would have been anti-dilutive:

	<b>For the Three Months Ended June 30, 2025</b>	<b>For the Six Months Ended June 30, 2025</b>	<b>For the Three and Six Months Ended June 30, 2024</b>
Warrants	10,074,195	10,074,195	10,074,195
Stock options	1,256,680	1,258,108	1,379,167
	<u>11,330,875</u>	<u>11,332,303</u>	<u>11,453,362</u>

**O. SEGMENTS:**

There is no expense or asset information that is supplemental to information disclosed within the unaudited condensed consolidated financial statements that is regularly provided to the CODM to monitor and evaluate segment performance.

The Company's segments are Stran & Company, Inc. ("Stran") and Stran Loyalty Solutions, LLC ("SLS"). Our reportable segments are described below.

The Stran segment's business is focused on being an outsourced marketing solutions and promotional products provider for a variety of customers and industries, working closely with customers to develop sophisticated marketing programs that leverage Stran's promotional products and loyalty incentive expertise. Stran purchases products and branding through various third-party manufacturers and decorators and resells the finished goods to customers. The segment earns the majority of its revenue from the sale of unique, quality promotional products for a wide variety of industries primarily to support marketing efforts.

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The SLS segment's business is focused on the casino, gaming, and entertainment industries as an extension of the Company's newly formed Casino Continuity and Loyalty group. The group specializes in creating high-quality, branded merchandise for casinos, sourced through various third-party manufacturers, focusing on promotional products that enhance customer loyalty and engagement. It partners with nationally recognized brands to create high-quality, custom products that resonate with casino patrons, helping casinos drive redemption rates and return on investment through tailored merchandise and marketing solutions to build recurring revenues for SLS customers and the segment itself.

The accounting policies of our reportable segments are the same as those described in the "Organization and Summary of Significant Accounting Policies" in the notes to the unaudited condensed consolidated financial statements for the Company.

For each of the two segments, the CODM uses segment gross margin and segment operating profits or losses in the annual budgeting and forecasting process. The CODM considers budget-to-actual variances on a monthly basis for revenue as well as profit measures when making decisions about allocating capital and personnel to the segments. The CODM uses segment gross margin and segment operating income in determining the compensation of certain employees, primarily for its recently acquired Gander business, which is consolidated as part of the SLS subsidiary and also comprises the segment SLS.

As of June 30, 2025 Stran and SLS had total assets of \$48,905 and \$12,377, respectively. As of December 31, 2024, Stran and SLS had total assets of \$45,206 and \$9,944, respectively. The entire goodwill balance of \$2,321 as of June 30, 2025 and December 31, 2024, was allocated to the SLS segment.

Revenue and costs are directly attributed to our segments, and the revenues recognized as well as the costs incurred in generating those revenues within each segment are distinguishable based on the information systems in which each segment's financial information gets recorded. There are no intersegment revenues or other transactions between the two segments that are eliminated in consolidation by the Company for external reporting.

The table below presents information about reported segments for the three and six months ended June 30, 2025 and 2024.

	For the Three Months Ended					
	June 30, 2025			June 30, 2024		
	Stran	SLS	Total	Stran	SLS	Total
Sales	\$ 21,765	\$ 10,812	\$ 32,577	\$ 16,693	\$ —	\$ 16,693
Gross profit	7,594	2,275	9,869	5,467	—	5,467
Operating income (loss)	166	229	395	(1,108)	—	(1,108)

  

	For the Six Months Ended					
	June 30, 2025			June 30, 2024		
	Stran	SLS	Total	Stran	SLS	Total
Sales	\$ 42,700	\$ 18,571	\$ 61,271	\$ 35,520	\$ —	\$ 35,520
Gross profit	14,385	3,966	18,351	11,080	—	11,080
Operating income (loss)	93	(233)	(140)	(1,777)	—	(1,777)

The segment SLS was not a part of the Company until the segment was acquired and all of its business operations were incorporated within the Company's newly created subsidiary in August 2024. The Stran segment's operations have remained consistent for all periods presented, however, the Company only had one operating and reportable segment prior to the acquisition. Significant segment expenses for the Stran segment during the three and six months ended June 30, 2024 are consistent with those presented on the unaudited condensed consolidated statements of operations.

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**P. CREDIT LOSSES:**

The Company is exposed to credit losses primarily through sales of products and services. The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers' trade accounts receivable. Customers are pooled based on sharing specific risk factors. Due to the short-term nature of such receivables, the estimated accounts receivable that may not be collected is based on aging of the accounts receivable balances.

Customers are assessed for credit worthiness upfront through a credit review, which includes assessment based on the Company's analysis of their financial statements when a credit rating is not available. The Company evaluates contract terms and conditions, country and political risk, and may require prepayment to mitigate risk of loss. Specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company monitors changes to the receivables balance on a timely basis, and balances are written off as they are determined to be uncollectible after all collection efforts have been exhausted. Estimates of potential credit losses are used to determine the allowance. It is based on assessment of anticipated payment and all other historical, current and future information that is reasonably available.

The accounts receivable balance from all sources on the Company's consolidated balance sheets as of June 30, 2025 was \$22,465, net of \$1,151 (inclusive of \$427 for related party receivables) of allowances. The following table provides a roll-forward of the allowance for credit losses for the six months ended June 30, 2025 and 2024 that is deducted from the amortized cost basis of accounts receivable to present the net amount expected to be collected:

	June 30, 2025	June 30, 2024
Balance of allowance for credit losses, beginning of period	\$ (791)	\$ (317)
Current period change	238	167
Current period change for expected credit losses	(598)	(288)
Balance of allowance for credit losses, end of period	<u>\$ (1,151)</u>	<u>\$ (438)</u>

**Q. RELATED PARTY TRANSACTIONS:**

Amount due from related party

Name of Related Party	Relationship	Nature	June 30, 2025	December 31, 2024
Innovative Genetics, Inc.	Alejandro Tani, former member of board of directors, the former chairman of the Company's Nominating and Corporate Governance Committee, and a former member of the Compensation Committee and the Company's Audit Committee, is the Chief Executive Officer, Chief Information Officer, and majority owner of Innovative Genetics.	Limited, non-exclusive, revocable license to use Innovative Genetics' logos, trade name and trademarks on apparel and promotional products as branded products for sale to Innovative Genetics and Innovative Genetics-authorized persons.	\$ 402	\$ 573

Amounts due and paid to related party

Transactions with Engage & Excel Enterprises Inc.

Alan Chippindale, a member of the Company's board of directors, the chairman of the Compensation Committee, and a member of the Nominating and Corporate Governance Committee, is the President of Engage & Excel Enterprises Inc. ("Engage & Excel"). Engage & Excel provides certain merger and acquisition, management and recruitment consulting services to the Company. The Company has paid Engage & Excel approximately \$5 as of June 30, 2025 and \$26 as of December 31, 2024.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

*The following management's discussion and analysis of financial condition and results of operations provides information that management believes is relevant to an assessment and understanding of our plans and financial condition. The following financial information is derived from our financial statements and should be read in conjunction with such financial statements and notes thereto set forth elsewhere herein.*

### Use of Terms

Except as otherwise indicated by the context and for the purposes of this report only, references in this report to "we," "us," "our," and the "Company" are to Stran & Company, Inc., a Nevada corporation, and its consolidated subsidiaries; references to "Stran" or "Stran & Company, Inc." are to Stran & Company, Inc., a Nevada corporation; references to "Stran Loyalty Solutions" or "SLS" are to Stran Loyalty Solutions, LLC, a Nevada limited liability company and a wholly-owned subsidiary of Stran & Company, Inc.; and references to "Gander Group Louisiana" are to Gander Group Louisiana, LLC, a Louisiana limited liability company, a wholly owned subsidiary of Stran Loyalty Solutions.

### Special Note Regarding Forward-Looking Statements

This report contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to us. All statements other than statements of historical facts are forward-looking statements. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- evolving trade matters, including tariffs on goods that we purchase from manufacturers in other countries, and how they could impact our ability to compete cost-effectively;
- our goals and strategies;
- our business development, financial condition and results of operations;
- expected changes in our revenue, costs or expenditures;
- growth and competition trends in our industry;
- our expectations regarding demand for, and market acceptance of, our products or services;
- our expectations regarding our relationships with investors, institutional funding sources and other parties with whom we collaborate;
- our expectations regarding the availability and use of financing from credit facilities or sales of equity or debt securities;
- future fluctuations in general economic and business conditions in the markets in which we operate; and
- future relevant government policies and regulations relating to our industry.

In some cases, you can identify forward-looking statements by terms such as "may," "could," "will," "should," "would," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," "project" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under Item 1A. "Risk Factors" included in our Annual Reports on Form 10-K filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and elsewhere in this report. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

The forward-looking statements made in this report relate only to events or information as of the date on which the statements are made in this report. Except as expressly required by the federal securities laws, there is no undertaking to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

## Overview

We are an outsourced marketing solutions provider that sells branded products to customers. We purchase products and branding through various third-party manufacturers and decorators and resell the finished goods to customers.

In addition to selling branded products, we offer clients custom sourcing capabilities; a flexible and customizable e-commerce solution for promoting branded merchandise and other promotional products, managing promotional loyalty and incentives, print collateral, and event assets, order and inventory management, and designing and hosting online retail popup shops, fixed public retail online stores, and online business-to-business service offerings; creative and merchandising services; warehousing/fulfillment and distribution; print-on-demand; kitting; point of sale displays; and loyalty and incentive programs.

We earn the majority of our revenue from the sale of unique, quality promotional products for a wide variety of industries primarily to support marketing efforts. We also derive revenues from service fees from loyalty programs, event management, print services, fulfillment services, and technology services.

The majority of our revenue is derived from program business, although only a small percentage of our customers are considered programmatic. For the three and six months ended June 30, 2025, program clients accounted for 80.2% and 81.8% of total revenue, respectively. For the three and six months ended June 30, 2024, program clients accounted for 81.3% and 82.7% of total revenue, respectively. Fewer than 350 of our more than 2,000 active customers are considered to be program clients. Our active customers are any organizations, businesses, or divisions of a parent organization which have purchased directly or indirectly from us within the last two years, and include organizations that have bought from other organizations for which Stran acts as an established sub-contractor. We define transactional customers as customers that place an order with us and do not have an agreement with us covering ongoing branding requirements. We define program clients as clients that have a contractual obligation for specific ongoing branding needs. Program offerings include ongoing inventory, use of technology platform, warehousing, creative services, and additional client support. Those program customers are geared towards longer-lasting relationships that helps secure recurring revenue well into the future.

Since February 2025 and as of the date of this report, the United States has implemented and then amended additional tariffs on goods imported from other countries a number of times, particularly with respect to tariffs on imports from China. As of July 31, 2025, the United States had announced that the previously-imposed additional tariffs of up to 145% on most goods imported from China would remain reduced at a combined rate of 30% for a 90 day period effective May 14, 2025. Unless further action is taken, these tariffs are scheduled to increase to a combined rate of 54% effective August 13, 2025. In addition, previously-imposed tariffs on certain low-value items imported from China are unchanged at either a temporary 90-day rate of 54%, and, unless further action is taken, are scheduled to revert to 120% effective August 13, 2025, or an alternative \$100 flat rate. In addition, duty-free de minimis treatment for all other countries is scheduled to end effective August 29, 2025. Reciprocal tariff rates on most goods imported from other countries range from 10% to 41%. We have historically imported many of the goods or components used in our promotional products business from China in particular and to some extent from other countries. As a result, we have had to increase prices for certain products, and may be required to raise those prices further, which may result in the loss of customers. We have also attempted to shift away from Chinese suppliers in particular, and other foreign suppliers in general, and may seek to increase this shift due to U.S. tariffs or other aspects of U.S. trade policy, in an effort to reduce the effect of tariff increases on our product prices. However, due to the limited availability of competitive pricing from suppliers whose goods are not currently subject to tariffs or that are subject to relatively lower tariffs, and the possibility that some of the current or planned additional U.S. tariffs may increase, decrease, or become subject to exceptions or suspensions, with little or no prior notice, our ability to cost-effectively mitigate some of the effects of current and future scheduled U.S. tariffs may be significantly limited. These trends and uncertainties may result in additional costs and disruption to our operations, which may have a significant negative effect on the Company's sales and gross margins in future periods. As a result, investors should not assume that any trends reflected in our past results, including those that may be indicated below for the three and six months ended June 30, 2025 and 2024, respectively, may be expected to continue to occur in future periods.

Our sales for the three months ended June 30, 2025 increased 95.2% compared to sales for the three months ended June 30, 2024, and increased 72.5% for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 which we believe was due to higher spending from existing clients as well as business from new customers. We also benefited from the acquisition of substantially all of the assets (the “Gander Group Assets”) of Bangarang Enterprises, LLC, a California limited liability company (d/b/a Gander Group) (“Gander Group”), in August 2024.

As of June 30, 2025, we had approximately \$61.2 million of total assets with approximately \$31.8 million of total stockholders’ equity.

### **Emerging Growth Company and Smaller Reporting Company**

We qualify as an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As a result, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements. For so long as we are an emerging growth company, we will not be required to:

- have an auditor report on our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”);
- present three years, and may instead present only two years, of audited financial statements, with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure in this report;
- comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- comply with certain greenhouse gas emissions disclosure and related third-party assurance requirements;
- submit certain executive compensation matters to stockholder advisory votes, such as “say-on-pay” and “say-on-frequency;” and
- disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the “Securities Act”), for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of our initial public offering, (ii) the last day of the first fiscal year in which our total annual gross revenues are \$1.07 billion or more, (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would occur if the market value of our common stock that is held by non-affiliates exceeds \$700.0 million as of the last business day of our most recently completed second fiscal quarter or (iv) the date on which we have issued more than \$1.0 billion in non-convertible debt during the preceding three year period.

To the extent that we continue to qualify as a “smaller reporting company,” as such term is defined in Rule 12b-2 under the Exchange Act, after we cease to qualify as an emerging growth company, certain of the exemptions and accommodations available to us as an emerging growth company may continue to be available to us as a smaller reporting company, including as to: (i) the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act; (ii) scaled executive compensation disclosures; (iii) presenting three years of audited financial statements; and (iv) compliance with certain greenhouse gas emissions disclosure and related third-party assurance requirements.

### **Principal Factors Affecting Our Financial Performance**

Our operating results are primarily affected by the following factors:

- our ability to acquire new customers or retain existing customers;
- our ability to offer competitive product pricing;
- our ability to broaden product offerings;
- industry demand and competition;

- our ability to leverage technology and use and develop efficient processes;
- our ability to attract and retain talented employees;
- our ability to identify or to complete acquisitions or to successfully integrate the businesses we acquire; and
- market conditions and our market position.

## Results of Operations

### Comparison of Three Months Ended June 30, 2025 and 2024

The following table sets forth key components of our results of operations during the three months ended June 30, 2025 and 2024 both in dollars and as a percentage of our revenues.

	Three Months Ended June 30,			
	2025		2024	
	Amount (in thousands)	% of Revenues	Amount (in thousands)	% of Revenues
SALES				
Sales	\$ 32,577	100.0%	\$ 16,693	100.0%
Sales – related parties	—	—%	—	—%
Total sales	32,577	100.0%	16,693	100.0%
COST OF SALES:				
Cost of sales	22,708	69.7%	11,226	67.2%
Cost of sales - related parties	—	—%	—	—%
Total cost of sales	22,708	69.7%	11,226	67.2%
GROSS PROFIT	9,869	30.3%	5,467	32.8%
OPERATING EXPENSES:				
General and administrative expenses	9,474	29.1%	6,575	39.4%
Total operating expenses	9,474	29.1%	6,575	39.4%
INCOME (LOSS) FROM OPERATIONS	395	1.2%	(1,108)	(6.6)%
OTHER INCOME:				
Other income	285	0.9%	1	—%
Interest income	77	0.2%	82	0.5%
Realized gain on investments	—	—%	3	—%
Total other income	362	1.1%	86	0.5%
INCOME (LOSS) BEFORE INCOME TAXES	757	2.3%	(1,022)	(6.1)%
Provision for income taxes	114	0.3%	3	—%
NET INCOME (LOSS)	\$ 643	2.0%	\$ (1,025)	(6.1)%

## Sales

Sales consist primarily of the selling price of the merchandise, service or outbound shipping and handling charges, less discounts, coupons redeemed, returns and credits. Sales by segment and in total were as follows (in thousands):

	Three Months Ended June 30, 2025	% of Total	Three Months Ended June 30, 2024	% of Total	Increase / (Decrease)	
					\$	%
Stran	\$ 21,765	66.8%	\$ 16,693	100%	\$ 5,072	30.4%
SLS	10,812	33.2%	—	—%	10,812	100.0%
Total sales	\$ 32,577	100.0%	\$ 16,693	100%	\$ 15,884	95.2%

Our total sales increased 95.2% to approximately \$32.6 million for the three months ended June 30, 2025, from approximately \$16.7 million for the three months ended June 30, 2024. Sales by our Stran segment increased to approximately \$21.8 million for the three months ended June 30, 2025 from approximately \$16.7 million for the three months ended June 30, 2024. Sales by our SLS segment (which consists of the former Gander Group business) increased to approximately \$10.8 million for the three months ended June 30, 2025 from \$0 for the three months ended June 30, 2024. For the Stran segment, the increase in sales was primarily due to higher spending from existing clients as well as business from new customers. For the SLS segment, the increase in sales was due to the acquisition of the Gander Group Assets in August 2024.

## Cost of Sales

Cost of sales by segment and in total were as follows (in thousands):

	Three Months Ended June 30, 2025	% of Total	Three Months Ended June 30, 2024	% of Total	Increase / (Decrease)	
					\$	%
Stran	\$ 14,171	62.4%	\$ 11,226	100.0%	\$ 2,945	26.2%
SLS	8,537	37.6%	—	—%	8,537	100.0%
Total cost of sales	\$ 22,708	100.0%	\$ 11,226	100.0%	\$ 11,482	102.3%

Our total cost of sales increased 102.3% to approximately \$22.7 million for the three months ended June 30, 2025, from approximately \$11.2 million for the three months ended June 30, 2024. As a percentage of sales, total cost of sales increased to 69.7% for the three months ended June 30, 2025 from 67.2% for the three months ended June 30, 2024. Cost of sales by our Stran segment increased to approximately \$14.2 million for the three months ended June 30, 2025 from approximately \$11.2 million for the three months ended June 30, 2024. Cost of sales by our SLS segment increased to approximately \$8.5 million for the three months ended June 30, 2025 from \$0 for the three months ended June 30, 2024. The increase in the dollar amount of total cost of sales was primarily due to the increase in sales of 95.2% from period to period. For the Stran segment, the increase was primarily due to the increase in sales described above. For the SLS segment, the increase was due to the acquisition of the Gander Group Assets in August 2024.

## Gross Profit

Gross profit by segment and in total were as follows (in thousands):

	Three Months Ended June 30, 2025	% of Total	Three Months Ended June 30, 2024	% of Total	Increase / (Decrease)	
					\$	%
Stran	\$ 7,594	76.9%	\$ 5,467	100.0%	\$ 2,127	38.9%
SLS	2,275	23.1%	—	—%	2,275	100.0%
Total gross profit	\$ 9,869	100.0%	\$ 5,467	100.0%	\$ 4,402	80.5%



Gross profit consists of sales less total cost of sales. Our total gross profit increased 80.5% to approximately \$9.9 million, or 30.3% of sales, for the three months ended June 30, 2025, from approximately \$5.5 million, or 32.8% of sales, for the three months ended June 30, 2024. Gross profit of our Stran segment increased to approximately \$7.6 million for the three months ended June 30, 2025 from approximately \$5.5 million for the three months ended June 30, 2024. Gross profit of our SLS segment increased to approximately \$2.3 million for the three months ended June 30, 2025 from \$0 for the three months ended June 30, 2024. The increase in the dollar amount of total gross profit was primarily due to the acquisition of the Gander Group Assets in August 2024. For the Stran segment, the increase in the dollar amount of gross profit was due to an increase in sales of approximately \$5.1 million for the reasons described above, which was partially offset by an increase of cost of sales of approximately \$2.9 million for the reasons described above. For the SLS segment, the increase in the dollar amount of gross profit was due to the acquisition of the Gander Group Assets in August 2024.

Gross profit margin is defined as gross profit as a percentage of sales. The decrease in total gross profit margin to 30.3% for the three months ended June 30, 2025 from 32.8% for the three months ended June 30, 2024 was primarily due to the acquisition of the Gander Group Assets in August 2024, which operates at a lower gross margin than the Stran segment. The gross profit margin for the Stran segment increased to 34.9% for the three months ended June 30, 2025 from 32.8% for the three months ended June 30, 2024. The gross profit margin for the SLS segment was 21.0% for the three months ended June 30, 2025.

#### *Operating Expenses*

Operating expenses by segment and in total were as follows (in thousands):

	Three Months Ended June 30, 2025		Three Months Ended June 30, 2024		Increase / (Decrease)	
		% of Total		% of Total	\$	%
Stran	\$ 7,421	78.4%	\$ 6,575	100.0%	\$ 846	12.9%
SLS	2,053	21.6%	—	—%	2,053	100.0%
Total operating expenses	\$ 9,474	100.0%	\$ 6,575	100.0%	\$ 2,899	44.1%

Operating expenses consist of general and administrative expenses. Our total operating expenses increased 44.1% to approximately \$9.5 million for the three months ended June 30, 2025, from approximately \$6.6 million for the three months ended June 30, 2024. Operating expenses of our Stran segment increased to approximately \$7.4 million for the three months ended June 30, 2025 from approximately \$6.6 million for the three months ended June 30, 2024. Operating expenses of our SLS segment increased to approximately \$2.1 million for the three months ended June 30, 2025 from \$0 for the three months ended June 30, 2024. As a percentage of sales, operating expenses decreased to 29.1% for the three months ended June 30, 2025, from 39.4% for the three months ended June 30, 2024. As a percentage of sales, operating expenses of our Stran segment decreased to 34.1% for the three months ended June 30, 2025 from 39.4% for the three months ended June 30, 2024. As a percentage of sales, operating expenses of our SLS segment were 19.0% for the three months ended June 30, 2025. For the Stran segment, the increase in the dollar amount of operating expenses was primarily due to variable costs incurred due to our higher sales and expenses related to Stran's NetSuite enterprise resource planning system implementation, and legal and accounting expenses. For the SLS segment, the increase in the dollar amount of operating expenses was due to the acquisition of the Gander Group Assets in 2024.

#### *Other Income*

Other income consists of other income, interest income, and realized gain on investments. Our other income was approximately \$285 thousand for the three months ended June 30, 2025, compared to approximately \$1 thousand for the three months ended June 30, 2024. This change was primarily related to cost recoveries from prior periods for estimated shipping charges. Our interest income was approximately \$77 thousand for the three months ended June 30, 2025, compared to approximately \$82 thousand for the three months ended June 30, 2024. This change was primarily due to lower interest earned as a result of lower investments compared to the same period in the prior year. Our realized gain on investments was \$0 for the three months ended June 30, 2025, compared to approximately \$3 thousand for the three months ended June 30, 2024. The decrease in investments reflects our utilization of cash to support the Company's operating activities.

#### *Income Tax Provision*

Income tax provision reflects statutory tax rates in the jurisdictions in which we operate adjusted for permanent book/tax differences.

Income tax expense for the three months ended June 30, 2025 was approximately \$114 thousand compared to income tax expense of approximately \$3 thousand for the three months ended June 30, 2024. Income tax expense for the three months ended June 30, 2025 accounted for 15.1% of income before income taxes of approximately \$0.8 million. Income tax expense for the three months ended June 30, 2024 accounted for 0.3% of loss before income taxes of approximately \$1.0 million. As of June 30, 2025 and 2024, the Company recorded an income tax provision comprised of state income taxes and a valuation allowance against its net deferred tax assets. The Company recorded a full valuation allowance in 2022, the Company still maintains a cumulative loss.

The change in the effective tax rate from the comparison of 2025 and 2024 as noted above primarily relates to the Company's estimated earnings and a partial release of the valuation allowance from period to period. The Company recorded a full valuation allowance associated with its cumulative losses.

*Net Income (Loss)*

Our net income for the three months ended June 30, 2025 was approximately \$0.6 million, compared to net loss of approximately \$(1.0) million for the three months ended June 30, 2024. This change was primarily due to an increase in gross profit, partially offset by an increase in operating expenses, for the reasons described above.

**Comparison of Six Months Ended June 30, 2025 and 2024**

The following table sets forth key components of our results of operations during the six months ended June 30, 2025 and 2024 both in dollars and as a percentage of our sales.

	Six Months Ended June 30,			
	2025		2024	
	Amount (in thousands)	% of Revenues	Amount (in thousands)	% of Revenues
SALES				
Sales	\$ 61,271	100.0%	\$ 35,474	99.9%
Sales – related parties	—	—%	46	0.1%
Total sales	61,271	100.0%	35,520	100.0%
COST OF SALES:				
Cost of sales	42,920	70.0%	24,405	68.7%
Cost of sales - related parties	—	—%	35	0.1%
Total cost of sales	42,920	70.0%	24,440	68.8%
GROSS PROFIT	18,351	30.0%	11,080	31.2%
OPERATING EXPENSES:				
General and administrative expenses	18,491	30.2%	12,857	36.2%
Total operating expenses	18,491	30.2%	12,857	36.2%
LOSS FROM OPERATIONS	(140)	(0.2)%	(1,777)	(5.0)%
OTHER INCOME:				
Other (expense) income	280	0.5%	16	—%
Interest income	119	0.2%	175	0.5%
Realized gain on investments	67	0.1%	73	0.2%
Total other income	466	0.8%	264	0.7%
INCOME (LOSS) BEFORE INCOME TAXES	326	0.5%	(1,513)	(4.3)%
Provision for income taxes	76	—%	3	—%
NET INCOME (LOSS)	\$ 250	0.4%	\$ (1,516)	(4.3)%

*Sales*

Sales consist primarily of the selling price of the merchandise, service or outbound shipping and handling charges, less discounts, coupons redeemed, returns and credits. Sales by segment and in total were as follows (in thousands):

	Six Months Ended June 30, 2025		Six Months Ended June 30, 2024		Increase / (Decrease)	
	Amount	% of Total	Amount	% of Total	\$	%
Stran	\$ 42,700	69.7%	\$ 35,520	100.0%	\$ 7,180	20.2%
SLS	18,571	30.3%	—	—%	18,571	100.0%
Total sales	\$ 61,271	100.0%	\$ 35,520	100.0%	\$ 25,751	72.5%

Our total sales increased 72.5% to approximately \$61.3 million for the six months ended June 30, 2025, from approximately \$35.5 million for the six months ended June 30, 2024. Sales by our Stran segment increased to approximately \$42.7 million for the six months ended June 30, 2025 from approximately \$35.5 million for the six months ended June 30, 2024. Sales by our SLS segment (which consists of the former Gander Group business) increased to approximately \$18.6 million for the six months ended June 30, 2025 from \$0 for the six months ended June 30, 2024. For the Stran segment, the increase in sales was primarily due to higher spending from existing clients as well as business from new customers. For the SLS segment, the increase in sales was due to the acquisition of the Gander Group Assets in August 2024.

#### *Cost of Sales*

Cost of sales by segment and in total were as follows (in thousands):

	Six Months Ended June 30, 2025	% of Total	Six Months Ended June 30, 2024	% of Total	Increase / (Decrease)	
					\$	%
Stran	\$ 28,315	66.0%	\$ 24,440	100.0%	\$ 3,875	15.9%
SLS	14,605	34.0%	—	—%	14,605	100.0%
Total cost of sales	\$ 42,920	100.0%	\$ 24,440	100.0%	\$ 18,480	75.6%

Our total cost of sales increased 75.6% to approximately \$42.9 million for the six months ended June 30, 2025, from approximately \$24.4 million for the six months ended June 30, 2024. As a percentage of sales, total cost of sales increased to 70.0% for the six months ended June 30, 2025 from 68.8% for the six months ended June 30, 2024. Cost of sales by our Stran segment increased to approximately \$28.3 million for the six months ended June 30, 2025 from approximately \$24.4 million for the six months ended June 30, 2024. Cost of sales by our SLS segment increased to approximately \$14.6 million for the six months ended June 30, 2025 from \$0 for the six months ended June 30, 2024. The increase in the dollar amount of total cost of sales was primarily due to the increase in sales of 72.5% from period to period. For the Stran segment, the increase was primarily due to the increase in sales described above. For the SLS segment, the increase was due to the acquisition of the Gander Group Assets in August 2024.

#### *Gross Profit*

Gross profit by segment and in total were as follows (in thousands):

	Six Months Ended June 30, 2025	% of Total	Six Months Ended June 30, 2024	% of Total	Increase / (Decrease)	
					\$	%
Stran	\$ 14,385	78.4%	\$ 11,080	100.0%	\$ 3,305	29.8%
SLS	3,966	21.6%	—	—%	3,966	100.0%
Total gross profit	\$ 18,351	100.0%	\$ 11,080	100.0%	\$ 7,271	65.6%

Gross profit consists of sales less total cost of sales. Our total gross profit increased 65.6% to approximately \$18.4 million, or 30.0% of sales, for the six months ended June 30, 2025, from approximately \$11.1 million, or 31.2% of sales, for the six months ended June 30, 2024. Gross profit of our Stran segment increased to approximately \$14.4 million for the six months ended June 30, 2025 from approximately \$11.1 million for the six months ended June 30, 2024. Gross profit of our SLS segment increased to approximately \$4.0 million for the six months ended June 30, 2025 from \$0 for the six months ended June 30, 2024. The increase in the dollar amount of total gross profit was primarily due to the acquisition of the Gander Group Assets in August 2024. For the Stran segment, the increase in the dollar amount of gross profit of approximately \$7.2 million was due to an increase in sales for the reasons described above, which was partially offset by an increase of cost of sales of approximately \$3.9 million for the reasons described above. For the SLS segment, the increase in the dollar amount of gross profit was due to the acquisition of the Gander Group Assets in August 2024.

Gross profit margin is defined as gross profit as a percentage of sales. The decrease in total gross profit margin to 30.0% for the six months ended June 30, 2025 from 31.2% for the six months ended June 30, 2024 was primarily due to the acquisition of the Gander Group business in August 2024, which operates at a lower gross margin than the Stran segment. The gross profit margin for the Stran segment increased to 33.7% for the six months ended June 30, 2025 from 31.2% for the six months ended June 30, 2024. The gross profit margin for the SLS segment was 21.4% for the six months ended June 30, 2025.

## Operating Expenses

Operating expenses by segment and in total were as follows (in thousands):

	Six Months Ended June 30, 2025		Six Months Ended June 30, 2024		Increase / (Decrease)	
		% of Total		% of Total	\$	%
Stran	\$ 14,291	77.3%	\$ 12,857	100.0%	\$ 1,434	11.2%
SLS	4,200	22.7%	—	—%	4,200	100.0%
Total operating expenses	\$ 18,491	100.0%	\$ 12,857	100.0%	\$ 5,634	43.8%

Operating expenses consist of general and administrative expenses. Our total operating expenses increased 43.8% to approximately \$18.5 million for the six months ended June 30, 2025, from approximately \$12.9 million for the six months ended June 30, 2024. Operating expenses of our Stran segment increased to approximately \$14.3 million for the six months ended June 30, 2025 from approximately \$12.9 million for the six months ended June 30, 2024. Operating expenses of our SLS segment increased to approximately \$4.2 million for the six months ended June 30, 2025 from \$0 for the six months ended June 30, 2024. As a percentage of sales, operating expenses decreased to 30.2% for the six months ended June 30, 2025, from 36.2% for the six months ended June 30, 2024. As a percentage of sales, operating expenses of our Stran segment decreased to 33.5% for the six months ended June 30, 2025 from 36.2% for the six months ended June 30, 2024. As a percentage of sales, operating expenses of our SLS segment were 22.6% for the six months ended June 30, 2025. For the Stran segment, the increase in the dollar amount of operating expenses was primarily due to variable costs incurred due to our higher sales, expenses related to Stran's NetSuite enterprise resource planning system implementation, and legal and accounting expenses related to the re-audit of historical financial statements. For the SLS segment, the increase in the dollar amount of operating expenses was due to the acquisition of the Gander Group Assets in 2024.

## Other Income

Other income consists of other income, interest income, and realized gain on investments. Our other income was approximately \$280 thousand for the six months ended June 30, 2025, compared to approximately \$16 thousand for the six months ended June 30, 2024. This change was primarily related to cost recoveries from prior periods for estimated shipping charges. Our interest income was approximately \$119 thousand for the six months ended June 30, 2025, compared to approximately \$175 thousand for the six months ended June 30, 2024. This change was primarily due to a decrease in interest generated from lower investments compared to the same period in the prior year. Our realized gain on investments was approximately \$67 thousand for the six months ended June 30, 2025, remaining relatively constant as compared to approximately \$73 thousand for the six months ended June 30, 2024.

## Income Tax Provision

Income tax expense for the six months ended June 30, 2025 was approximately \$76 thousand compared to income tax expense of approximately \$3 thousand for the six months ended June 30, 2024. Income tax expense for the six months ended June 30, 2025 accounted for 23.3% of income before income taxes of approximately \$0.3 million. Income tax expense for the six months ended June 30, 2024 accounted for 0.2% of loss before income taxes of approximately \$1.5 million. As of June 30, 2025 and 2024, the Company recorded an income tax provision based upon its current estimate of taxable income forecasted for 2025. The Company recorded a full valuation allowance in 2022, the Company still maintains a cumulative loss.

The change in the effective tax rate from the comparison of 2025 and 2024 as noted above primarily relates to the Company's estimated earnings and a partial release of the valuation allowance from period to period. The Company recorded a full valuation allowance associated with its cumulative losses.

### *Net Income (Loss)*

Our net income for the six months ended June 30, 2025 was approximately \$0.3 million, compared to net loss of approximately \$(1.5) million for the six months ended June 30, 2024. This change was primarily due to an increase in gross profit, partially offset by an increase in operating expenses, for the reasons described above.

### **Liquidity and Capital Resources**

As of June 30, 2025, we had cash and cash equivalents of approximately \$13.1 million and investments of approximately \$5.0 million. We have financed our operations primarily through cash generated from our initial public offering of common stock and warrants to purchase common stock in November 2021, our private placement of common stock and warrants to purchase common stock in December 2021, and operations.

We believe that our current levels of cash will be sufficient to meet our anticipated cash needs for our operations and cash payment obligations for both the 12 months ended June 30, 2026 and in the long-term beyond this period, including our anticipated costs associated with being a public reporting company. We may, however, in the future require additional cash resources due to changing business conditions, implementation of our strategy to expand our business, or other investments or acquisitions we may decide to pursue. If our own financial resources are insufficient to satisfy our capital requirements, we may seek to sell additional equity or debt securities or obtain additional credit facilities. The sale of additional equity securities could result in dilution to our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financial covenants that would restrict our operations. Financing may not be available in amounts or on terms acceptable to us, if at all. Any failure by us to raise additional funds on terms favorable to us, or at all, could limit our ability to expand our business operations and could harm our overall business prospects.

### **Summary of Cash Flows**

The following table provides detailed information about our net cash flows for the six months ended June 30, 2025 and 2024 (in thousands).

	<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Net cash provided by operating activities	\$ 534	\$ 4,167
Net cash provided by investing activities	3,705	408
Net cash used in financing activities	(527)	(760)
Net increase in cash	3,712	3,815
Cash and cash equivalents - beginning	9,358	8,059
Cash and cash equivalents - ending	\$ 13,070	\$ 11,874

Net cash provided by operating activities was approximately \$0.5 million for the six months ended June 30, 2025, as compared to net cash provided by operating activities of approximately \$4.2 million for the six months ended June 30, 2024. The change was primarily due to an increase in accounts receivable and inventory due to growth in sales, offset by higher earnings, an increase in accounts payable and accrued expenses, and our rewards program liability.

Net cash provided by investing activities was approximately \$3.7 million for the six months ended June 30, 2025, as compared to net cash provided by investing activities of approximately \$0.4 million for the six months ended June 30, 2024. The change was primarily due to proceeds from the sale of investments.

Net cash used in financing activities was approximately \$0.5 million for the six months ended June 30, 2025, as compared to approximately \$0.8 million for the six months ended June 30, 2024. The decrease in net cash used in financing activities was primarily due to a decrease in installment payment liabilities of approximately \$0.6 million, offset by common stock repurchased during the period of approximately \$0.1 million and the payment of contingent earn-out liabilities of approximately \$0.1 million.

## Debt

On November 22, 2021, we entered into the Revolving Demand Line of Credit Loan Agreement, dated as of November 22, 2021 (the “Initial Loan Agreement”), between the Company and Salem Five Cents Savings Bank, a Massachusetts savings bank (“Salem Five Cents”), for a revolving line of credit (the “Revolving Line of Credit”), consisting of aggregate loans of up to \$7.0 million, evidenced by the Revolving Demand Line of Credit Note, dated November 22, 2021, by the Company in favor of Salem Five Cents (the “Demand Note”). The Revolving Line of Credit and the Demand Note were secured by a first priority security interest in all assets and property of the Company, as provided in the Security Agreement, dated November 22, 2021, between Salem Five Cents and the Company (the “Security Agreement”), and as described below. Under a Commercial Loan Modification Agreement, dated as of February 12, 2024, between Salem Five Cents and the Company (the “Loan Modification Agreement”), certain terms of the Initial Loan Agreement were modified as of February 12, 2024, as described below (as amended, the “Loan Agreement” and together with the Security Agreement and the Demand Note, the “Loan Documents”).

The amount available under the Revolving Line of Credit was the lesser of \$7.0 million or the sum of (x) eighty percent (80.0%) of the then-outstanding amount of Eligible Accounts (as defined below), plus (y) fifty percent (50.0%) of Eligible Inventory (as defined below); minus one hundred (100.0%) percent of the aggregate amount then drawn under the Revolving Line of Credit for the account of the Company. In addition, advances based upon Eligible Inventory were required to be capped at all times at \$2.0 million. “Eligible Accounts” was defined as accounts that meet a number of requirements, including, unless otherwise approved by Salem Five Cents, being less than 90 days from the date of invoice not subject to any prior assignment, claim, lien, or security interest, not subject to set-off, credit, allowance or adjustment by the account debtor, arose in the ordinary course of the Company’s business, not an intercompany obligation, not subject to notice of bankruptcy or insolvency of the account debtor, not owed by an account debtor whose principal place of business was outside the United States, not a government account, not be evidenced by promissory notes, and not one of the accounts owed by an account debtor 25% or more of whose accounts were 90 or more days past invoice date; or otherwise not deemed acceptable by Salem Five Cents in accordance with its normal credit policies. “Eligible Inventory” was defined as all finished goods, work in progress and raw materials and component parts of inventory owned by the Company. Eligible Inventory did not include any inventory held on consignment or not otherwise owned by the Company; any inventory which had been returned by a customer or was damaged or subject to any legal encumbrances other than a first priority security interest held by the Company; any inventory which was not in the possession of the Company; any inventory which was held by the Company on property leased by the Company unless Salem Five Cents had received a Landlord’s Waiver and Consent from the lessor of such property satisfactory to Salem Five Cents; any inventory which was not located within the United States; any inventory which Salem Five Cents reasonably deemed to be obsolete or non-marketable; and any inventory not subject to a first priority fully perfected lien held by Salem Five Cents.

The Revolving Line of Credit was subject to interest at the prime rate plus 0.5% per annum. The Company was required to repay interest on the Revolving Line of Credit proceeds on a monthly basis. The Revolving Line of Credit continued indefinitely, subject to Salem Five Cents’ demand rights and the Company’s ongoing affirmative and other obligations under the Loan Documents, as summarized below.

The Company could freely draw upon the Revolving Line of Credit subject to Salem Five Cents’ right to demand complete repayment of the Revolving Line of Credit at any time. Late payments were subject to a late payment charge of 5.0%. In the event of failure to repay the loan after Salem Five Cents made demand for full repayment, the interest rate would increase by 10.0%. The Demand Note could be prepaid at any time without penalty. Salem Five Cents could assign the Demand Note without the Company’s consent.

Under the Security Agreement and the other Loan Documents, the Company granted Salem Five Cents a first priority security interest in all of its assets, including both assets owned as of the date of the Revolving Line of Credit and afterwards, as collateral for full repayment of the Revolving Line of Credit. Salem Five Cents had the right to file Uniform Commercial Code financing statements with any jurisdiction and with sufficient descriptions of the property to perfect its security interest in all of the Company’s current and future assets. Upon default of the Revolving Line of Credit, Salem Five Cents could accelerate repayment of the Revolving Line of Credit, take possession of the Company’s assets, assign a receiver over the Company’s assets, and enforce other rights as to the Company’s assets as secured creditor. The Company was required to pay for all of Salem Five Cents’ reasonable legal fees and expenses incurred to enforce its rights under the Loan Documents.

Under the Initial Loan Agreement, the Company was required to continue its current business of outsourced marketing solutions, and, without the prior consent of Salem Five Cents, the Company could not acquire in whole or in part any other company or business or engage in any other business or open any other locations. The Company was required to use the proceeds of the Revolving Line of Credit only in connection with the general and ordinary operations of its business and for the following purpose: general working capital for accounts receivable and inventory purchases.

The Revolving Line of Credit was also subject to ongoing affirmative obligations of the Company, including: Making punctual repayment of the Revolving Line of Credit amount; maintaining proper accounting books and records in accordance with the opinion of LMHS, P.C. or another Certified Public Accountant acceptable to Salem Five Cents; allowing Salem Five Cents to inspect its accounting books and records; furnishing audited, quarterly, monthly and other financial statements to Salem Five Cents; prior to the date of the Loan Modification Agreement, making payment of Salem Five Cents' reasonable expenses for a field exam in 2022; and following the date of the Loan Modification Agreement, making payment of Lender's reasonable expenses for a field exam in 2024; allowing Salem Five Cents to communicate with its accountants; maintaining its properties in good repair subject to ordinary wear and tear; obtaining replacement-cost insurance for its property with Salem Five Cents as Mortgagee/Loss Payee; causing management contracts for the Company's properties to be subordinated to the rights of Salem Five Cents; and allowing no change of property management company without the prior written consent of Salem Five Cents.

Prior to the date of the Loan Modification Agreement, the Revolving Line of Credit was further subject to the following financial requirements: (a) Debt Service Coverage Ratio: Cash flow to be calculated on an annual basis of at least 1.20 times EBITDA less cash taxes, distributions, dividends, shareholder withdrawals in any form, and unfinanced CAPEX divided by all scheduled principal payments on all debt plus cash interest payments made on all debt; and (b) Minimum Net Worth thresholds: The Company was required to meet the following minimum net worth thresholds: \$2,000,000 at December 31, 2021, \$2,750,000 at December 31, 2022, and \$3,500,000 at December 31, 2023.

Following the date of the Loan Modification Agreement, the Revolving Line of Credit was no longer subject to the Company's compliance with the Debt Service Coverage Ratio and the Minimum Net Worth terms described above. Instead, the Company was required to meet the following financial requirements:

- The Company was required to maintain a "Minimum Interest Coverage" of 1.25:1, tested for fiscal year ending December 31, 2024 only, and defined as follows: EBITDA (as defined below), divided by cash interest payments made on all debt. "EBITDA" was defined as the trailing year's total of net income before total interest expense, tax expense, and depreciation and amortization expense. EBITDA was required to be adjusted for extraordinary and/or non-cash items as defined in accordance with generally accepted accounting principles in the United States ("GAAP").
- The Company was required to maintain a "Minimum Debt Service Coverage Ratio" of 1.20:1, tested annually beginning with the fiscal year ending December 31, 2025, defined as follows: EBITDA, less cash taxes, distributions, dividends, stockholder withdrawals in any form, and unfinanced capital expenditures (as defined below), divided by all scheduled principal payments on all debt, plus cash interest payments made on all debt, plus cash payments made on contingent earn-out liabilities. "Unfinanced capital expenditures" was defined as the current fiscal-year-end net fixed assets, plus current fiscal-year-end depreciation, less prior fiscal-year-end net fixed assets, less the long-term debt increase.
- The Company's "Ratio of Debt to Tangible Net Worth" was required not to exceed 1.50:1, tested at financial year-end, defined as total liabilities divided by "tangible net worth," defined as total assets, less total liabilities, less intangible assets and amounts due from stockholder/related parties.
- The Company was required to maintain a "Minimum Liquidity" of \$7.5 million at all times, defined as cash and short-term investments, less rewards program liabilities.

The Company also could not incur any additional indebtedness, secured or unsecured, except in the ordinary course of business; make loans or advances to others or guarantee others' obligations except for certain ordinary advances to employees or ordinary customer credit terms; make investments; acquire any business; make capital expenditures except in the ordinary course of business; sell any material assets except in the ordinary course of business; or grant any security interests or mortgages in its properties or assets. After the date of the Loan Modification Agreement, any future contingent earn-out obligations were required to be subordinated to the Loan Documents.

In connection with the Initial Loan Agreement, on November 22, 2021, the Company, Salem Five Cents and Harte Hanks Response Management/ Boston, Inc. (the "Warehouse Provider"), the lessor of certain warehouse facilities to the Company, executed a Warehouseman's Waiver in favor of Salem Five Cents (the "Warehouseman's Waiver"). Under the Warehouseman's Waiver, the Warehouse Provider disclaimed any interest in the property of the Company stored on the premises (the "Collateral"), and agreed not to interfere with Salem Five Cents' enforcement of its rights in the Collateral. The Warehouse Provider further agreed to provide notice to Salem Five Cents of any default by the Company of its obligations as to the Warehouse Provider, and to give Salem Five Cents at least 30 days to exercise its rights, which period could be extended by Salem Five Cents up to 60 days upon its payment of the per-diem rental amount. After that period, unless the default had been cured by Salem Five Cents, the Warehouse Provider could dispose of such Collateral as it deemed fit. Upon the receipt of written notice from Salem Five Cents and until such notice was rescinded, the Warehouse Provider was required to honor only instructions from Salem Five Cents with respect to the Collateral, including, any direction from Salem Five Cents to dispose of all or any portion of the Collateral at any time, without any further consent or instruction from Company.

On August 23, 2024, Stran Loyalty Solutions entered into a factoring arrangement to provide accounts receivable financing to Stran Loyalty Solutions. In connection with the factoring arrangement, the Company provided a secured guarantee of Stran Loyalty Solutions' obligations under the factoring arrangement. In discussions with Salem Five Cents prior to the establishment of the factoring arrangement, Salem Five Cents indicated that it would terminate the Revolving Line of Credit because of a policy which prohibited it from agreeing to subordination of its security interest in the Company's assets. The factoring arrangement was terminated by the Company effective February 2025.

Accordingly, on September 9, 2024, Salem Five Cents delivered a letter (the "Termination Letter") to the Company that stated that, effective August 26, 2024 (the "Termination Date"), Salem Five Cents terminated all obligations under the Loan Agreement and the Demand Note. The Termination Letter further stated that the Loan Agreement and the Demand Note and the Loan Documents shall no longer be considered in force or effect. The Company had no funds drawn on the Revolving Line of Credit on the Termination Date.

The Revolving Line of Credit had been terminated in 2024.

#### ***Acquisition of Assets of Gander Group***

On August 23, 2024, Stran Loyalty Solutions entered into a Secured Party Sale Agreement, dated as of August 23, 2024 (the "Sale Agreement"), between Stran Loyalty Solutions and Sallyport Commercial Finance, LLC, a Delaware limited liability company ("Secured Party"), pursuant to which Stran Loyalty Solutions agreed to purchase, on an as-is basis, all of the rights and interests of Gander Group, in and to the Gander Group Assets from Secured Party as a private sale pursuant to Article 9 of the Uniform Commercial Code (the "Gander Group Transaction").

Under the Sale Agreement, the aggregate consideration for the Gander Group Assets consisted of (a) cash payments by Stran Loyalty Solutions to Secured Party of approximately \$1.1 million (the "Cash Purchase Price"), and (b) the assumption by Stran Loyalty Solutions of certain liabilities totaling approximately \$5.5 million (the "Gander Group Assumed Liabilities"), subject to adjustment, at and following the Gander Group Transaction Closing (as defined below), including the payment at the Gander Group Transaction Closing of \$150 thousand to Warson Capital Partners, LLC, an investment banking firm retained by Gander Group, for its fees and expenses with respect to the Gander Group Transaction, including the marketing for sale of the Gander Group Assets (the "Transaction Expense Payment").

At the consummation of the transactions contemplated by the Sale Agreement (the "Gander Group Transaction Closing"), Stran Loyalty Solutions paid the Cash Purchase Price, including the payment of the Transaction Expense Payment, and assumed the Gander Group Assumed Liabilities. As a result of the Gander Group Transaction Closing, the Company indirectly acquired substantially all of the asset of Gander Group, including all of the equity of Gander Group Louisiana, which became a wholly-owned subsidiary of Stran Loyalty Solutions.

In addition, Stran Loyalty Solutions entered into a Release Agreement, dated as of August 23, 2024, between Gander Group and Stran Loyalty Solutions (the "Release Agreement"). Under the Release Agreement, Gander Group granted a full and complete waiver and release of Stran Loyalty Solutions and its affiliates of any non-competition, non-solicitation, or similar restrictive covenants of any parties owed to Gander Group or any of its affiliates.

The Sale Agreement and the Release Agreement included provisions for indemnification, reimbursement for returned items, handling of assets and liabilities during Gander Group's wind-down, and certain other matters.



## Contractual Obligations

### Property Leases

On January 10, 2025, the Company entered into a seven-year lease agreement for new office space in North Quincy, Massachusetts. The Company's existing lease agreement for its office space expires May 31, 2025. The new lease term commenced on June 1, 2025 and expires on May 31, 2032 with an option to extend the lease an additional five years. The lease contains an initial base rent of approximately \$21 thousand per month with 2.2% - 2.5% annual escalations, plus a percentage of taxes and operating expenses incurred by the lessor in connection with the ownership and management of the property.

On November 26, 2024, the Company entered into a lease for a 6,500-square foot office space in Irvine, California. The lease commenced on January 1, 2025 and is for a term of 36 months from the commencement date. The lease included an escalation clause with annual increases of approximately 4% increase per year.

The following is a schedule by years of future minimum lease payments (in thousands):

Remainder of 2025	\$	375
2026		702
2027		679
2028		335
2029		276
Thereafter		693
Total future non-cancelable minimum lease payments	\$	3,060

Lease costs for the three months ended June 30, 2025 and 2024 totaled approximately \$0.2 million and \$0.2 million, respectively. Lease costs for the six months ended June 30, 2025 and 2024 totaled approximately \$0.4 million and \$0.3 million, respectively. We anticipate no deficiencies in our ability to make these payments.

### Other Cash Obligations

The Company manages reward card programs for clients. Under these programs, the Company receives cash and simultaneously records a liability for the total amount received. These accounts are adjusted on a periodic basis as reward cards are funded or reduced at the direction of the customers. As of June 30, 2025 and December 31, 2024, the Company had net deposits totaling approximately \$0.4 million and \$0.4 million, respectively.

## Critical Accounting Estimates

We prepare our financial statements in accordance with U.S. GAAP. The preparation of financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statements presentation, financial condition, results of operations, and cash flows will be affected.

We believe that the assumptions and estimates associated with the valuation of goodwill and intangible assets, have the greatest potential impact on our financial statements. Therefore, we consider these to be our critical accounting policies and estimates. For further information on all of our significant accounting policies, see the notes to our financial statements beginning on page 1 of this Quarterly Report on Form 10-Q.

### Valuation of Goodwill and Intangible Assets

We perform an annual impairment review of our goodwill during the fourth fiscal quarter of each year, and more frequently if we believe indicators of impairment exist. The process of evaluating the potential impairment of goodwill is highly subjective and requires significant judgment. To review for impairment, we first assess qualitative factors to determine whether events or circumstances lead to a determination that it is more likely than not that the fair value of our reporting unit is less than its carrying amount. Our qualitative assessment of the recoverability of goodwill, whether performed annually or based on specific events or circumstances, considers various macroeconomic, industry-specific and company-specific factors. These factors include: (i) severe adverse industry or economic trends; (ii) significant company-specific actions; (iii) current, historical or projected deterioration of our financial performance; or (iv) a sustained decrease in our market capitalization below our net book value. After assessing the totality of events and circumstances, if we determine that it is more likely than not that the fair value of our reporting unit to which goodwill is assigned is greater than its carrying amount, no further assessment is performed. If we determine that it is more likely than not that the fair value of our reporting unit is less than its carrying amount, we calculate the fair value of that reporting unit and compare the fair value to the reporting unit's net book value.

Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. Our goodwill impairment test uses both the income approach and the market approach to estimate a reporting unit's fair value. The income approach is based on the discounted cash flow method that uses the reporting unit estimates for forecasted future financial performance, including revenues, operating expenses, and taxes, as well as working capital and capital asset requirements. These estimates are developed as part of our long-term planning process based on assumed market segment growth rates and our assumed market segment share, estimated costs based on historical data and various internal estimates. Projected cash flows are then discounted to a present value employing a discount rate that properly accounts for the estimated market weighted-average cost of capital, as well as any risk unique to the subject cash flows. The market approach is based on weighting the financial multiples of comparable companies and applying a control premium. A reporting unit's carrying value represents the assignment of various assets and liabilities, excluding certain corporate assets and liabilities, such as cash and debt.

We assess the impairment of long-lived assets, including purchased property and equipment, right-of-use assets, and intangible assets, whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Factors we consider important which could trigger an impairment review include: (i) significant underperformance relative to historical or projected future operating results, (ii) significant changes in the manner of our use of the acquired assets or the strategy for our overall business, or (iii) significant negative industry or economic trends. The process of evaluating the potential impairment of long-lived assets under the accounting guidance on property and equipment and intangible assets is also highly subjective and requires significant judgment. In order to estimate the fair value of long-lived assets, we typically make various assumptions about the future prospects of our business or the part of our business to which the long-lived assets relate. We also consider market factors specific to the business and estimate future cash flows to be generated by the business, which requires significant judgment as it is based on assumptions about market demand for our products over a number of future years. Based on these assumptions and estimates, we determine whether we need to take an impairment charge to reduce the value of the long-lived assets stated on our consolidated balance sheets to reflect their estimated fair value. Assumptions and estimates about future values and remaining useful lives are complex and often subjective. They can be affected by a variety of factors, including external factors, such as the real estate market, industry and economic trends, and internal factors, such as changes in our business strategy and our internal forecasts. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, changes in assumptions and estimates could materially impact our reported financial results.

#### **Recent Accounting Pronouncements**

For a discussion of recently adopted accounting pronouncements, see *Recently Issued Accounting Pronouncements* in Note A.19 to our unaudited condensed consolidated financial statements beginning on page 1 of this Quarterly Report on Form 10-Q.

#### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Not applicable.

#### **ITEM 4. CONTROLS AND PROCEDURES**

##### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) prior to the filing of this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were not effective due to the following material weaknesses in our internal control over financial reporting:

- There was a material weakness in our internal controls related to the proper design and implementation of control over formal review, approval, and evaluation of complex accounting transactions associated with business combinations.

- We identified a material weakness in internal control related to the proper design and implementation of certain controls over management's formal review process that includes multiple levels of review as well as timely review of accounts and reconciliations leading to material adjustments.
- We identified a material weakness in internal control related to the proper design and implementation of certain controls over income tax provision and management's review of the income tax provision.
- We did not design and maintain effective controls over financial reporting for accounts receivable and unearned revenue, freight charges, and inventory and cost of sales accounts.
- We did not design and maintain effective controls over financial reporting related to the proper presentation and disclosure for related party transactions.
- We did not effectively select and develop certain information technology general controls related to access and change management controls that led to deficiencies in the design and operation of control activities.

#### **Changes in Internal Control Over Financial Reporting**

Following the identification and communication of the material weaknesses described above, management continued to implement the following remediation actions relating to these material weaknesses during the three months ended June 30, 2025 as follows:

- We continued to utilize the services of external consultants for non-routine and/or technical accounting issues as they arise.
- We continued to expand and improve our review process for complex accounting transactions by enhancing access to accounting literature, engaging third-party professionals with whom to consult regarding complex accounting applications, and hiring additional staff with the requisite experience and training to supplement existing accounting professionals.
- Management, with the assistance of a third party, continued to perform an evaluation of the processes and procedures around our processes, internal control design gaps, and recommend process enhancements.
- We continued to implement enhancements and process improvements, including the design and implementation of reporting systems relating to the January 2025 launch of our new NetSuite enterprise resource planning system.

The material weaknesses identified above will not be considered fully remediated until these additional controls and procedures have operated effectively for a sufficient period of time and management has concluded, through testing, that these controls are effective. Our management will monitor the effectiveness of our remediation plans and will make changes management determines to be appropriate.

There were no changes in our internal control over financial reporting during the three months ended June 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, except as described above.

#### **Inherent Limitation on the Effectiveness of Internal Control**

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

## PART II

### OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are not currently aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

#### ITEM 1A. RISK FACTORS.

There are no material changes from the risk factors previously disclosed in Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the year ending December 31, 2024.

#### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

##### *Unregistered Sales of Equity Securities*

During the period covered by this report, we did not sell any equity securities that were not registered under the Securities Act and that were not previously disclosed under Item 3.02 in a Current Report on Form 8-K.

##### *Purchases of Equity Securities*

The following table provides information about our repurchases of common stock during the period April 1, 2025 to June 30, 2025.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan or Program
April 1, 2025 - April 30, 2025	—	\$ —	—	\$ 6,617,594
May 1, 2025 - May 31, 2025	30,949	\$ 1.21	1,846,115	\$ 6,575,864
June 1, 2025 - June 30, 2025	79,344	\$ 1.37	1,925,459	\$ 6,471,760

On February 21, 2022, the Company’s board of directors authorized a stock repurchase program under which the Company may repurchase up to \$10 million of its outstanding shares of common stock in the open market, in accordance with all applicable securities laws and regulations, including Rule 10b-18 promulgated under the Exchange Act (“Rule 10b-18”). On May 20, 2022, the Company adopted broker repurchase instructions pursuant to Rule 10b-18, which terminated on May 20, 2023. On June 2, 2023, the Company adopted broker repurchase instructions pursuant to Rule 10b-18, which terminated on June 2, 2024. On May 15, 2025, the Company adopted broker repurchase instructions pursuant to Rule 10b-18, which will terminate on May 15, 2026. On June 30, 2025, the Company adopted broker repurchase instructions pursuant to Rule 10b-18 and Rule 10b5-1 promulgated pursuant to the Exchange Act (“Rule 10b5-1”). Each of the above broker repurchase instructions was adopted in accordance with the restrictions that would apply to the Company if it were subject to the Stran & Company, Inc. Second Amended and Restated Insider Trading Policy (the “Insider Trading Policy”), which generally permits insider purchases of the Company’s stock during the period beginning on the second business day following the day of public release of the Company’s quarterly or annual earnings and ending on the last day of the then-current quarter; repurchases pursuant to a plan that meets the requirements of Rule 10b5-1; or that meet certain other requirements. A copy of the Insider Trading Policy was filed by the Company with the SEC on April 14, 2025 as Exhibit 19.1 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

#### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

#### ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

## ITEM 5. OTHER INFORMATION.

We have no information to disclose that was required to be disclosed in a Current Report on Form 8-K during the three months ended June 30, 2025 but was not reported. There have been no material changes to the procedures by which security holders may recommend nominees to our board of directors where those changes were implemented after the Company last provided disclosure of such procedures.

None of our directors or “officers,” as defined in Rule 16a-1(f) under the Exchange Act, adopted or terminated a Rule 10b5-1 trading plan or arrangement or a non-Rule 10b5-1 trading plan or arrangement, as defined in Item 408(c) of Regulation S-K, during the fiscal quarter ended June 30, 2025.

## ITEM 6. EXHIBITS.

Exhibit No.	Description
3.1	<a href="#">Articles of Incorporation of Stran &amp; Company, Inc. (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 filed on October 7, 2021)</a>
3.2	<a href="#">Amended and Restated Bylaws of Stran &amp; Company, Inc. (incorporated by reference to Exhibit 3.2 to the Amendment No.1 to Registration Statement on Form S-1 filed on October 22, 2021)</a>
10.1*	<a href="#">Director Separation and Indemnification Agreement, dated as of June 16, 2025, between Stran &amp; Company, Inc. and Ashley L. Marshall</a>
10.2*	<a href="#">Director Separation and Indemnification Agreement, dated as of June 16, 2025, between Stran &amp; Company, Inc. and Alejandro Tani</a>
10.3*	<a href="#">Director Separation and Indemnification Agreement, dated as of June 17, 2025, between Stran &amp; Company, Inc. and Travis McCourt</a>
31.1*	<a href="#">Certifications of Principal Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2*	<a href="#">Certifications of Principal Financial and Accounting Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1**	<a href="#">Certifications of Principal Executive Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2**	<a href="#">Certifications of Principal Financial and Accounting Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

\*\* Furnished herewith

## 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 thereunto duly authorized.

Date: August 12, 2025

**STRAN & COMPANY, INC.**

/s/ Andrew Shape

Name: Andrew Shape

Title: Chief Executive Officer and President

*(Principal Executive Officer)*

/s/ David Browner

Name: David Browner

Title: Chief Financial Officer

*(Principal Accounting and Financial Officer)*

## INDEMNIFICATION AGREEMENT AND GENERAL RELEASE

This Indemnification Agreement and General Release (“**Agreement**”) is made and entered into as of June 16, 2025 by and between Stran & Company, Inc., a Nevada corporation (the “**Company**”), and Ashley L. Marshall, with respect to the following facts:

A. Ashley L. Marshall (“**Director**”) has served as a director of the Company since November 8, 2021.

B. Director has resigned his position as a director with the Company effective as of the date of this Agreement.

C. Director and the Company now desire to (i) enter into an indemnification agreement to provide for the Company’s indemnification of Director to the maximum extent available under Nevada law and (ii), other than with respect to indemnification, to release one another from any claims that they may have against one another arising out of Director’s position as a director with the Company.

NOW, THEREFORE, in consideration of the foregoing premises, and intending to be legally bound, the parties hereby agree as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall have the following meanings.

1.1 “**Disinterested Director**” shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is being sought by Director.

1.2 “**Expenses**” shall include, without limitation, (a) all reasonable direct and indirect costs incurred, paid or accrued, (b) all reasonable attorneys’ fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, food and lodging expenses while traveling, duplicating costs, printing and binding costs, telephone charges, postage, delivery service, freight or other transportation fees and expenses, (c) all other reasonable disbursements and out-of-pocket expenses, and (d) amounts paid in settlement, to the extent not prohibited by Nevada Law.

1.3 “**Liabilities**” shall mean Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Director, or on Director’s behalf (including all interest, assessments or other charges paid or payable in connection with any of the foregoing).

1.4 “**Nevada Law**” means the Nevada Revised Statutes, as amended and in effect from time to time or any successor or other statutes of Nevada having similar import and effect.

1.5 “**Proceeding**” shall mean any threatened, pending or completed action, hearing, suit or any other proceeding, whether civil, criminal, arbitral, administrative, investigative or any alternative dispute resolution mechanism, including without limitation any Proceeding brought by or in the right of the Company, in which Director was, is or will be involved as a party, witness or otherwise, by reason of the fact that Director is or was an agent of the Company, by reason of any action taken by him or her or any inaction on his or her part while acting as an agent of the Company, whether or not he or she is acting or serving in any such capacity at the time any such Proceeding commences or is ongoing.

2. **Mutual Release.** Except with respect to the rights and obligations set forth in Section 3 of this Agreement, the Company and Director agree as follows:

2.1 **General Release.** The Company hereby fully and forever releases and discharges Director, and Director for herself, her heirs, executors, administrators, assigns and successors, fully and forever releases and discharges the Company and its current, former and future parents, subsidiaries, related entities, employee benefit plans and their fiduciaries, predecessors, successors, officers, directors, shareholders, agents, employees and assigns (collectively, “**Releasees**”), with respect to any and all claims, liabilities and causes of action, of every nature, kind and description, in law, equity or otherwise, which have arisen, occurred or existed at any time prior to the signing of this Agreement, arising out of or relating to Director’s position as a director of the Company prior to the date of this Agreement.

2.2 **Representation Regarding Legal Actions.** Director represents that, as of the date of this Agreement, she has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against the Releasees in any court or with any governmental agency. Except for claims preserved by law or expressly by this Agreement, Director promises never to sue any of the Releasees, or otherwise institute or participate in any legal or administrative proceedings against any of the Releasees, with respect to any claim covered by the release provisions of this Agreement, unless she is compelled by legal process to do so. Director promises and agrees that she shall not advocate or incite the institution of, or assist or participate in, any suit, complaint, charge or administrative proceeding by any other person against any of the Releasees, unless compelled by legal process to do so.

2.3 **Severability of Release Provisions.** Director agrees that if any provision of the release given by him or her under this Agreement is found to be unenforceable, it will not affect the enforceability of the remaining provisions and the courts may enforce all remaining provisions to the extent permitted by law.

### 3. **Indemnification.**

3.1 **Rights to Indemnification.** The Company shall indemnify Director and hold Director harmless to the fullest extent authorized or permitted by Nevada Law in effect on the date hereof, and as Nevada Law may from time to time be amended (but, in the case of any such amendment, only to the extent such amendment permits the Company to provide broader indemnification rights than Nevada Law permitted the Company to provide before such amendment), against any and all Liabilities arising out of or related to any Proceeding, if Director acted in good faith and in a manner Director reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe Director’s conduct was unlawful, provided, however, if applicable law so provides, no indemnification against such Liabilities shall be made in respect of any claim, issue or matter in such Proceeding as to which Director shall have been adjudged to be liable to the Company unless and to the extent that a court of competent jurisdiction shall determine that such indemnification may be made. Without in any way diminishing the scope of the indemnification provided by this Section 3.1, the Company shall indemnify Director (i) if and whenever he or she is or was a witness, party or is threatened to be made a witness or a party to any Proceeding, against all Expenses and Liabilities actually and reasonably incurred by Director or on his or her behalf in connection with the investigation, defense, settlement or appeal of such Proceeding, and (ii) in connection with any claim asserted or action brought by the Director for payment or indemnification of Liabilities or Expenses or advance payment of expenses under this Agreement or any other agreement, resolution, provision of the Company’s Certificate of Incorporation or Bylaws or any statute or rule of law now or hereafter in effect, relating to any Proceeding, or for specific performance of any provision of this Agreement, or for recovery under any directors’ and officers’ liability insurance policy or policies maintained by the Company, regardless of whether the Director is ultimately determined to be entitled to such payment, indemnification, advance or insurance recovery, as the case may be. If the Director is entitled under this Agreement to payment for some or a portion of any Liabilities or Expenses relating to a Proceeding, but not for the total amount thereof, the Company shall nevertheless pay the Director for the portion thereof to which he or she is entitled.



**3.2 Advancement of Expenses.** The Company shall advance, to the extent not prohibited by law, the Expenses incurred by Director in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (which shall include invoices received by Director in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Director to waive any privilege accorded by applicable law shall not be included with the invoice) from time to time, whether prior to or after final disposition of any Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Director. Advances shall be unsecured and interest free. Advances shall be made without regard to Director's ability to repay the expenses and without regard to Director's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. Director shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an agreement pursuant to which the Director undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Director is not entitled to be indemnified by the Company. This Section 3.2 shall not apply to any claim made by Director for which indemnity is excluded pursuant to Section 3.5. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein.

**3.3 Presumptions and Effect of Certain Proceedings.** Upon making a request for indemnification, Director shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proof by clear and convincing evidence to overcome that presumption in reaching any contrary determination. The termination of any Proceeding by judgment, order, settlement, arbitration award or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, (a) adversely affect the rights of Director to indemnification except as indemnification may be expressly prohibited under this Agreement, (b) create a presumption that Director did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or (c) with respect to any criminal action or proceeding, create a presumption that Director had reasonable cause to believe that his or her conduct was unlawful.

**3.4 Other Rights to Indemnification.** Director's rights of indemnification and advancement of expenses provided by this Agreement shall not be deemed exclusive of any other rights to which Director may now or in the future be entitled under applicable law, the Company's Articles of Incorporation, the Company's Amended and Restated Bylaws, an employment agreement, a vote of stockholders or Disinterested Directors, insurance or other financial arrangements or otherwise.

**3.5 Limitations on Indemnification.** No indemnification pursuant to Section 3 shall be paid by the Company nor shall Expenses be advanced pursuant to Section 3:

(a) Insurance. To the extent that Director is reimbursed pursuant to such insurance as may exist for Director's benefit. Notwithstanding the availability of such insurance, Director also may claim indemnification from the Company pursuant to this Agreement by assigning to the Company any claims under such insurance to the extent Director is paid by the Company. Director shall reimburse the Company for any sums he or she receives as indemnification from other sources to the extent of any amount paid to him or her for that purpose by the Company; or

(b) Director's Proceedings. In connection with all or any part of a Proceeding which is initiated or maintained by or on behalf of Director, or any Proceeding by Director against the Company or its directors, officers, employees or other agents, unless (a) such indemnification is expressly required to be made by Nevada Law, (b) the Proceeding was authorized by a majority of the Disinterested Directors, or (c) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under Nevada Law.

**4. Promise to Maintain Confidentiality of the Company's Confidential Information.**

(a) Director acknowledges that due to the position she has occupied and the responsibilities she has had at the Company, she has received confidential information concerning the Company's products, procedures, customers, sales, prices, contracts, and the like ("**Confidential Information**"). Director hereby promises and agrees that, unless compelled by legal process, she will not disclose to others and will keep confidential all Confidential Information she has received while a director of the Company. Director agrees that a violation by her of the foregoing obligation to maintain the confidentiality of the Company's confidential information will constitute a material breach of this Agreement.

(b) Permitted Disclosures. Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. Director shall promptly provide written notice of any such order to the Chief Executive Officer of the Company.

(c) Permitted Communications. Nothing herein prohibits or restricts Director (or Director's attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority, Inc. (FINRA), any other self-regulatory organization, or any other federal or state regulatory authority regarding a possible securities law violation.

(d) Notice of Immunity Under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016 ("DTSA"). Notwithstanding any other provision of this Agreement:

(1) Director will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed under seal in a lawsuit or other proceeding.

(2) If Director files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Director may disclose the Company's trade secrets to Director's attorney and use the trade secret information in the court proceeding if Director: (A) files any document containing trade secrets under seal; and (B) does not disclose trade secrets, except pursuant to court order.

**5. Integrated Agreement.** The parties acknowledge and agree that no promises or representations were made to them which do not appear written herein and that this Agreement contains the entire agreement of the parties on the subject matter thereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof, including, but not limited to, that certain Amended and Restated Indemnification Agreement, dated as of September 18, 2023, between the Company and Director, and that certain Independent Director Agreement, dated as of July 20, 2021, between the Company and Director. The parties further acknowledge and agree that parole evidence shall not be required to interpret the intent of the parties.

**6. Non-Disparagement.** Neither the Company nor Director shall make or publish or instigate the making or publication of any statement (in verbal, written or electronic or other form) disparaging of the other, their respective products, services, affairs, or operations or their past or present directors, officers, employees, shareholders, owners or agents whether or not such disparagement constitutes libel or slander. The parties' non-disparagement obligations are an essential term of this Agreement, the damages for which, if any, will be determined by a court of competent jurisdiction in the event of a proven breach. Director agrees that he or she shall not disparage, criticize, condemn or impugn the reputation or character of the Company or any of the Releasees. The Company agrees to instruct the directors and officers of the Company in writing that they shall not disparage, criticize, condemn or impugn the reputation or character of Director and shall take reasonable steps to enforce such instructions. The Company agrees that, if contacted by any of Director's potential future employers regarding Director's service at Company, then Company shall only provide such potential future employers with Director's dates of service and last position held at the Company.

7. **Voluntary Execution.** The parties hereby acknowledge that they have read and understand this Agreement and that they sign this Agreement voluntarily and without coercion.

8. **Waiver, Amendment and Modification of Agreement.** The parties agree that no waiver, amendment or modification of any of the terms of this Agreement shall be effective unless in writing and signed by all parties affected by the waiver, amendment or modification. No waiver of any term, condition or default of any term of this Agreement shall be construed as a waiver of any other term, condition or default.

9. **Representation by Counsel.** The parties acknowledge that they have had the opportunity to be represented in negotiations for the preparation of this Agreement by counsel of their own choosing, and that they have entered into this Agreement voluntarily, without coercion, and based upon their own judgment and not in reliance upon any representations or promises made by the other party or parties or any attorneys, other than those contained within this Agreement. The parties further agree that if any of the facts or matters upon which they now rely in making this Agreement hereafter prove to be otherwise, this Agreement will nonetheless remain in full force and effect.

10. **Governing Law.** The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, as applied to contracts between Nevada residents entered into and to be performed entirely within Nevada.

11. **Drafting.** The parties agree that this Agreement shall be construed without regard to the drafter of the same and shall be construed as though each party to this Agreement participated equally in the preparation and drafting of this Agreement.

12. **Counterparts.** This Agreement may be signed in counterparts and said counterparts shall be treated as though signed as one document.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

/s/ Ashley L. Marshall

Director

**Stran & Company, Inc.**

By: /s/ Andy Shape

Name: Andy Shape

Title CEO

## INDEMNIFICATION AGREEMENT AND GENERAL RELEASE

This Indemnification Agreement and General Release (“**Agreement**”) is made and entered into as of June 16, 2025 by and between Stran & Company, Inc., a Nevada corporation (the “**Company**”), and Alejandro Tani, with respect to the following facts:

A. Alejandro Tani (“**Director**”) has served as a director of the Company since November 8, 2021.

B. Director has resigned his position as a director with the Company effective as of the date of this Agreement.

C. Director and the Company now desire to (i) enter into an indemnification agreement to provide for the Company’s indemnification of Director to the maximum extent available under Nevada law and (ii), other than with respect to indemnification, to release one another from any claims that they may have against one another arising out of Director’s position as a director with the Company.

NOW, THEREFORE, in consideration of the foregoing premises, and intending to be legally bound, the parties hereby agree as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall have the following meanings.

1.1 “**Disinterested Director**” shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is being sought by Director.

1.2 “**Expenses**” shall include, without limitation, (a) all reasonable direct and indirect costs incurred, paid or accrued, (b) all reasonable attorneys’ fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, food and lodging expenses while traveling, duplicating costs, printing and binding costs, telephone charges, postage, delivery service, freight or other transportation fees and expenses, (c) all other reasonable disbursements and out-of-pocket expenses, and (d) amounts paid in settlement, to the extent not prohibited by Nevada Law.

1.3 “**Liabilities**” shall mean Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Director, or on Director’s behalf (including all interest, assessments or other charges paid or payable in connection with any of the foregoing).

1.4 “**Nevada Law**” means the Nevada Revised Statutes, as amended and in effect from time to time or any successor or other statutes of Nevada having similar import and effect.

1.5 “**Proceeding**” shall mean any threatened, pending or completed action, hearing, suit or any other proceeding, whether civil, criminal, arbitral, administrative, investigative or any alternative dispute resolution mechanism, including without limitation any Proceeding brought by or in the right of the Company, in which Director was, is or will be involved as a party, witness or otherwise, by reason of the fact that Director is or was an agent of the Company, by reason of any action taken by him or her or any inaction on his or her part while acting as an agent of the Company, whether or not he or she is acting or serving in any such capacity at the time any such Proceeding commences or is ongoing.

2. **Mutual Release.** Except with respect to the rights and obligations set forth in Section 3 of this Agreement, the Company and Director agree as follows:

2.1 **General Release.** The Company hereby fully and forever releases and discharges Director, and Director for himself, his heirs, executors, administrators, assigns and successors, fully and forever releases and discharges the Company and its current, former and future parents, subsidiaries, related entities, employee benefit plans and their fiduciaries, predecessors, successors, officers, directors, shareholders, agents, employees and assigns (collectively, “**Releasees**”), with respect to any and all claims, liabilities and causes of action, of every nature, kind and description, in law, equity or otherwise, which have arisen, occurred or existed at any time prior to the signing of this Agreement, arising out of or relating to Director’s position as a director of the Company prior to the date of this Agreement. Notwithstanding the foregoing, nothing in this general release shall be construed to release, waive, or otherwise affect any claims, liabilities, or causes of action of any nature whatsoever that relate to, arise out of, or are connected with (a) the Branded Packaging Agreement between Innovative Genetics Inc. and the Company, dated as of March 6, 2023 (the “**Packaging Agreement**”); (b) Statement of Work No. 1 under the Innovative Genetics Packaging Agreement, effective as of March 6, 2023 (the “**SOW**”); or (c) the Guaranty executed by Director, dated as of March 6, 2023, in favor of and for the benefit of the Company (the “**Guaranty**”).

2.2 **Representation Regarding Legal Actions.** Director represents that, as of the date of this Agreement, he has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against the Releasees in any court or with any governmental agency. Except for claims preserved by law or expressly by this Agreement, Director promises never to sue any of the Releasees, or otherwise institute or participate in any legal or administrative proceedings against any of the Releasees, with respect to any claim covered by the release provisions of this Agreement, unless he is compelled by legal process to do so. Director promises and agrees that he shall not advocate or incite the institution of, or assist or participate in, any suit, complaint, charge or administrative proceeding by any other person against any of the Releasees, unless compelled by legal process to do so.

2.3 **Severability of Release Provisions.** Director agrees that if any provision of the release given by him or her under this Agreement is found to be unenforceable, it will not affect the enforceability of the remaining provisions and the courts may enforce all remaining provisions to the extent permitted by law.

### 3. **Indemnification.**

3.1 **Rights to Indemnification.** The Company shall indemnify Director and hold Director harmless to the fullest extent authorized or permitted by Nevada Law in effect on the date hereof, and as Nevada Law may from time to time be amended (but, in the case of any such amendment, only to the extent such amendment permits the Company to provide broader indemnification rights than Nevada Law permitted the Company to provide before such amendment), against any and all Liabilities arising out of or related to any Proceeding, if Director acted in good faith and in a manner Director reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe Director’s conduct was unlawful, provided, however, if applicable law so provides, no indemnification against such Liabilities shall be made in respect of any claim, issue or matter in such Proceeding as to which Director shall have been adjudged to be liable to the Company unless and to the extent that a court of competent jurisdiction shall determine that such indemnification may be made. Without in any way diminishing the scope of the indemnification provided by this Section 3.1, the Company shall indemnify Director (i) if and whenever he or she is or was a witness, party or is threatened to be made a witness or a party to any Proceeding, against all Expenses and Liabilities actually and reasonably incurred by Director or on his or her behalf in connection with the investigation, defense, settlement or appeal of such Proceeding, and (ii) in connection with any claim asserted or action brought by the Director for payment or indemnification of Liabilities or Expenses or advance payment of expenses under this Agreement or any other agreement, resolution, provision of the Company’s Certificate of Incorporation or Bylaws or any statute or rule of law now or hereafter in effect, relating to any Proceeding, or for specific performance of any provision of this Agreement, or for recovery under any directors’ and officers’ liability insurance policy or policies maintained by the Company, regardless of whether the Director is ultimately determined to be entitled to such payment, indemnification, advance or insurance recovery, as the case may be. If the Director is entitled under this Agreement to payment for some or a portion of any Liabilities or Expenses relating to a Proceeding, but not for the total amount thereof, the Company shall nevertheless pay the Director for the portion thereof to which he or she is entitled.

**3.2 Advancement of Expenses.** The Company shall advance, to the extent not prohibited by law, the Expenses incurred by Director in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (which shall include invoices received by Director in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Director to waive any privilege accorded by applicable law shall not be included with the invoice) from time to time, whether prior to or after final disposition of any Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Director. Advances shall be unsecured and interest free. Advances shall be made without regard to Director's ability to repay the expenses and without regard to Director's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. Director shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an agreement pursuant to which the Director undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Director is not entitled to be indemnified by the Company. This Section 3.2 shall not apply to any claim made by Director for which indemnity is excluded pursuant to Section 3.5. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein.

**3.3 Presumptions and Effect of Certain Proceedings.** Upon making a request for indemnification, Director shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proof by clear and convincing evidence to overcome that presumption in reaching any contrary determination. The termination of any Proceeding by judgment, order, settlement, arbitration award or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, (a) adversely affect the rights of Director to indemnification except as indemnification may be expressly prohibited under this Agreement, (b) create a presumption that Director did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or (c) with respect to any criminal action or proceeding, create a presumption that Director had reasonable cause to believe that his or her conduct was unlawful.

**3.4 Other Rights to Indemnification.** Director's rights of indemnification and advancement of expenses provided by this Agreement shall not be deemed exclusive of any other rights to which Director may now or in the future be entitled under applicable law, the Company's Articles of Incorporation, the Company's Amended and Restated Bylaws, an employment agreement, a vote of stockholders or Disinterested Directors, insurance or other financial arrangements or otherwise.

**3.5 Limitations on Indemnification.** No indemnification pursuant to Section 3 shall be paid by the Company nor shall Expenses be advanced pursuant to Section 3:

(a) Insurance. To the extent that Director is reimbursed pursuant to such insurance as may exist for Director's benefit. Notwithstanding the availability of such insurance, Director also may claim indemnification from the Company pursuant to this Agreement by assigning to the Company any claims under such insurance to the extent Director is paid by the Company. Director shall reimburse the Company for any sums he or she receives as indemnification from other sources to the extent of any amount paid to him or her for that purpose by the Company; or

(b) Director's Proceedings. In connection with all or any part of a Proceeding which is initiated or maintained by or on behalf of Director, or any Proceeding by Director against the Company or its directors, officers, employees or other agents, unless (a) such indemnification is expressly required to be made by Nevada Law, (b) the Proceeding was authorized by a majority of the Disinterested Directors, or (c) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under Nevada Law.



#### 4. Promise to Maintain Confidentiality of the Company's Confidential Information.

(a) Director acknowledges that due to the position he has occupied and the responsibilities he has had at the Company, he has received confidential information concerning the Company's products, procedures, customers, sales, prices, contracts, and the like ("**Confidential Information**"). Director hereby promises and agrees that, unless compelled by legal process, he will not disclose to others and will keep confidential all Confidential Information he has received while a director of the Company. Director agrees that a violation by him of the foregoing obligation to maintain the confidentiality of the Company's confidential information will constitute a material breach of this Agreement.

(b) Permitted Disclosures. Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. Director shall promptly provide written notice of any such order to the Chief Executive Officer of the Company.

(c) Permitted Communications. Nothing herein prohibits or restricts Director (or Director's attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority, Inc. (FINRA), any other self-regulatory organization, or any other federal or state regulatory authority regarding a possible securities law violation.

(d) Notice of Immunity Under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016 ("DTSA"). Notwithstanding any other provision of this Agreement:

(1) Director will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed under seal in a lawsuit or other proceeding.

(2) If Director files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Director may disclose the Company's trade secrets to Director's attorney and use the trade secret information in the court proceeding if Director: (A) files any document containing trade secrets under seal; and (B) does not disclose trade secrets, except pursuant to court order.

5. **Integrated Agreement.** The parties acknowledge and agree that no promises or representations were made to them which do not appear written herein and that this Agreement contains the entire agreement of the parties on the subject matter thereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof, including, but not limited to, that certain Amended and Restated Indemnification Agreement, dated as of September 18, 2023, between the Company and Director, and that certain Independent Director Agreement, dated as of July 20, 2021, between the Company and Director. The parties further acknowledge and agree that parole evidence shall not be required to interpret the intent of the parties.

6. **Non-Disparagement.** Neither the Company nor Director shall make or publish or instigate the making or publication of any statement (in verbal, written or electronic or other form) disparaging of the other, their respective products, services, affairs, or operations or their past or present directors, officers, employees, shareholders, owners or agents whether or not such disparagement constitutes libel or slander. The parties' non-disparagement obligations are an essential term of this Agreement, the damages for which, if any, will be determined by a court of competent jurisdiction in the event of a proven breach. Director agrees that he or she shall not disparage, criticize, condemn or impugn the reputation or character of the Company or any of the Releasees. The Company agrees to instruct the directors and officers of the Company in writing that they shall not disparage, criticize, condemn or impugn the reputation or character of Director and shall take reasonable steps to enforce such instructions. The Company agrees that, if contacted by any of Director's potential future employers regarding Director's service at Company, then Company shall only provide such potential future employers with Director's dates of service and last position held at the Company. Notwithstanding the foregoing, nothing in this Section 6 shall be construed to prevent the Company from bringing any lawsuit, claim, or legal proceeding against Director with respect to, arising out of, or relating to the Packaging Agreement, or the Guaranty.

7. **Voluntary Execution.** The parties hereby acknowledge that they have read and understand this Agreement and that they sign this Agreement voluntarily and without coercion.

8. **Waiver, Amendment and Modification of Agreement.** The parties agree that no waiver, amendment or modification of any of the terms of this Agreement shall be effective unless in writing and signed by all parties affected by the waiver, amendment or modification. No waiver of any term, condition or default of any term of this Agreement shall be construed as a waiver of any other term, condition or default.

9. **Representation by Counsel.** The parties acknowledge that they have had the opportunity to be represented in negotiations for the preparation of this Agreement by counsel of their own choosing, and that they have entered into this Agreement voluntarily, without coercion, and based upon their own judgment and not in reliance upon any representations or promises made by the other party or parties or any attorneys, other than those contained within this Agreement. The parties further agree that if any of the facts or matters upon which they now rely in making this Agreement hereafter prove to be otherwise, this Agreement will nonetheless remain in full force and effect.

10. **Governing Law.** The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, as applied to contracts between Nevada residents entered into and to be performed entirely within Nevada.

11. **Drafting.** The parties agree that this Agreement shall be construed without regard to the drafter of the same and shall be construed as though each party to this Agreement participated equally in the preparation and drafting of this Agreement.

12. **Counterparts.** This Agreement may be signed in counterparts and said counterparts shall be treated as though signed as one document.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

/s/ Alejandro Tani

Alejandro Tani

**Stran & Company, Inc.**

By: /s/ Andy Shape

Name: Andy Shape

Title: CEO

## INDEMNIFICATION AGREEMENT AND GENERAL RELEASE

This Indemnification Agreement and General Release (“**Agreement**”) is made and entered into as of June 17, 2025 by and between Stran & Company, Inc., a Nevada corporation (the “**Company**”), and Travis McCourt, with respect to the following facts:

A. Travis McCourt (“**Director**”) has served as a director of the Company since November 8, 2021.

B. Director has resigned his position as a director with the Company effective as of the date of this Agreement.

C. Director and the Company now desire to (i) enter into an indemnification agreement to provide for the Company’s indemnification of Director to the maximum extent available under Nevada law and (ii), other than with respect to indemnification, to release one another from any claims that they may have against one another arising out of Director’s position as a director with the Company.

NOW, THEREFORE, in consideration of the foregoing premises, and intending to be legally bound, the parties hereby agree as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall have the following meanings.

1.1 “**Disinterested Director**” shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is being sought by Director.

1.2 “**Expenses**” shall include, without limitation, (a) all reasonable direct and indirect costs incurred, paid or accrued, (b) all reasonable attorneys’ fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, food and lodging expenses while traveling, duplicating costs, printing and binding costs, telephone charges, postage, delivery service, freight or other transportation fees and expenses, (c) all other reasonable disbursements and out-of-pocket expenses, and (d) amounts paid in settlement, to the extent not prohibited by Nevada Law.

1.3 “**Liabilities**” shall mean Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Director, or on Director’s behalf (including all interest, assessments or other charges paid or payable in connection with any of the foregoing).

1.4 “**Nevada Law**” means the Nevada Revised Statutes, as amended and in effect from time to time or any successor or other statutes of Nevada having similar import and effect.

1.5 “**Proceeding**” shall mean any threatened, pending or completed action, hearing, suit or any other proceeding, whether civil, criminal, arbitral, administrative, investigative or any alternative dispute resolution mechanism, including without limitation any Proceeding brought by or in the right of the Company, in which Director was, is or will be involved as a party, witness or otherwise, by reason of the fact that Director is or was an agent of the Company, by reason of any action taken by him or her or any inaction on his or her part while acting as an agent of the Company, whether or not he or she is acting or serving in any such capacity at the time any such Proceeding commences or is ongoing.

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2. **Mutual Release.** Except with respect to the rights and obligations set forth in Section 3 of this Agreement, the Company and Director agree as follows:

2.1 **General Release.** The Company hereby fully and forever releases and discharges Director, and Director for himself, his heirs, executors, administrators, assigns and successors, fully and forever releases and discharges the Company and its current, former and future parents, subsidiaries, related entities, employee benefit plans and their fiduciaries, predecessors, successors, officers, directors, shareholders, agents, employees and assigns (collectively, “**Releasees**”), with respect to any and all claims, liabilities and causes of action, of every nature, kind and description, in law, equity or otherwise, which have arisen, occurred or existed at any time prior to the signing of this Agreement, arising out of or relating to Director’s position as a director of the Company prior to the date of this Agreement.

2.2 **Representation Regarding Legal Actions.** Director represents that, as of the date of this Agreement, he has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against the Releasees in any court or with any governmental agency. Except for claims preserved by law or expressly by this Agreement, Director promises never to sue any of the Releasees, or otherwise institute or participate in any legal or administrative proceedings against any of the Releasees, with respect to any claim covered by the release provisions of this Agreement, unless he is compelled by legal process to do so. Director promises and agrees that he shall not advocate or incite the institution of, or assist or participate in, any suit, complaint, charge or administrative proceeding by any other person against any of the Releasees, unless compelled by legal process to do so.

2.3 **Severability of Release Provisions.** Director agrees that if any provision of the release given by him or her under this Agreement is found to be unenforceable, it will not affect the enforceability of the remaining provisions and the courts may enforce all remaining provisions to the extent permitted by law.

### 3. **Indemnification.**

3.1 **Rights to Indemnification.** The Company shall indemnify Director and hold Director harmless to the fullest extent authorized or permitted by Nevada Law in effect on the date hereof, and as Nevada Law may from time to time be amended (but, in the case of any such amendment, only to the extent such amendment permits the Company to provide broader indemnification rights than Nevada Law permitted the Company to provide before such amendment), against any and all Liabilities arising out of or related to any Proceeding, if Director acted in good faith and in a manner Director reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe Director’s conduct was unlawful, provided, however, if applicable law so provides, no indemnification against such Liabilities shall be made in respect of any claim, issue or matter in such Proceeding as to which Director shall have been adjudged to be liable to the Company unless and to the extent that a court of competent jurisdiction shall determine that such indemnification may be made. Without in any way diminishing the scope of the indemnification provided by this Section 3.1, the Company shall indemnify Director (i) if and whenever he or she is or was a witness, party or is threatened to be made a witness or a party to any Proceeding, against all Expenses and Liabilities actually and reasonably incurred by Director or on his or her behalf in connection with the investigation, defense, settlement or appeal of such Proceeding, and (ii) in connection with any claim asserted or action brought by the Director for payment or indemnification of Liabilities or Expenses or advance payment of expenses under this Agreement or any other agreement, resolution, provision of the Company’s Certificate of Incorporation or Bylaws or any statute or rule of law now or hereafter in effect, relating to any Proceeding, or for specific performance of any provision of this Agreement, or for recovery under any directors’ and officers’ liability insurance policy or policies maintained by the Company, regardless of whether the Director is ultimately determined to be entitled to such payment, indemnification, advance or insurance recovery, as the case may be. If the Director is entitled under this Agreement to payment for some or a portion of any Liabilities or Expenses relating to a Proceeding, but not for the total amount thereof, the Company shall nevertheless pay the Director for the portion thereof to which he or she is entitled.

**3.2 Advancement of Expenses.** The Company shall advance, to the extent not prohibited by law, the Expenses incurred by Director in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (which shall include invoices received by Director in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Director to waive any privilege accorded by applicable law shall not be included with the invoice) from time to time, whether prior to or after final disposition of any Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Director. Advances shall be unsecured and interest free. Advances shall be made without regard to Director's ability to repay the expenses and without regard to Director's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. Director shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an agreement pursuant to which the Director undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Director is not entitled to be indemnified by the Company. This Section 3.2 shall not apply to any claim made by Director for which indemnity is excluded pursuant to Section 3.5. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein.

**3.3 Presumptions and Effect of Certain Proceedings.** Upon making a request for indemnification, Director shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proof by clear and convincing evidence to overcome that presumption in reaching any contrary determination. The termination of any Proceeding by judgment, order, settlement, arbitration award or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, (a) adversely affect the rights of Director to indemnification except as indemnification may be expressly prohibited under this Agreement, (b) create a presumption that Director did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or (c) with respect to any criminal action or proceeding, create a presumption that Director had reasonable cause to believe that his or her conduct was unlawful.

**3.4 Other Rights to Indemnification.** Director's rights of indemnification and advancement of expenses provided by this Agreement shall not be deemed exclusive of any other rights to which Director may now or in the future be entitled under applicable law, the Company's Articles of Incorporation, the Company's Amended and Restated Bylaws, an employment agreement, a vote of stockholders or Disinterested Directors, insurance or other financial arrangements or otherwise.

**3.5 Limitations on Indemnification.** No indemnification pursuant to Section 3 shall be paid by the Company nor shall Expenses be advanced pursuant to Section 3:

(a) Insurance. To the extent that Director is reimbursed pursuant to such insurance as may exist for Director's benefit. Notwithstanding the availability of such insurance, Director also may claim indemnification from the Company pursuant to this Agreement by assigning to the Company any claims under such insurance to the extent Director is paid by the Company. Director shall reimburse the Company for any sums he or she receives as indemnification from other sources to the extent of any amount paid to him or her for that purpose by the Company; or

(b) Director's Proceedings. In connection with all or any part of a Proceeding which is initiated or maintained by or on behalf of Director, or any Proceeding by Director against the Company or its directors, officers, employees or other agents, unless (a) such indemnification is expressly required to be made by Nevada Law, (b) the Proceeding was authorized by a majority of the Disinterested Directors, or (c) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under Nevada Law.

#### **4. Promise to Maintain Confidentiality of the Company's Confidential Information.**

(a) Director acknowledges that due to the position he has occupied and the responsibilities he has had at the Company, he has received confidential information concerning the Company's products, procedures, customers, sales, prices, contracts, and the like ("**Confidential Information**"). Director hereby promises and agrees that, unless compelled by legal process, he will not disclose to others and will keep confidential all Confidential Information he has received while a director of the Company. Director agrees that a violation by him of the foregoing obligation to maintain the confidentiality of the Company's confidential information will constitute a material breach of this Agreement.

(b) Permitted Disclosures. Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. Director shall promptly provide written notice of any such order to the Chief Executive Officer of the Company.

(c) Permitted Communications. Nothing herein prohibits or restricts Director (or Director's attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority, Inc. (FINRA), any other self-regulatory organization, or any other federal or state regulatory authority regarding a possible securities law violation.

(d) Notice of Immunity Under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016 ("DTSA"). Notwithstanding any other provision of this Agreement:

(1) Director will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed under seal in a lawsuit or other proceeding.

(2) If Director files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Director may disclose the Company's trade secrets to Director's attorney and use the trade secret information in the court proceeding if Director: (A) files any document containing trade secrets under seal; and (B) does not disclose trade secrets, except pursuant to court order.

5. **Integrated Agreement.** The parties acknowledge and agree that no promises or representations were made to them which do not appear written herein and that this Agreement contains the entire agreement of the parties on the subject matter thereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof, including, but not limited to, that certain Amended and Restated Indemnification Agreement, dated as of September 18, 2023, between the Company and Director, and that certain Independent Director Agreement, dated as of July 20, 2021, between the Company and Director. The parties further acknowledge and agree that parole evidence shall not be required to interpret the intent of the parties.

6. **Non-Disparagement.** Neither the Company nor Director shall make or publish or instigate the making or publication of any statement (in verbal, written or electronic or other form) disparaging of the other, their respective products, services, affairs, or operations or their past or present directors, officers, employees, shareholders, owners or agents whether or not such disparagement constitutes libel or slander. The parties' non-disparagement obligations are an essential term of this Agreement, the damages for which, if any, will be determined by a court of competent jurisdiction in the event of a proven breach. Director agrees that he or she shall not disparage, criticize, condemn or impugn the reputation or character of the Company or any of the Releasees. The Company agrees to instruct the directors and officers of the Company in writing that they shall not disparage, criticize, condemn or impugn the reputation or character of Director and shall take reasonable steps to enforce such instructions. The Company agrees that, if contacted by any of Director's potential future employers regarding Director's service at Company, then Company shall only provide such potential future employers with Director's dates of service and last position held at the Company.

7. **Voluntary Execution.** The parties hereby acknowledge that they have read and understand this Agreement and that they sign this Agreement voluntarily and without coercion.

8. **Waiver, Amendment and Modification of Agreement.** The parties agree that no waiver, amendment or modification of any of the terms of this Agreement shall be effective unless in writing and signed by all parties affected by the waiver, amendment or modification. No waiver of any term, condition or default of any term of this Agreement shall be construed as a waiver of any other term, condition or default.

9. **Representation by Counsel.** The parties acknowledge that they have had the opportunity to be represented in negotiations for the preparation of this Agreement by counsel of their own choosing, and that they have entered into this Agreement voluntarily, without coercion, and based upon their own judgment and not in reliance upon any representations or promises made by the other party or parties or any attorneys, other than those contained within this Agreement. The parties further agree that if any of the facts or matters upon which they now rely in making this Agreement hereafter prove to be otherwise, this Agreement will nonetheless remain in full force and effect.

10. **Governing Law.** The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, as applied to contracts between Nevada residents entered into and to be performed entirely within Nevada.

11. **Drafting.** The parties agree that this Agreement shall be construed without regard to the drafter of the same and shall be construed as though each party to this Agreement participated equally in the preparation and drafting of this Agreement.

12. **Counterparts.** This Agreement may be signed in counterparts and said counterparts shall be treated as though signed as one document.



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

/s/ Travis McCourt

Director

**Stran & Company, Inc.**

By: /s/ Andy Shape

Name: Andy Shape

Title: CEO

## CERTIFICATIONS

I, Andrew Shape, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Stran & Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(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.

Date: August 12, 2025

/s/ Andrew Shape

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Andrew Shape  
Chief Executive Officer and President  
(Principal Executive Officer)

## CERTIFICATIONS

I, David Browner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Stran & Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(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.

Date: August 12, 2025

/s/ David Browner

David Browner

Chief Financial Officer

(Principal Financial and Accounting Officer)

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

The undersigned Chief Executive Officer of STRAN & COMPANY, INC. (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, the undersigned has executed this statement on August 12, 2025.

/s/ Andrew Shape

Andrew Shape

Chief Executive Officer and President

*(Principal Executive Officer)*

A signed original of this written statement required by Section 906 has been provided to Stran & Company, Inc. and will be retained by Stran & Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The forgoing certification is being furnished to the Securities and Exchange Commission pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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

The undersigned Chief Financial Officer of STRAN & COMPANY, INC. (the “Company”), DOES HEREBY CERTIFY that:

1. The Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, the undersigned has executed this statement on August 12, 2025.

/s/ David Browner

David Browner

Chief Financial Officer

*(Principal Financial and Accounting Officer)*

A signed original of this written statement required by Section 906 has been provided to Stran & Company, Inc. and will be retained by Stran & Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The forgoing certification is being furnished to the Securities and Exchange Commission pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.