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

FORM 10-Q

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

For the quarterly period ended March 31, 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: 001-37899

SCWORX CORP.
(Exact name of registrant as specified in its charter)

Delaware	47-5412331
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

100 S Ashley Dr, Suite 600
Tampa, FL 33602
(Address of principal executive offices, including zip code)

(212) 739-7825
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, 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, $0.001 par value per share	WORX	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

Number of shares of the registrant's common stock outstanding at May 15, 2025: 3,638,703

SCWorx Corp.
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Cautionary Statement Regarding Forward-Looking Statements

Certain statements that we make from time to time, including statements contained in this Quarterly Report on Form 10-Q constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical fact contained in this Form 10-Q are forward-looking statements. These statements, among other things, relate to our business strategy, goals and expectations concerning our future operations, prospects, plans and objectives of management. The words "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", and similar terms and phrases are used to identify forward-looking statements in this presentation.

Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. Forward-looking statements in this Form 10-Q include, without limitation, statements reflecting management's expectations for future financial performance and operating expenditures (including our ability to continue as a going concern, to raise additional capital and to succeed in our future operations), expected growth, profitability and business outlook and increased operating expenses.

Forward-looking statements are only current predictions and are subject to 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 those anticipated by such statements. These factors include, among other things, the unknown risks and uncertainties that we believe could cause actual results to differ from these forward looking statements as set forth under the heading, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all of the risks and uncertainties that could have an impact on the forward-looking statements, including without limitation, risks and uncertainties relating to our ability to:

- reverse the recent decline in our revenue and resume growing our revenue;
- resolve the various litigation proceedings pending against us on favorable terms or at all;
- obtain additional financing in sufficient amounts or on acceptable terms so that we can fund our business plan;
- reduce our dependence on third-party subcontractors to perform some of the work on our contracts;
- mitigate the impact of new or changed laws, regulations or other industry standards that could adversely affect our ability to conduct our business;
- adopt and master new technologies and adjust certain fixed costs and expenses to adapt to our industry's and customers' evolving demands; and
- mitigate the impact of changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural or man-made disasters.

Although we believe that the expectations reflected in the forward-looking statements contained in this Form 10-Q are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. In light of inherent risks, uncertainties and assumptions, the future events and trends discussed in this Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Except as required by law, we are under no duty to update or revise any of such forward-looking statements, whether as a result of new information, future events, or otherwise, after the date of this Form 10-Q.

You should read this Form 10-Q with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

All references to "SCWorx," "we," "us," "our" or the "Company" mean SCWorx Corp., a Delaware corporation, and where appropriate, its wholly owned subsidiaries.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

SCWorx Corp.
Condensed Consolidated Balance Sheets

		March 31, 2025		December 31, 2024
ASSETS		(Unaudited)		(Audited)
Current assets:				
Cash	$	1,072,416	$	106,654
Accounts receivable, net		175,233		372,716
Prepaid expenses and other assets		66,825		24,008
Total current assets		1,314,474		503,378
Goodwill		5,842,433		5,842,433
Total assets	$	7,156,907	$	6,345,811
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	$	941,499	$	1,237,637
Accounts payable and accrued liabilities - related party		149,838		149,838
Shareholder advance		67,622		67,622
Deferred revenue		332,833		354,083
Convertible loans payable, net of discounts – current portion		51,334		-
Loans payable		12,752		27,369
Total current liabilities		1,555,878		1,836,549
Long-term liabilities:				
Convertible loans payable, net of discounts		7,037		19,660
Total long-term liabilities		7,037		19,660
Total liabilities		1,562,915		1,856,209
Commitments and contingencies (Note 6)				
Stockholders' equity:				
Series A Convertible Preferred stock, $0.001 par value; 900,000 shares authorized; 39,810 shares issued and outstanding at March 31, 2025 and December 31, 2024		40		40
Common stock, $0.001 par value; 45,000,000 shares authorized; 2,105,755 and 1,859,525 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively		2,105		1,859
Additional paid-in capital		37,044,216		35,463,769
Accumulated deficit		(31,452,369)		(30,976,066)
Total stockholders' equity		5,593,992		4,489,602
Total liabilities and stockholders' equity	$	7,156,907	$	6,345,811

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

SCWorx Corp.
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended March 31,	
	2025	**2024**
Revenue	$ 720,299	$ 812,099
Cost of revenue	583,436	603,465
Gross profit	136,863	208,634
Operating expenses:		
Legal and professional	203,979	159,145
Salaries and wages	84,278	68,373
General and administrative	182,603	159,572
Total operating expenses	470,860	387,090
Loss from operations	(333,997)	(178,456)
Other income (expense)		
Interest expense	(142,306)	(203)
Total other expense	(142,306)	(203)
Net loss before income taxes	(476,303)	(178,659)
Provision for (benefit from) income taxes	-	-
Net loss	$ (476,303)	$ (178,659)
Net loss per share, basic and diluted	$ (0.25)	$ (0.14)
Weighted average common shares outstanding, basic and diluted	1,925,392	1,240,632

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

SCWorx Corp.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)

Three months ended March 31, 2025	Preferred Stock Shares	Preferred Stock $	Common stock Shares	Common stock $	Additional paid-in capital	Accumulated deficit	Total
Balances, December 31, 2024	39,810	$ 40	1,859,525	$ 1,859	$ 35,463,769	$ (30,976,066)	$ 4,489,602
Shares issued for legal settlement	-	-	191,250	191	148,219	-	148,410
Shares issued for conversion of convertible loans and interest	-	-	54,980	55	47,228	-	47,283
Issuance of warrants in conjunction with convertible loans	-	-	-	-	1,385,000	-	1,385,000
Net loss	-	-	-	-	-	(476,303)	(476,303)
Ending balance, March 31, 2025	39,810	$ 40	2,105,755	$ 2,105	$ 37,044,216	$ (31,452,369)	$ 5,593,992

Three months ended March 31, 2024	Preferred Stock Shares	Preferred Stock $	Common stock Shares	Common stock $	Additional paid-in capital	Accumulated deficit	Total
Balances, December 31, 2023	39,810	$ 40	1,232,333	$ 1,232	$ 33,692,018	$ (29,839,841)	$ 3,853,449
Shares issued as settlement of accounts payable	-	-	21,405	21	29,464	-	29,485
Shares issued for vested restricted stock units	-	-	1,667	2	(2)	-	-
Net loss	-	-	-	-	-	(178,659)	(178,659)
Ending balance, March 31, 2024	39,810	$ 40	1,255,405	$ 1,255	$ 33,721,480	$ (30,018,500)	$ 3,704,275

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

SCWorx Corp.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Three Months Ended March 31, 2025	2024
Cash flows from operating activities:		
Net loss	$ (476,303)	$ (178,659)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount	78,711	-
Common stock issued for settlement of payables	-	29,485
Credit loss expense	23,800	-
Changes in operating assets and liabilities:		
Accounts receivable	173,683	(86,266)
Prepaid expenses and other assets	(42,817)	(30,600)
Accounts payable and accrued liabilities	(140,445)	174,808
Deferred revenue	(21,250)	31,750
Net cash used in operating activities	(404,621)	(59,482)
Net cash from investing activities:	-	-
Cash flows from financing activities:		
Proceeds from loans payable	1,385,000	-
Payments on loans payable	(14,617)	(19,361)
Proceeds from accounts payable and accrued liabilities - related party	-	123,474
Payments on accounts payable and accrued liabilities - related party	-	(96,466)
Net cash provided by financing activities	1,370,383	7,647
Net increase (decrease) in cash	965,762	(51,835)
Cash, beginning of period	106,654	91,436
Cash, end of period	$ 1,072,416	$ 39,601
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 56	$ 203
Cash paid for income taxes	$ -	$ -
Non-cash investing and financing activities:		
Shares issued for vested restricted stock units	$ 47,283	$ 2
Shares issued for accrued legal settlement	$ 148,410	$ -
Warrants issued in conjunction with convertible loans	$ 1,385,000	$ -

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

SCWorx Corp.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Description of Business

Nature of Business

SCWorx, LLC (n/k/a SCW FL Corp.) ("SCW LLC") was a privately held limited liability company which was organized in Florida on November 17, 2016. On December 31, 2017, SCW LLC acquired Primrose Solutions, LLC ("Primrose"), a Delaware limited liability company, which became its wholly-owned subsidiary and focused on developing functionality for the software now used and sold by SCWorx Corp. (the "Company" or "SCWorx"). The majority interest holders of Primrose were interest holders of SCW LLC and based upon Staff Accounting Bulletin Topic 5G, the technology acquired has been accounted for at predecessor cost of $0. To facilitate the planned acquisition by Alliance MMA, Inc., a Delaware corporation ("Alliance"), on June 27, 2018, SCW LLC merged with and into a newly-formed entity, SCWorx Acquisition Corp., a Delaware corporation ("SCW Acquisition"), with SCW Acquisition being the surviving entity. Subsequently, on August 17, 2018, SCW Acquisition changed its name to SCWorx Corp. In June 2018, the Company began to collect subscriptions for common stock. On November 30, 2018, the Company and certain of its stockholders agreed to cancel 6,510 shares of common stock. From June to November 2018, the Company collected $1,250,000 in subscriptions and issued 3,125 shares of common stock to new third-party investors. In addition, on February 1, 2019, (i) SCWorx Corp. (f/k/a SCWorx Acquisition Corp.) changed its name to SCW FL Corp. (to allow Alliance to change its name to SCWorx Corp.) and (ii) Alliance acquired SCWorx Corp. (n/k/a SCW FL Corp.) in a stock-for-stock exchange transaction and changed Alliance's name to SCWorx Corp., which is the Company's current name, with SCW FL Corp. becoming the Company's subsidiary.

Operations of the Business

SCWorx is a provider of data content and services related to the repair, normalization and interoperability of information for healthcare providers and big data analytics for the healthcare industry.

SCWorx has developed and markets health information technology solutions and associated services that improve healthcare processes and information flow within hospitals. SCWorx's software platform enables healthcare providers to simplify, repair, and organize its data ("data normalization"), allows the data to be utilized across multiple internal software applications ("interoperability") and provides the basis for sophisticated data analytics ("big data"). SCWorx's solutions are designed to improve the flow of information quickly and accurately between the existing supply chain, electronic medical records, clinical systems, and patient billing functions. The software is designed to achieve multiple operational benefits such as supply chain cost reductions, decreased accounts receivables aging, accelerated and more accurate billing, contract optimization, increased supply chain management and cost visibility, synchronous Charge Description Master ("CDM") and control of vendor rebates and contract administration fees.

SCWorx empowers healthcare providers to maintain comprehensive access and visibility to an advanced business intelligence that enables better decision-making and reductions in product costs and utilization, ultimately leading to accelerated and accurate patient billing. SCWorx's software modules perform separate functions as follows:

- virtualized Item Master File repair, expansion and automation;
- CDM management;
- contract management;
- request for proposal automation;
- rebate management;
- big data analytics modeling; and
- data integration and warehousing.

SCWorx continues to provide transformational data-driven solutions to some of the finest, most well-respected healthcare providers in the United States. Clients are geographically dispersed throughout the country. The Company's focus is to assist healthcare providers with issues they have pertaining to data interoperability. SCWorx provides these solutions through a combination of direct sales and relationships with strategic partners.

SCWorx's software solutions are delivered to clients within a fixed term period, typically a three-to-five-year contracted term, where such software is hosted in SCWorx data centers (Amazon Web Service's "AWS" or RackSpace) and accessed by the client through a secure connection in a software as a service ("SaaS") delivery method.

SCWorx currently sells its solutions and services in the United States to hospitals and health systems through its direct sales force and its distribution and reseller partnerships.

Note 2. Liquidity and Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which contemplates continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The unaudited condensed consolidated financial statements do not include any adjustment that might become necessary should the Company be unable to continue as a going concern.

The Company has suffered recurring losses from operations and incurred a net loss of $476,303 for the three months end March 31, 2025 and $1,136,225 for the year ended December 31, 2024. The accumulated deficit as of March 31, 2025 was $31,452,369. The Company has not yet achieved profitability and expects to continue to incur cash outflows from operations. It is expected that its operating losses will continue and, as a result, the Company will eventually need to generate significant increases in product revenues to achieve profitability. These conditions indicate that there is substantial doubt about the Company's ability to continue as a going concern within one year after the financial statement issuance date.

Note 3. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). They do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto contained in its report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 31, 2025.

The accompanying unaudited condensed consolidated financial statements include the accounts of SCWorx and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

The unaudited condensed consolidated financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position at March 31, 2025, the results of its operations for the three months ended March 31, 2025 and cash flows for the three months ended March 31, 2025. The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for future quarters or the full year.

Cash

Cash is maintained with various financial institutions. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. The Company had amounts in excess of the FDIC insured limit of $762,641 as of March 31, 2025. The Company did not have amounts in excess of the FDIC insured limit as of December 31, 2024.

Fair Value of Financial Instruments

Management applies fair value accounting for significant financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the unaudited condensed consolidated financial statements on a recurring basis. Management defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, management considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement: Level 1 - Quoted prices in active markets for identical assets or liabilities. Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 3 - Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Fair value of stock options and warrants

Management uses the Black-Scholes option-pricing model to calculate the fair value of stock options and warrants. Use of this method requires management to make assumptions and estimates about the expected life of options and warrants, anticipated forfeitures, the risk-free rate, and the volatility of the Company's share price. In making these assumptions and estimates, management relies on historical market data.

Concentration of Credit and Other Risks

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and accounts receivable. The Company believes that any concentration of credit risk in its accounts receivable is substantially mitigated by the Company's evaluation process, relatively short collection terms and the high level of credit worthiness of its customers. The Company performs ongoing internal credit evaluations of its customers' financial condition, obtains deposits and limits the amount of credit extended when deemed necessary but generally requires no collateral.

Significant customers are those which represent more than 10% of the Company's revenue for each period presented, or the Company's accounts receivable balance as of each respective balance sheet date. For each significant customer, revenue as a percentage of total revenue and accounts receivable as a percentage of total net accounts receivable are as follows:

	Revenue For the three months ended March 31,		Accounts Receivable	
			March 31,	December 31,
Customers	2025	2024	2025	2024
Customer A	15%	14%	23%	11%
Customer B	14%	12%	19%	18%
Customer C	19%	18%	26%	20%
Customer D	-%	9%	-%	15%
Customer E	7%	5%	-%	27%

Allowance for Credit Losses

Accounts receivable are comprised of amounts billed and currently due from customers. Accounts receivable are amounts related to any unconditional right the Company has for receiving consideration and are presented as accounts receivable in the condensed consolidated balance sheets. The Company maintains an allowance for credit losses for estimated losses resulting from the inability of our customers to make required payments. The Company employs an expected credit loss model utilizing historical loss rates and historical trends in credit quality indicators (e.g., delinquency, risk ratings), adjusted to reflect current economic conditions and knowledge or customer relationships.

Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current industry trends, changes in customer payment terms, and specific customer situations. The Company's normal collection cycle ranges between thirty and 60 days. Estimated uncollectible amounts are charged to earnings and a credit to a valuation allowance. Balances which remain outstanding after reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company has assessed that certain receivables may not be collectable and has recorded an allowance for credit losses of $43,800 and $20,000 as of March 31, 2025 and December 31, 2024, respectively.

Goodwill

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible and identified intangible assets acquired under a business combination. Goodwill also includes acquired assembled workforce, which does not qualify as an identifiable intangible asset. The Company reviews impairment of goodwill annually in the fourth quarter, or more frequently if events or circumstances indicate that the goodwill might be impaired. The Company first assesses qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is unnecessary.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standard Codification ("ASC") Topic 606 to depict the transfer of promised goods or services in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. To determine revenue recognition for arrangements within the scope of Topic 606 the Company performs the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company follows the accounting revenue guidance under Topic 606 to determine whether contracts contain more than one performance obligation. Performance obligations are the unit of accounting for revenue recognition and generally represent the distinct goods or services that are promised to the customer.

The Company has identified the following performance obligations in its SaaS contracts with customers:

1) Data Normalization: which includes data preparation, product and vendor mapping, product categorization, data enrichment and other data related services,

2) Software-as-a-service (“SaaS”): which is generated from clients’ access of and usage of the Company’s hosted software solutions on a subscription basis for a specified contract term, which is usually annually. In SaaS arrangements, the client cannot take possession of the software during the term of the contract and generally has the right to access and use the software and receive any software upgrades published during the subscription period,

3) Maintenance: which includes ongoing data cleansing and normalization, content enrichment, and optimization, and

4) Professional Services: mainly related to specific customer projects to manage and/or analyze data and review for cost reduction opportunities

A contract will typically include Data Normalization, SaaS and Maintenance, which are distinct performance obligations and are accounted for separately. The transaction price is allocated to each separate performance obligation on a relative stand-alone selling price basis. Significant judgement is required to determine the stand-alone selling price for each distinct performance obligation and is typically estimated based on observable transactions when these services are sold on a stand-alone basis. At contract inception, an assessment of the goods and services promised in the contracts with customers is performed and a performance obligation is identified for each distinct promise to transfer to the customer a good or service (or bundle of goods or services). To identify the performance obligations, the Company considers all the goods or services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. Revenue is recognized when the performance obligation has been met. The Company considers control to have transferred upon delivery because the Company has a present right to payment at that time, the Company has transferred use of the good or service, and the customer is able to direct the use of, and obtain substantially all the remaining benefits from, the good or service.

The Company’s SaaS and Maintenance contracts typically have termination for convenience without penalty clauses and accordingly, are generally accounted for as month-to-month agreements. If it is determined that the Company has not satisfied a performance obligation, revenue recognition will be deferred until the performance obligation is deemed to be satisfied.

Revenue recognition for the Company’s performance obligations are as follows:

Data Normalization and Professional Services

The Company’s Data Normalization and Professional Services are typically a fixed fee. When these services are not combined with SaaS or Maintenance revenues as a single unit of accounting, these revenues are recognized as the services are rendered and when contractual milestones are achieved and accepted by the customer. When these services are combined with SaaS or Maintenance revenues, revenues are recognized ratably over the period of the contract.

SaaS and Maintenance

SaaS and Maintenance revenues are recognized ratably over the contract terms beginning on the commencement date of each contract, which is the date on which the Company’s service is made available to customers.

The Company does have some contracts that have payment terms that differ from the timing of revenue recognition, which requires the Company to assess whether the transaction price for those contracts include a significant financing component. The Company has elected the practical expedient that permits an entity to not adjust for the effects of a significant financing component if it expects that at the contract inception, the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Company does not maintain contracts in which the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service exceeds the one-year threshold.

The Company has one revenue stream, from the SaaS business, and believes it has presented all varying factors that affect the nature, timing and uncertainty of revenues and cash flows.

Remaining Performance Obligations

As of March 31, 2025 and December 31, 2024, the Company had $332,833 and $354,083, respectively, of remaining performance obligations recorded as deferred revenue. The Company expects to recognize the revenue relating to the current performance obligations during the following 12 month period.

Costs to Obtain and Fulfill a Contract

Costs to fulfill a contract typically include costs related to satisfying performance obligations as well as general and administrative costs that are not explicitly chargeable to customer contracts. These expenses are recognized and expensed when incurred in accordance with ASC 340-40, *"Other Assets and Deferred Costs—Contracts with Customers"*.

Cost of Revenues

Cost of revenues primarily represent data center hosting costs, consulting services and maintenance of the Company's large data array that were incurred in delivering professional services and maintenance of the Company's large data array during the periods presented.

Convertible Debt and Amortization of Debt Discounts

The Company has issued various debt instruments with warrants and conversion features for which total proceeds were allocated to individual instruments based on the relative fair value of each instrument at the time of issuance. The relative fair value of the warrants issued in connection with convertible debt was recorded as discount on debt and amortized over the term of the respective debt. For the three months ended March 31, 2025 and 2024, amortization of debt discount was $78,711 and $0, respectively.

Contract Balances

Contract assets arise when the associated revenue was earned prior to the Company's unconditional right to receive a payment under a contract with a customer (unbilled revenue) and are derecognized when either it becomes a receivable or the cash is received. There were no contract assets as of March 31, 2025 and December 31, 2024.

Contract liabilities arise when customers remit contractual cash payments in advance of the Company satisfying its performance obligations under the contract and are derecognized when the revenue associated with the contract is recognized when the performance obligation is satisfied. Contract liabilities were $332,833 and $354,083 as of March 31, 2025 and December 31, 2024, respectively.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "*Income Taxes*." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date.

Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. As of March 31, 2025 and December 31, 2024, the Company has evaluated available evidence and concluded that the Company may not realize all the benefits of its deferred tax assets; therefore, a valuation allowance has been established for its deferred tax assets.

ASC Topic 740-10-30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740-10-40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company has no material uncertain tax positions for any of the reporting periods presented.

There was no income tax expense for three months ended March 31, 2025 and 2024.

Stock-Based Compensation

The Company accounts for stock-based compensation expense in accordance with the authoritative guidance on share-based payments. Under the provisions of the guidance, stock-based compensation expense is measured at the grant date based on the fair value of the option or warrant using a Black-Scholes option pricing model and is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period.

The authoritative guidance also requires that the Company measures and recognizes stock-based compensation expense upon modification of the term of stock award. The stock-based compensation expense for such modification is accounted for as a repurchase of the original award and the issuance of a new award.

Calculating stock-based compensation expense requires the input of highly subjective assumptions, including the expected term of the stock-based awards, stock price volatility, and the pre-vesting option forfeiture rate. The Company estimates the expected life of options granted based on historical exercise patterns, which are believed to be representative of future behavior. The Company estimates the volatility of the Company's common stock on the date of grant based on historical volatility. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. The Company estimates the forfeiture rate based on historical experience of its stock-based awards that are granted, exercised and cancelled. If the actual forfeiture rate is materially different from the estimate, stock-based compensation expense could be significantly different from what was recorded in the current period. The Company also grants performance-based restricted stock awards to employees and consultants. These awards will vest if certain employee\consultant-specific or Company-designated performance targets are achieved. If minimum performance thresholds are achieved, each award will convert into a designated number of the Company's common stock. If minimum performance thresholds are not achieved, then no shares will be issued. Based upon the expected levels of achievement, stock-based compensation is recognized on a straight-line basis over the requisite service period. The expected levels of achievement are reassessed over the requisite service periods and, to the extent that the expected levels of achievement change, stock-based compensation is adjusted in the period of change and recorded on the statements of operations and the remaining unrecognized stock-based compensation is recorded over the remaining requisite service period. Refer to Note 7, Stockholders' Equity, for additional detail.

Loss Per Share

The Company computes earnings (loss) per share in accordance with ASC 260, "*Earnings per Share*" which requires presentation of both basic and diluted earnings (loss) per share ("EPS") on the face of the consolidated income statement. Basic EPS is computed by dividing the loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants and the exercise of fully vested restricted stock units. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. As of March 31, 2025 and December 31, 2024, the Company had 16,294,436 and 9,048,072, respectively, common stock equivalents outstanding.

Indemnification

The Company provides indemnification of varying scope to certain customers against claims of intellectual property infringement made by third parties arising from the use of the Company's software. In accordance with authoritative guidance for accounting for guarantees, the Company evaluates estimated losses for such indemnification. The Company considers such factors as the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. To date, no such claims have been filed against the Company and no liability has been recorded in its condensed consolidated financial statements.

As permitted under Delaware law, the Company has agreements whereby it indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited. In addition, the Company has directors' and officers' liability insurance coverage that is intended to reduce its financial exposure and may enable it to recover any payments above the applicable policy retention, should they occur.

Contingencies

The Company records a liability when the Company believes that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If the Company determines that a loss is reasonably possible, and the loss or range of loss can be estimated, the Company discloses the possible loss in the notes to the unaudited condensed consolidated financial statements. The Company reviews the developments in its contingencies that could affect the amount of the provisions that has been previously recorded, and the matters and related possible losses disclosed. The Company adjusts provisions and changes to its disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Significant judgment is required to determine both the probability and the estimated amount.

Legal costs associated with loss contingencies are accrued based upon legal expenses incurred by the end of the reporting period.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the unaudited condensed consolidated financial statements and accompanying notes. The Company regularly evaluates estimates and assumptions related to the allowance for doubtful accounts, the estimated useful lives and recoverability of long-lived assets, stock-based compensation, goodwill, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. Actual results could differ materially from those estimates.

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") that are adopted by the Company as of the specified effective date. If not discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company's condensed consolidated financial statements upon adoption.

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07 *Segment Reporting* (Topic 280): *Improvements to Reportable Segment Disclosures* to enhance the reportable segment disclosures. The guidance requires additional disclosures about significant segment expenses. The guidance is effective for the public companies with fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 with early adoption permitted. The Company adopted ASU 2023-07 as of its fiscal year December 31, 2024.

Note 4. Debt

CARES funding

On May 5, 2020, the Company obtained a $293,972 unsecured loan payable through the Paycheck Protection Program ("PPP"), which was enacted as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES ACT"). The funds were received from Bank of America through a loan agreement pursuant to the CARES Act. The CARES Act was established in order to enable small businesses to pay employees during the economic slowdown caused by COVID-19 by providing forgivable loans to qualifying businesses for up to 2.5 times their average monthly payroll costs. The amount borrowed under the CARES Act and used for payroll costs, rent, mortgage interest, and utility costs during the 24 week period after the date of loan disbursement is eligible to be forgiven provided that (a) the Company uses the PPP Funds during the eight week period after receipt thereof, and (b) the PPP Funds are only used to cover payroll costs (including benefits), rent, mortgage interest, and utility costs. While the full loan amount may be forgiven, the amount of loan forgiveness will be reduced if, among other reasons, the Company does not maintain staffing or payroll levels or less than 60% of the loan proceeds are used for payroll costs. Principal and interest payments on any unforgiven portion of the PPP Funds (the "PPP Loan") will be deferred to the date the SBA remits the borrower's loan forgiveness amount to the lender or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness period for nine months and will accrue interest at a fixed annual rate of 1.0% and carry a two year maturity date. There is no prepayment penalty on the CARES Act Loan. In May 2022, the Company was granted an extension on the maturity date of this note until May 5, 2025. The loan was partially forgiven in the amount of $139,569 in September 2022. As of March 31, 2025 and December 31, 2024, the remaining balance was $12,752 and $27,369, respectively.

Short Term Loans

On April 12, 2024, the Company issued a secured promissory note in the face amount of $330,000, in exchange for which it received cash in the amount of $300,000. In addition to the original issue discount of $30,000, the note bears interest at the rate of 5% per annum, was originally due May 10, 2024 and subsequently extended until July 12, 2024 and is secured by all the Company assets. On July 15, 2024, the balance of the promissory note was rolled into a new convertible loan offering.

Convertible Loans

On July 15, 2024, the Company issued an aggregate $1,155,000 in convertible notes bearing interest at 10% per annum. The notes mature on December 31, 2025 and are convertible, into the Company's common stock at a price of $1.43 per share, subject to certain adjustments, at the holder's request. The noteholders and certain third parties were also granted detachable 5 year warrants to purchase an aggregate of 4,887,118 shares of the Company's common stock at exercise prices ranging from $1.43 to $1.692 per share. The Company valued the warrants at $6,163,572 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the warrants as a discount to the debt in the amount of $973,200. At March 31, 2025, $1,115,000 of the principal balances were still outstanding and is included on the Company's condensed consolidated balance sheets net of discounts at $51,334.

On January 21, 2025, the Company issued an aggregate $1,500,000 in convertible notes bearing interest at 10% per annum. The notes mature on January 21, 2027 and are convertible, into the Company's common stock at a price of $1.25 per share, subject to certain adjustments, at the holder's request. The noteholders and certain third parties were also granted detachable 5 year warrants to purchase an aggregate of 7,256,364 shares of the Company's common stock at exercise prices ranging from $1.25 to $1.65 per share. The Company valued the warrants at $11,422,792 using the Black-Scholes pricing model. The Company has allocated the note proceeds based on relative fair value and has recorded the value of the warrants as a discount to the debt in the amount of $1,186,579, as well as the value of the conversion feature of $198,421. Additionally, the Company recorded debt issuance costs of $115,000 as a discount to the debt. At March 31, 2025, the principal balances were still outstanding and is included on the Company's condensed consolidated balance sheets net of discounts at $7,037.

The Company has accrued interest for the above notes in the amount of $110,207 and $53,950 as of March 31, 2025 and December 31, 2024, which is included in accounts payable and accrued liabilities on the Company's condensed consolidated balance sheets. The Company recognized amortization expense of $78,711 during the three months ended March 31, 2025.

Note 5. Leases

Operating Leases

The Company's principal executive office in Tampa Florida is under a month-to-month arrangement with a base rent of $250 per month.

The Company has operating leases for corporate, business and technician offices. Leases with a probable term of 12 months or less, including month-to-month agreements, are not recorded on the condensed consolidated balance sheets, unless the arrangement includes an option to purchase the underlying asset, or an option to renew the arrangement, that the Company is reasonably certain to exercise (short-term leases). The Company recognizes lease expense for these leases on a straight-line bases over the lease term. The Company's only remaining lease is month-to-month. As a practical expedient, the Company elected, for all office and facility leases, not to separate non-lease components (common-area maintenance costs) from lease components (fixed payments including rent) and instead to account for each separate lease component and its associated non-lease components as a single lease component.

For the three months ended March 31, 2025 and 2024 and, the components of lease expense were as follows:

	For the three months ended March 31,	
	2025	2024
Operating lease cost	$ 1,192	$ 935
Total lease cost	$ 1,192	$ 935

As of March 31, 2025 and December 31, 2024, the Company had no additional operating leases, other than those noted above, and no financing leases.

Note 6. Commitments and Contingencies

In conducting its business, the Company may become involved in legal proceedings. The Company will accrue a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. The accrual for a litigation loss contingency might include, for example, estimates of potential damages, outside legal fees and other directly related costs expected to be incurred.

CorProminence d/b/a Core IR v. SCWorx

AAA Arbitration Case 01-22-0001-5709

As previously disclosed in the Company's periodic reports filed with the SEC, on April 25, 2022, the Company received a Demand for Arbitration along with a Statement of Claim filed by Core IR with the American Arbitration Association seeking damages in the amount of approximately $190,000 arising out of a marketing and consulting agreement. The Company filed its answer, affirmative defenses and counterclaims on May 16, 2022. By order of the arbitrator dated November 1, 2022, Core IR received permission to amend its Statement of Claim to increase its request for damages to $257,546. The Company received the final decision of the Arbitrator on October 16, 2023, awarding Core IR $461,856 including unpaid compensation, indemnification for legal fees and costs, prevailing party legal fees and interest (the "Award"). Core IR has since obtained a judgement in the amount of approximately $502,000 (including interest) ("Judgement"). The Company and Core IR entered into a settlement agreement dated July 12, 2024 under which the Company agreed to issue Core IR shares of its common stock with a value of $502,000 (determined based on sales proceeds realized by Core IR), in full and complete satisfaction of the Judgement. On July, 18, 2024, the Company issued 159,776 shares of its common stock in the first tranche of payments under this agreement. On March 14, 2025, the Company issued an additional 191,250 shares of its common stock under this agreement. The remaining balances of $135,496 and $283,906 owed under the settlement agreement is included accounts payable and accrued liabilities in the Company's condensed consolidated balance sheets at March 31, 2025 and December 31, 2024, respectively.

Contract Commitments

On February 5, 2024, the Company entered into a 120 day agreement with a registered broker in which it agreed to pay a 6% commission to the broker for any capital raised from parties introduced by the broker. Following the expiration of the first 120 days, the Company remains obligated to pay the commission of all capital or debt proceeds received from parties introduced by the broker during the original term of the agreement for a period of time. These obligations currently expire on or around July 17, 2025.

Loan Commitments

Between July 15, 2024 and January 17, 2025, the Company issued an aggregate $2,655,000 in senior secured convertible notes. Under these notes, the Company has pledged all assets of the Company as collateral. See Note 4. Debt for further details.

Note 7. Stockholders' Equity

Authorized Shares

The Company has 45,000,000 Common shares and 900,000 Series A convertible preferred shares authorized with a par value of $0.001 per share.

Common Stock

Issuance of Shares for Legal Settlements

On March 14, 2025, the Company issued 191,250 shares of common stock valued at $148,410 or $0.78 per share as partial fulfillment its obligation under a previous legal settlement. See Note 6. Commitments and Contingencies for further information.

Issuance of Shares for Note Conversions

Between February 3, 2025 and February 27, 2025, the Company issued an aggregate 54,980 shares of common stock for the conversion of an aggregate $40,000 in principal and $7,283 in accrued interest due under the Company's senior secured convertible notes.

Warrants issued in conjunction with loans payable

On January 21, 2025, the Company issued warrants to purchase an aggregate 7,256,364 shares of the Company's common stock at exercise prices ranging from $1.25 to $1.65 per share in conjunction with a convertible note issuance, see Note 4. Debt. The warrants were valued at $11,422,792 using the Black-Scholes pricing model. The Company has recognized $1,186,579 of this value as a discount to the associated notes.

The Company has classified the warrants as having Level 2 inputs, and has used the Black-Scholes option-pricing model to value the warrants.

The fair values at the commitment date for the warrants were based upon the following management assumptions as of the date of issuance:

	Issuance date
Risk-free interest rate	4.40%
Expected dividend yield	-%
Expected volatility	148%
Term	5 years
Fair value of common stock	$ 1.83

Stock Incentive Plan

The number of shares of the Company's common stock that are issuable pursuant to warrant and stock option grants with time-based vesting as of and for the three months ended March 31, 2025 were:

	Warrant Grants		Stock Option Grants		Restricted Stock Units
	Number of shares subject to warrants	Weighted-average exercise price per share	Number of shares subject to options	Weighted-average exercise price per share	Number of shares subject to restricted stock units
Balance at December 31, 2024	8,915,798	$ 0.92	-	$ -	122,274
Granted	7,256,364	1.34	-	-	-
Exercised	-	-	-	-	-
Cancelled/Expired	-	-	-	-	-
Balance at March 31, 2025	16,172,162	$ 1.11	-	$ -	122,274
Exercisable at March 31, 2025	16,172,162	$ 1.11	-	$ -	122,274

The number of shares of the Company's common stock that are issuable pursuant to warrant and stock option grants with time-based vesting as of and for the three months ended March 31, 2024 were:

	Warrant Grants		Stock Option Grants		Restricted Stock Units
	Number of shares subject to warrants	Weighted-average exercise price per share	Number of shares subject to options	Weighted-average exercise price per share	Number of shares subject to restricted stock units
Balance at December 31, 2023	11,394	$ 58.72	3,333	$ 39.60	165,663
Granted	-	-	-	-	21,405
Exercised	-	-	-	-	(23,072)
Cancelled/Expired	(2,293)	53.64	-	-	-
Balance at March 31, 2024	9,101	$ 60.00	3,333	$ 39.60	163,996
Exercisable at March 31, 2024	9,101	$ 60.00	3,333	$ 39.60	163,996

The Company's outstanding warrants at March 31, 2025 are as follows:

Warrants Outstanding				Warrants Exercisable		
Exercise Price Range	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price	Intrinsic Value
$0.86 - $60.00	16,172,162	4.53	$ 1.11	16,172,162	$ 1.11	2,792,060

As of March 31, 2025 and December 31, 2024, there was no unrecognized expense for unvested stock options and restricted stock awards.

Note 8. Net Loss per Share

Basic net loss per share is computed by dividing net loss for the period by the weighted average shares of common stock outstanding during each period. Diluted net loss per share is computed by dividing net loss for the period by the weighted average shares of common stock, common stock equivalents and potentially dilutive securities outstanding during each period. The Company uses the treasury stock method to determine whether there is a dilutive effect of outstanding option grants.

The following securities were excluded from the computation of diluted net loss per share for the periods presented because including them would have been anti-dilutive:

	For the Three Months Ended March 31,	
	2025	2024
Stock options	-	3,333
Warrants	16,172,162	9,101
Restricted stock units	122,274	163,996
Total common stock equivalents	16,294,436	176,430

Note 9. Related Party Transactions

At March 31, 2025 and December 31, 2024, the Company had a payable due to an officer in the amount of $149,838 for contract work performed prior to becoming an officer.

During September 2021, the Company's former CEO and shareholder advanced $100,000 in cash to the Company for short term capital requirements. This amount is non-interest bearing and payable upon demand. The Company had a balance of $67,622 included in shareholder advance on the Company's unaudited condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024.

Between January 18, 2024 and July 11, 2024, the Company's CFO advanced an aggregate $128,479 in cash to the Company for short term capital requirements. As of December 31, 2024, all advanced amounts have been repaid.

The above amounts and terms are not necessarily indicative of what third parties would agree to.

Note 10. Income Tax Provision

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "*Income Taxes*." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date.

Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. As of March 31, 2025 and December 31, 2024, the Company has evaluated available evidence and concluded that the Company may not realize all the benefits of its deferred tax assets; therefore, a valuation allowance has been established for its deferred tax assets.

As of March 31, 2025 and December 31, 2024, the Company had federal net operating loss carryforwards of approximately $40.3 million and $39.9 million, respectively, available to offset future taxable income. As of March 31, 2025 and December 31, 2024, the Company had state loss carry-forwards of approximately $19.7 million and $19.3 million, respectively. Future utilization of net operating losses may be limited due to potential ownership changes under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"). The federal net operating loss carryforwards can be carried forward indefinitely and state loss carryforwards begin to expire in 2039.

The valuation allowance as of March 31, 2025 and December 31, 2024 was approximately $12,481,000 and $12,378,000, respectively. The net change in valuation allowance for the three months ended March 31, 2025 was an increase of approximately $103,000. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on consideration of these items, management has determined that enough uncertainty exists relative to the realization of the deferred income tax asset balances to warrant the application of a full valuation allowance as of March 31, 2025 and December 31, 2024.

As of March 31, 2025 and December 31, 2024, the difference between the tax provision at the statutory federal income tax rate and the tax provision attributable to loss before income tax is as follows (in percentages):

Statutory federal income tax rate	21.00%
State tax rate	1.65%
Valuation Allowance	(22.65)%
	0.00%

Note 11. Segment Reporting

As noted above, the Company is a provider of data content and services related to the repair, normalization and interoperability of information for healthcare providers and big data analytics for the healthcare industry.

The Company has determined that it currently operates in a single segment - health information technology solutions and services, located in a single geographic location – the United States. The accounting policies of the segment are the same as those described in the summary of significant accounting policies. Since the Company operates in a single segment, the measure of segment total assets and loss from operations is the same as that reported on the accompanying condensed consolidated balance sheets as total assets, and the accompanying condensed consolidated statements of operations as loss from operations, respectively.

The Company's Chief Executive Officer is the Chief Operating Decision Maker ("CODM"). The CODM manages the Company's business activities as a single operating and reportable segment. The CODM uses consolidated profit and loss to evaluate and measure performance against progress in its commercialization efforts and clinical trials. The following table sets forth significant segment expenses.

	March 31, 2025	December 31, 2024
Assets:		
Cash	$ 1,072,416	$ 106,654
Accounts receivable, net	175,233	372,716
Prepaid expenses and other assets	66,825	24,008
Goodwill	5,842,433	5,842,433
Total Assets	$ 7,156,907	$ 6,345,811

	Three Months Ended March 31,	
	2025	2024
Service revenue	$ 720,299	$ 812,099
Cost of revenue	583,436	603,465
Gross profit	$ 136,863	$ 208,634
Operating expenses:		
Legal and professional	$ 203,979	$ 159,145
Salaries and wages	84,278	68,373
Other general and administrative	182,603	159,572
Total operating expense	$ 470,860	$ 387,090
Other income (expense)		
Interest expense	(142,306)	(203)
Total other expense	$ (142,306)	$ (203)
Net Loss	$ (476,303)	$ (178,659)

Note 12. Subsequent Events

The Company has evaluated all events that occurred after the date of the financial statements and through the date of issuance to determine if they must be reported. Management has determined that other than those disclosed below, there were no additional reportable subsequent events to be disclosed.

Issuance of Shares for Note Conversions

Between April 2, 2025 and May 12, 2025, the Company issued an aggregate 1,302,948 shares of common stock for the conversion of $600,086 in principal and accrued interest on its convertible loans.

Issuance of Shares as settlement of other obligations

On May 1, 2025, the Company issued 230,000 shares of common stock valued at $138,000 as part of a stock settlement agreement for payment of its obligation under its judgement from Core IR.

Nasdaq Notices

On April 10, 2025, Nasdaq notified the Company that based upon the Company's closing bid price for the last 30 consecutive business days (February 26, 2025 through April 9, 2025), the Company no longer meets the listed securities requirement to maintain a minimum bid price of $1 per share pursuant to Nasdaq Rules 5550(a)(2) and 5810(c)(3)(A). However, the Nasdaq Rules provide a compliance period of 180 calendar days, through October 7, 2025, in which to regain compliance.

The Company is currently monitoring its Common Stock trading price. If compliance with the minimum bid price requirement is not regained within the 180-day period, the Company will implement a reverse stock split within the range previously approved by its shareholders.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations in conjunction with our unaudited condensed consolidated financial statements and the related notes included in Item 1, "Financial Statements" of this Form 10-Q. In addition to our historical unaudited condensed consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs which involves risk, uncertainty and assumptions. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Form 10-Q.

Corporate Information

SCWorx, LLC (n/k/a SCW FL Corp.) ("SCW LLC") was a privately held limited liability company which was organized in Florida on November 17, 2016. On December 31, 2017, SCW LLC acquired Primrose Solutions, LLC ("Primrose"), a Delaware limited liability company, which became its wholly-owned subsidiary and focused on developing functionality for the software now used and sold by SCWorx Corp. (the "Company" or "SCWorx"). The majority interest holders of Primrose were interest holders of SCW LLC and based upon Staff Accounting Bulletin Topic 5G, the technology acquired has been accounted for at predecessor cost of $0. To facilitate the planned acquisition by Alliance MMA, Inc., a Delaware corporation ("Alliance"), on June 27, 2018, SCW LLC merged with and into a newly-formed entity, SCWorx Acquisition Corp., a Delaware corporation ("SCW Acquisition"), with SCW Acquisition being the surviving entity. Subsequently, on August 17, 2018, SCW Acquisition changed its name to SCWorx Corp. In June 2018, the Company began to collect subscriptions for common stock. On November 30, 2018, the Company and certain of its stockholders agreed to cancel 6,510 shares of common stock. From June to November 2018, the Company collected $1,250,000 in subscriptions and issued 3,125 shares of common stock to new third-party investors. In addition, on February 1, 2019, (i) SCWorx Corp. (f/k/a SCWorx Acquisition Corp.) changed its name to SCW FL Corp. (to allow Alliance to change its name to SCWorx Corp.) and (ii) Alliance acquired SCWorx Corp. (n/k/a SCW FL Corp.) in a stock-for-stock exchange transaction and changed Alliance's name to SCWorx Corp., which is the Company's current name, with SCW FL Corp. becoming the Company's subsidiary.

On October 6, 2023, following stockholder approval at the Company's annual meeting, the Company amended its certificate of incorporation to implement a 1 for 15 reverse split of its common stock. The effect of the reverse stock split was to combine every 15 shares of outstanding common stock into one share of common stock. The reverse stock split was effective at the opening of the trading day on October 11, 2023.

Our Business

SCWorx is a provider of data content and services related to the repair, normalization and interoperability of information for healthcare providers and big data analytics for the healthcare industry.

SCWorx has developed and markets health information technology solutions and associated services that improve healthcare processes and information flow within hospitals. SCWorx's software platform enables healthcare providers to simplify, repair, and organize its data ("data normalization"), allows the data to be utilized across multiple internal software applications ("interoperability") and provides the basis for sophisticated data analytics ("big data"). SCWorx's solutions are designed to improve the flow of information quickly and accurately between the existing supply chain, electronic medical records, clinical systems, and patient billing functions. The software is designed to achieve multiple operational benefits such as supply chain cost reductions, decreased accounts receivables aging, accelerated and more accurate billing, contract optimization, increased supply chain management and cost visibility, synchronous Charge Description Master ("CDM") and control of vendor rebates and contract administration fees.

SCWorx empowers healthcare providers to maintain comprehensive access and visibility to an advanced business intelligence that enables better decision-making and reductions in product costs and utilization, ultimately leading to accelerated and accurate patient billing. SCWorx's software modules perform separate functions as follows:

- virtualized Item Master File repair, expansion and automation;
- CDM management;
- contract management;
- request for proposal automation;
- rebate management;
- big data analytics modeling; and
- data integration and warehousing.

SCWorx continues to provide transformational data-driven solutions to some of the finest, most well-respected healthcare providers in the United States. Clients are geographically dispersed throughout the country. The Company's focus is to assist healthcare providers with issues they have pertaining to data interoperability. SCWorx provides these solutions through a combination of direct sales and relationships with strategic partners.

SCWorx's software solutions are delivered to clients within a fixed term period, typically a three-to-five-year contracted term, where such software is hosted in SCWorx data centers (Amazon Web Service's "AWS" or RackSpace) and accessed by the client through a secure connection in a software as a service ("SaaS") delivery method.

SCWorx currently sells its solutions and services in the United States to hospitals and health systems through its direct sales force and its distribution and reseller partnerships.

Results of Operations – Three months ended March 31, 2025 as compared to the three months ended March 31, 2024

Our operating results for the three month period ended March 31, 2025 and 2024 are summarized as follows:

	Three Months Ended		
	March 31, 2025	**March 31, 2024**	**Difference**
Revenue	$ 720,299	$ 812,099	$ (91,800)
Cost of revenues	583,436	603,465	(20,029)
Operating expenses	470,860	387,090	83,770
Other expense	(142,306)	(203)	(142,103)
Provision for income taxes	-	-	-
Net loss	$ (476,303)	$ (178,659)	$ (297,644)

Revenues

Revenue for the three months ended March 31, 2025 was $720,299 as compared to $812,099 for the three months ended March 31, 2024. This decrease was primarily due to the expiration and non-renewal of certain customer contracts.

Cost of revenues

Cost of revenues were $583,436 for the three months ended March 31, 2025 compared to $603,465 for the same period in 2024. The decrease was primarily the result of staffing reductions.

Operating expenses

Operating expenses increased $83,770 to $470,860 for the three months ended March 31, 2025, as compared to $387,090 in the same period of 2024. The increase is primarily attributable to increases in legal and professional fees of approximately $45,000, and increased spending on marketing and sales efforts. We expect operating expenses to remain relatively flat during the rest of 2025 with the exception of marketing and advertising.

Other income (expense)

We had other expenses of $142,306 and $203 during the three months ended March 31, 2025 and 2024, respectively, comprised of interest expense. The increase was due to the issuance of new interest-bearing convertible notes as well as the amortization of note discounts during the current year period.

Net loss

For the three months ended March 31, 2025, we incurred a net loss of $476,303 compared to a net loss of $178,659 for the same period in 2024 due to the factors detailed above.

Liquidity and Capital Resources

Cash Flows

	Three Months Ended March 31,	
	2025	**2024**
Net cash used in operating activities	$ (404,621)	$ (59,482)
Net cash from investing activities	-	-
Net cash provided by financing activities	1,370,383	7,647
Change in cash	$ 965,762	$ (51,835)

Operating Activities

Cash used in operating activities was approximately $405,000 for the three months ended March 31, 2025, mainly related to the net loss of approximately $476,000, a $140,000 decrease in accounts payable and accrued liabilities, a $21,000 decrease in deferred revenue and a $43,000 increase in prepaid expenses, partially offset by amortization of discounts on debt agreements of $79,000, credit loss expense of $24,000 and a decrease in accounts receivable of $174,000.

Cash used in operating activities was approximately $59,000 for the three months ended March 31, 2024, mainly related to the net loss of approximately $180,000, an $86,000 increase in accounts receivable and a $31,000 increase in prepaid expenses, partially offset by increases in accounts payable and accrued liabilities of $174,000 and deferred revenue of $32,000.

Investing Activities

The Company did not have any investing activities during the three months ended March 31, 2025 and 2024.

Financing Activities

Cash provided by financing activities was $1,370,383 for the three months ended March 31, 2025, consisting of proceeds loans payable of $1,385,000 partially offset by repayments of loans payable of approximately $15,000.

Cash provided by financing activities was $7,647 for the three months ended March 31, 2024, consisting of proceeds from accounts payable and accrued liabilities - related party of approximately $123,000 partially offset by repayments on these accounts payable and accrued liabilities - related party of approximately $96,000 and repayments of loans payable of $19,000.

Liquidity and Going Concern

Management has concluded that on our unaudited condensed consolidated financial statements for the three months ended March 31, 2025 conditions exist that raise substantial doubt about our ability to continue as a going concern since we may not have sufficient capital resources from operations and existing financing arrangements to meet our operating expenses and working capital requirements. We have historically incurred operating losses and may continue to incur operating losses for the foreseeable future. We believe that these conditions raise substantial doubt about our ability to continue as a going concern. This may hinder our future ability to obtain financing or may force us to obtain financing on less favorable terms than would otherwise be available. If we are unable to develop sufficient revenues and additional customers for our products and services, we may not generate enough revenue to sustain our business, and we may fail, in which case our stockholders would suffer a total loss of their investment. There can be no assurance that we will be able to continue as a going concern.

Off-Balance Sheet Arrangements

As March 31, 2025 and December 31, 2024, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Management conducted an evaluation of the effectiveness of our "disclosure controls and procedures" ("Disclosure Controls"), as defined by Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of March 31, 2025, the end of the period covered by this Form 10-Q, as required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act. The Disclosure Controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, based on the 2013 framework and criteria established by the Committee of Sponsoring Organizations of the Treadway Commission. There are inherent limitations to the effectiveness of any system of Disclosure Controls. Accordingly, even effective Disclosure Controls can only provide reasonable assurance of achieving their control objectives. Based upon this evaluation, our President and Chief Financial Officer have concluded that, due to deficiencies in the design of internal controls and lack of segregation of duties, our Disclosure Controls were not effective as of March 31, 2025, such that the Disclosure Controls did not ensure that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting.

During the three months ended March 31, 2025, there was no change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In conducting our business, we may become involved in legal proceedings. We will accrue a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. The accrual for a litigation loss contingency might include, for example, estimates of potential damages, outside legal fees and other directly related costs expected to be incurred.

CorProminence d/b/a Core IR v. SCWorx

AAA Arbitration Case 01-22-0001-5709

As previously disclosed in the Company's periodic reports filed with the SEC, on April 25, 2022, the Company received a Demand for Arbitration along with a Statement of Claim filed by Core IR with the American Arbitration Association seeking damages in the amount of approximately $190,000 arising out of a marketing and consulting agreement. The Company filed its answer, affirmative defenses and counterclaims on May 16, 2022. By order of the arbitrator dated November 1, 2022, Core IR received permission to amend its Statement of Claim to increase its request for damages to $257,546. The Company received the final decision of the Arbitrator on October 16, 2023, awarding Core IR $461,856 including unpaid compensation, indemnification for legal fees and costs, prevailing party legal fees and interest (the "Award"). Core IR has since obtained a judgement in the amount of approximately $502,000 (including interest) ("Judgement"). The Company and Core IR entered into a settlement agreement dated July 12, 2024 under which the Company agreed to issue Core IR shares of its common stock with a value of $502,000 (determined based on sales proceeds realized by Core IR), in full and complete satisfaction of the Judgement. On July, 18, 2024, the Company issued 159,776 shares of its common stock in the first tranche of payments under this agreement. On March 14, 2025, the company issued an additional 191,250 shares of its common stock under this agreement. The remaining balances of $135,496 and $283,906 owed under the settlement agreement is included accounts payable and accrued liabilities in the Company's condensed consolidated balance sheets at March 31, 2025 and December 31, 2024, respectively.

Item 1A. Risk Factors

We are a smaller reporting Company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Since the beginning of the three month period ended March 31, 2025, we have not sold any equity securities that were not registered under the Securities Act of 1933 that were not previously reported in a current report on Form 8-K.

Item 3. Default under Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits.

EXHIBIT INDEX

Pursuant to the rules and regulations of the SEC, we have filed certain agreements as exhibits to this Quarterly Report on Form 10-Q. These agreements may contain representations and warranties by the parties. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may have been qualified by disclosures made to such other party or parties, (ii) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments, which may not be fully reflected in our public disclosure, (iii) may reflect the allocation of risk among the parties to such agreements and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe our actual state of affairs at the date hereof and should not be relied upon.

Exhibit #	Exhibit Description
3.1	Certificate of Incorporation, as amended October 6, 2023 (Incorporated by reference to Exhibit 3.1 of the Company's 10-Q filed with the SEC on October 10, 2024)
3.3	Amended and Restated By-laws (Incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-1 (File No. 333-213166) filed with the SEC on August 16, 2016)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Section 1350 Certification of the Chief Executive Officer*
32.2	Section 1350 Certification of the Chief Financial Officer*
97.1	Clawback Policy of SCWorx Corp (Incorporated by reference to Exhibit 97.1 of the Company's 10-K filed with the SEC on March 31, 2025)
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

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.

SCWORX CORP.

Date: May 15, 2025

By: /s/ Timothy A. Hannibal
Timothy A. Hannibal
President and Chief Executive Officer
(Principal Executive Officer)

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.

SCWORX CORP.

Date: May 15, 2025

By: /s/ Christopher J. Kohler
Christopher J. Kohler
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION

I, Timothy A. Hannibal, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SCWorx Corp.;

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 present in this report;

4. I am 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 financing 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. 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: May 15, 2025

By: */s/* Timothy A. Hannibal

Timothy A. Hannibal
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Christopher J. Kohler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SCWorx Corp.;

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 present in this report;

4. I am 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 financing 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. 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: May 15, 2025

By: */s/* Christopher J. Kohler
Christopher J. Kohler
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Section 1350 CERTIFICATION

In connection with this Quarterly Report of SCWorx Corp. (the "Company") on Form 10-Q for the quarter ended March 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy A. Hannibal, President and Chief Operating Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: May 15, 2025

By: */s/* Timothy A. Hannibal
Timothy A. Hannibal
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Section 1350 CERTIFICATION

In connection with this Quarterly Report of SCWorx Corp. (the “Company”) on Form 10-Q for the quarter ended March 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), I, Christopher J. Kohler, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: May 15, 2025

By: */s/* Christopher J. Kohler
Christopher J. Kohler
Chief Financial Officer
(Principal Financial Officer)