FORM 8-K/A

Current report filing [amend]

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LIVE VENTURES Inc	Mailing Address	Business Address
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
(Amendment No. 1)
CURRENT REPORT

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

Date of Report (Date of earliest event reported): **July 10, 2020**

Live Ventures Incorporated
(Exact Name of Registrant as Specified in Charter)

Nevada	**001-33937**	**85-0206668**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

325 E. Warm Springs Road, Suite 102
Las Vegas, NV 89119
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: **(702) 997-5968**

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.001 par value per share	LIVE	The NASDAQ Stock Market LLC (The NASDAQ Capital Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Introductory Note.

This Form 8-K/A is being filed for the purpose of filing the financial statements and pro forma financial information required by Item 9.01 with respect to the Current Report on Form 8-K filed by Live Ventures Incorporated ("Live Ventures" or the "Company") with the U.S. Securities and Exchange Commission (the "SEC") on July 16, 2020 (the "July 16, 2020 8-K") in connection with the consummation on July 14, 2020 (the "Closing Date") of the transactions contemplated by the Merger Agreement (as defined below). Pursuant to the Merger Agreement, on July 14, 2020, the Company, acquired all of the issued and outstanding shares of capital stock of Precision Industries, Inc., a Pennsylvania corporation ("Precision").

Item 1.01. Entry into a Material Definitive Agreement.

Acquisition of Precision Industries, Inc.

On Closing Date, Live Ventures entered into a definitive Agreement and Plan of Merger (the "Merger Agreement") with Precision, President Merger Sub Inc., a Pennsylvania corporation and a wholly-owned subsidiary of Live Ventures ("Merger Sub"), and D. Jackson Milhollan, as shareholders' representative, pursuant to which Live Ventures acquired Precision by the consummation of a merger (the "Merger") of Merger Sub with and into Precision, with Precision surviving the Merger.

Pursuant to the Merger Agreement,and subject to the terms and conditions contained therein, at the closing of the Merger, Live Ventures paid Precision's shareholders aggregate consideration of $31,475,000 in cash (the "Merger Consideration"), subject to (i) certain adjustments with respect to Precision's cash, expenses incurred in connection with the Merger, debt, and net working capital balances at the closing of the Merger, (ii) the withholding of a portion of the Merger Consideration in connection with the Precision shareholders' indemnification obligations under the Merger Agreement, and (iii) the withholding of a portion of the Merger Consideration as an expense account for the shareholders' representative. At the effective time of the Merger (the "Effective Time"), shares of Precision's outstanding common stock (the "Precision Common Stock") were converted into the right to receive a portion of the Merger Consideration in accordance with the terms of the Merger Agreement. None of the Precision shareholders exercised their dissenters or appraisal rights under the provisions of the Pennsylvania Associations Code (the "PAC").

The Merger Agreement contains customary representations, warranties, covenants, and agreements of Live Ventures, Merger Sub, and Precision, including indemnification rights in favor of Live Ventures that are customary for a transaction of this nature and magnitude.

Precision's Board of Directors unanimously (i) determined that the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, were in the best interests of Precision and its shareholders, (ii) approved and declared it advisable to execute the Merger Agreement and to consummate the transactions contemplated thereby, including the Merger, and (iii) recommended the adoption of the Merger Agreement by Precision's shareholders, all in accordance with the PAC.

In connection with the Merger, Live Ventures formed "Precision Affiliated Holdings LLC", a Delaware limited liability company ("Precision Holdings"), as its wholly-owned subsidiary for the purpose of holding 100% of the issued and outstanding shares of capital stock of Precision. Pursuant to the terms of a Contribution Agreement (the "Contribution Agreement") and in connection with the Merger and the financing of the acquisition of Precision, Live Ventures caused the capital stock of Precision to be vested in Precision Holdings.

The foregoing brief summary description of certain terms and provisions of the Merger Agreement and the Contribution Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement and the Contribution Agreement, copies of which are attached as Exhibit 2.1 and Exhibit 10.1, respectively, to the July 16, 2020 8-K.

The Merger Agreement, the Contribution Agreement, and the descriptions above have been included to provide investors and securityholders with information regarding the terms of the Merger Agreement and the Contribution Agreement. They are not intended to provide any other factual information about Live Ventures, Precision, or their respective subsidiaries, affiliates, or stockholders. The representations, warranties, and covenants contained in the

Merger Agreement were made only for purposes of that agreement as of specific dates; were solely for the benefit of the parties to the Merger Agreement; and may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made by each contracting party to the other for the purposes of allocating contractual risk between them that differ from those applicable to investors or securityholders. Investors and securityholders should be aware that the representations, warranties and covenants or any description thereof may not reflect the actual state of facts or condition of Live Ventures, Precision, Merger Sub, or any of their respective subsidiaries, affiliates, businesses, or stockholders. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Merger Agreement. Accordingly, investors and securityholders should read the representations and warranties in the Merger Agreement not in isolation but only in conjunction with the other information about Live Ventures and its subsidiaries that Live Ventures includes in reports, statements, and other filings it makes with the U.S. Securities and Exchange Commission.

Financing Transactions

Loan with Encina Business Credit, LLC

On the Closing Date, Precision Holdings, a wholly-owned subsidiary of Live Ventures and the holder of 100% of the issued and outstanding shares of capital stock of Precision and Merger Sub, entered into a Loan and Security Agreement (the "Loan Agreement") by and among Precision and Merger Sub, as Borrowers, Precision Holdings, as a Loan Party Obligor, the lenders from time to time party thereto, and Encina Business Credit, LLC, as Agent (the "Agent"). The Loan Agreement provides for a $1.72 million secured term loan (the "Term Loan"), and secured revolving loans (the "Revolving Loans", and together with the Term Loan, the "Encina Loans") in a principal amount not to exceed the lesser of (i) $23.5 million and (ii) a borrowing base equal to the sum of (a) 85% of eligible accounts receivable of the two Borrowers, plus (b) 85% of eligible inventory of the two Borrowers, subject to an eligible inventory sublimit that begins at $14.0 million and declines to $12.0 million during the term of the Loan Agreement, minus (c) customary reserves. The Encina Loans will be used (v) in connection with the consummation and financing of the Merger, (w) to repay in full certain indebtedness of Precision, (x) to pay the fees, costs, and expenses incurred in connection with the Loan Agreement and the Merger Agreement, (y) for Borrowers' working capital purposes, and (z) for other lawful business purposes.

The Revolving Loans bear interest at an interest rate equal to the one-month London interbank offered rate ("LIBOR") plus the applicable margin. The applicable margin ranges from 4.50% to 5.50% per annum (subject to a LIBOR floor of 1.00%) and is determined based on a pricing grid based on the Borrowers' inventory-to-accounts receivable availability ratio and average Revolving Loan excess availability. The applicable margin through January 31, 2021 is 5.50%. The Term Loan bears interest at an interest rate equal to LIBOR plus 6.50%.

The outstanding principal amounts of the Encina Loans and all accrued and unpaid interest are due and payable on July 14, 2023 (the "Scheduled Maturity Date"). The Term Loan requires monthly payments of principal in the amount of $28,666.67 plus accrued and unpaid interest. The Revolving Loans require monthly payments of accrued and unpaid interest. The Borrowers may prepay the Term Loan in whole or in part, and may prepay the Revolving Loans in part, at any time without penalty or premium. The Borrowers may prepay and terminate the Revolving Loans in whole at any time, subject to the payment (with certain exceptions described below) of an early termination fee equal to: (i) 3.0% of the Revolving Loan Commitment ($23.5 million) if prepaid during the period of time from and after the Closing Date up to the first anniversary of the Closing Date; (ii) 1.0% of the Revolving Loan Commitment on and after the first anniversary of the Closing Date, but on or before the second anniversary of the Closing Date, or (iii) 0.50% on and after the second anniversary of the Closing Date, but on or before the third anniversary of the Closing Date; provided, during the three months preceding the Scheduled Maturity Date, no early termination fee will be payable so long as Borrowers provide at least 90-days' prior written notice to Agent of such proposed Revolving Loan Commitment termination.

The Encina Loans are also subject to customary mandatory prepayments upon the occurrence of certain asset dispositions, casualty, taking or condemnation events, equity issuances, the incurrence of certain indebtedness, and receipt of extraordinary receipts.

The Encina Loans are secured by a lien on substantially all of the assets of Precision Holdings, the Borrowers, and any future subsidiaries of the Borrowers, and are guaranteed by Precision Holdings and future subsidiaries of the Borrowers.

The Loan Agreement contains certain representations and warranties, affirmative and negative covenants, financial covenants, conditions, and events of default that are customarily required for similar financings, which impose restrictions on, among other things, the ability of Precision Holdings, the Borrowers, and the Borrowers' subsidiaries to make investments, pay dividends or distributions, sell assets, incur additional debt and liens, and make capital expenditures.

The foregoing descriptions of the Loan Agreement do not purport to be complete and are qualified in their entirety by reference to the complete text thereof, a copy of which is attached as Exhibit 10.2 to the July 16, 2020 8-K.

Loan from Isaac Capital Group LLC

On July 10, 2020, Live Ventures borrowed $2.0 million (the "ICG Loan") from Isaac Capital Group LLC ("ICG"). The ICG Loan matures on May 1, 2025 and bears interest at a rate of 12.5% per annum. Interest is payable in arrears on the last day of each month, commencing July 31, 2020. Live Ventures used the proceeds from the ICG Loan to finance the acquisition of Precision. The ICG Loan documents contain events of default and other provisions customary for a loan of this type.

Jon Isaac, Live Ventures' President and Chief Executive Officer, is the President and sole member of ICG. As of June 17, 2020, Mr. Isaac is the beneficial owner of approximately 52.9% of the outstanding capital stock (on an as-converted and as-exercised basis) of Live Ventures, which percentage includes ICG's beneficial ownership of approximately 45.4% of the outstanding capital stock (on an as-converted and as-exercised basis) of Live Ventures.

The foregoing description of the ICG Loan is qualified in its entirety by reference to the complete text of the Loan and Security Agreement among Isaac Capital Fund I, LLC ("ICF") and certain direct and indirect wholly-owned subsidiaries of Live Ventures, dated as of July 6, 2015, and that certain Consent, Joinder and First Amendment to Loan and Security Agreement among ICF and certain of the same subsidiaries and one additional indirect wholly-owned subsidiary of Live Ventures, dated as of January 31, 2020, a copy of each of which is filed as Exhibit 10.18 and Exhibit 10.19, respectively, to Live Ventures' Annual Report on Form 10-K for the fiscal year ended September 30, 2019; the Second Amendment to Loan and Security Agreement and Novation by and among Live Ventures, Marquis Affiliated Holdings LLC, Marquis Industries, Inc., and Isaac Capital Fund I LLC, a copy of which is attached as Exhibit 10.3 to this Current Report on Form 8-K; and the Assignment and Assumption Agreement between ICF and ICG, dated as of July 10, 2020, of copy of which is attached as Exhibit 10.4 to the July 16, 2020 8-K.

Loan from Spriggs Investments LLC

On July 10, 2020, Live Ventures executed a promissory note (the "Spriggs Promissory Note") in favor of Spriggs Investments LLC ("Spriggs Investments"), a limited liability company whose sole member is Rodney Spriggs, the President and Chief Executive Officer of Vintage Stock, Inc., a wholly-owned subsidiary of Live Ventures, that memorializes a loan by Spriggs Investments to Live Ventures in the initial principal amount of $2.0 million (the "Spriggs Loan"). The Spriggs Loan matures on July 10, 2022 and bears simple interest at a rate of 10.0% per annum. Interest is payable in arrears on the last day of each month, commencing July 31, 2020. Subject to the proviso Live Ventures may prepay the Spriggs Loan in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid, together with accrued interest thereon to the date of prepayment; provided, however, that, if Live Ventures prepays the Spriggs Loan in whole or in part on or prior to December 10, 2020, then Live Ventures would also be obligated to pay a prepayment penalty to Spriggs Investments in an amount equal to $100,000, less the amount of any interest paid or to be paid by Live Ventures up to the date of prepayment. Live Ventures used the proceeds from the Spriggs Loan to finance the acquisition of Precision. The Spriggs Promissory Note contains events of default and other provisions customary for a loan of this type. The Spriggs Loan was guaranteed personally by Jon Isaac, Live Ventures' President and Chief Executive Officer, and by ICG.

As of June 17, 2020, Mr. Spriggs is a record and beneficial owner of less than 1.0% of the outstanding capital stock of Live Ventures.

The foregoing descriptions of the Spriggs Loan and the Spriggs Promissory Note are qualified in their entirety by reference to the complete text of the Spriggs Promissory Note, a copy of which is attached as Exhibit 10.5 to the July 16, 2020 8-K.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information set forth in Item 1.01 above is incorporated by reference into this Item 2.01.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 above is incorporated by reference into this Item 2.03.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors, Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

On the Closing Date, Thomas Sedlak, the former Senior Vice President of Precision, was appointed as the Chief Executive Officer of Precision. Mr. Sedlak, age 49, most recently served as Precision's Senior Vice President. Mr. Sedlak joined Precision in 2008 as the Controller and was promoted to Manager of Operations in October 2008. In January 2013, Mr. Sedlak was promoted to Vice President of Operations and, in November 2017, Mr. Sedlak was promoted to Senior Vice President. Prior to joining Precision, Mr. Sedlak had more than 11 years of financial management and controllership experience with PPG Industries and DQE Energy Services. Mr. Sedlak holds a Bachelor's Degree from Robert Morris University and Master of Business Administration from the University of Pittsburgh – Joseph M. Katz Graduate School of Business.

On the Closing Date, Mr. Sedlak and Precision entered into (i) an Employment Agreement (the "Employment Agreement") and (ii) a Deferred Compensation Agreement (the "Deferred Compensation Agreement"). Under the Employment Agreement, Mr. Sedlak was appointed as Precision's Chief Executive Officer through July 14, 2025, the date on which the Employment Agreement expires. Mr. Sedlak is entitled to an annual base salary of $275,000 and is eligible to participate in all employee plans, practices, and programs maintained by Precision. Mr. Sedlak is eligible for annual cash bonuses after the end of each fiscal year during the term based on the attainment by Precision of EBITDA within certain specified ranges as more fully described in the Employment Agreement. Mr. Sedlak is also entitled to receive a car allowance of $1,400 per month, an allowance of $4,000 to contribute to the purchase and/or lease of any vehicle that will be used as his primary vehicle, an allowance of $400 per month to contribute to the premiums of a $4.0 million life insurance policy, and an allowance of up to $500 per month to contribute to the purchase by him of a long-term disability insurance policy. In the event of a change of control of Precision and, if within six months of the change of control, Precision terminates Mr. Sedlak's employment for any reason other than for cause, death, or disability, then Mr. Sedlak will be entitled to an amount equal to his base salary in effect at the time for a period equal to 24 months. Precision may terminate Mr. Sedlak for "cause" (as defined in the Employment Agreement), or, in the event Mr. Sedlak becomes disabled or is unable to perform the essential functions of his job for 90 days out of any 365-day period, without "cause." If Precision terminates Mr. Sedlak's employment without "cause", he will continue to receive his annual salary for a period of nine months following such termination and be entitled to receive a pro-rata portion of any earned bonus. Mr. Sedlak's employment agreement also contains customary confidentiality, non-competition, non-solicitation, and non-disparagement provisions. Under the terms of the Deferred Compensation Agreement, Precision has agreed to credit an account established in the name of Mr. Sedlak an amount equal to 15% of his annual base salary. Such credited amounts will be paid to Mr. Sedlak as deferred compensation after he experiences a separation from service as defined in the Deferred Compensation Agreement. Amounts credited to Mr. Sedlak under the Deferred Compensation Agreement are fully vested upon allocation and crediting.

The foregoing is a summary description of certain terms of the Employment Agreement and Deferred Compensation Agreement and does not purport to be complete, and it is qualified in its entirety by reference to the full text of the Employment Agreement and the Deferred Compensation Agreement, copies of which are attached as Exhibit 10.6 and Exhibit 10.7, respectively, to the July 16, 2020 8-K.

On September 9, 2020, Mr. Sedlak and Precision entered into that certain First Amendment to Employment Agreement (the "First Amendment"). Pursuant to the terms of the First Amendment, the termination date of the Employment Agreement was extended to December 31, 2025, the time frames during which Mr. Sedlak may be eligible for an annual cash bonus was modified to a calendar year, and the EBITDA threshold for the calculation of Mr. Sedlak's bonus during the 2022 calendar year was modified to be subject to future agreement between Mr. Sedlak and the President and Chief Executive Officer of Live Ventures, all as more fully described in the First Amendment.

The foregoing is a summary description of certain terms of the First Amendment does not purport to be complete and it is qualified in its entirety by reference to the full text of the First Amendment, a copy of which is attached as Exhibit 10.8 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

The audited consolidated balance sheets of Precision as of December 31, 2019 and 2018 and the audited consolidated statements of operations, changes in equity and cash flows for each of the two years in the period ended December 31, 2019, and the notes thereto, are attached hereto as Exhibit 99.1.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined balance sheet as of June 30, 2020 and the unaudited pro forma condensed combined statements of income for the year ended September 30, 2019 and the nine months ended June 30, 2020 Live Ventures Incorporated are hereby filed as Exhibit 99.2 to this Current Report on Form 8-K/A and incorporated herein by reference. Such unaudited pro forma condensed combined financial statements are not necessarily indicative of the financial position that actually would have existed or the operating results that actually would have been achieved if the adjustments set forth therein had been in effect as of the dates and for the periods indicated or that may be achieved in future periods and should be read in conjunction with the historical financial statements of Live and Precision.

(d) Exhibits.

The following exhibits are attached hereto:

Exhibit Number	Description
2.1*	Agreement and Plan of Merger, dated as of July 14, 2020, by and among Live Ventures Incorporated, President Merger Sub Inc., Precision Industries, Inc., and D. Jackson Milhollan*
10.1*	Contribution Agreement dated effective as of July 14, 2020 by and between Live Ventures Incorporated and Precision Affiliated Holdings LLC
10.2*	Loan and Security Agreement dated July 14, 2020 by and among Precision Industries, Inc., President Merger Sub Inc., Precision Affiliated Holdings LLC, and the lenders party thereto
10.3*	Second Amendment to Loan and Security Agreement and Novation Agreement dated as of July 10, 2020 by and among Live Ventures Incorporated, Marquis Affiliated Holdings LLC, Marquis Industries Inc., and Isaac Capital Fund I, LLC
10.4*	Assignment and Assumption Agreement dated as of July 10, 2020 by and between Isaac Capital Fund I, LLC and Isaac Capital Group, LLC
10.5*	Promissory Note dated July 10, 2020 issued by Live Ventures Incorporated in favor of Spriggs Investments, LLC
10.6*	Employment Agreement, dated as of July 14, 2020, by and between Thomas Sedlak and Precision Industries, Inc.
10.7*	Deferred Compensation Agreement, dated as of July 14, 2020, by and between Thomas Sedlak and Precision Industries, Inc.
10.8	First Amendment to Employment Agreement, dated as of September 9, 2020, by and between Precision Industries, Inc. and Thomas Sedlak.
23.1	Consent of Louis Plung & Company, LLC independent auditor
99.1	Audited consolidated financial statements of Precision Industries, Inc. and the notes thereto as of December 31, 2019 and the year then ended.
99.2	Unaudited pro forma combined financial statements of Live Ventures Incorporated and as of June 30, 2020, for the year ended September 30, 2019 and the nine months ended June 30, 2020.

* Previously filed

SIGNATURES

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

LIVE VENTURES INCORPORATED

By: /s/ Jon Isaac
Name: Jon Isaac
Title: President and Chief Executive Officer

Dated: September 28, 2020

Exhibit 10.8

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (this "***Amendment***") is made and entered into this 9th day of September, 2020 (the "***Effective Date***"), by and between PRECISION INDUSTRIES, INC., a Pennsylvania corporation (the "***Company***"), and THOMAS SEDLAK (the "***Executive***").

WHEREAS, the Company and the Executive are parties to the certain Employment Agreement dated July 14, 2020 (the "***Employment Agreement***"); and

WHEREAS, the Parties desire to amend the Employment Agreement on the terms and conditions as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby severally acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Definitions**. Capitalized terms used in this Amendment, unless otherwise defined herein, shall have the meaning ascribed to such terms in the Employment Agreement.

2. **Amendments to Employment Agreement**. The Employment Agreement is hereby amended as follows:

a. The first sentence of Section 1 shall be amended and restated in its entirety to read as follows:

> "The Executive's employment hereunder shall be effective as of the date hereof (the "***Effective Date***") and shall continue until December 31, 2025 (the "***Termination Date***"), unless terminated earlier pursuant to Section 5 of this Agreement."

b. In Section 4.2, the defined term "Base EBITDA" shall be amended and restated in its entirety to read as follows:

"***Base EBITDA***" means, for the particular period described below:

Time Period	Base EBITDA
January 1, 2021 through December 31, 2021	$4,500,000
January 1, 2022 through December 31, 2022	*
January 1, 2023 through December 31, 2023	$7,400,000
January 1, 2024 through December 31, 2024	$8,200,000
January 1, 2025 through December 31, 2025	$8,800,000

* During the fourth calendar quarter of 2021, the Executive and the Live Ventures CEO shall meet and discuss in good faith and agree to the Base EBITDA for the period January 1, 2022 through December 31, 2022.

Any Annual Bonus is calculated incrementally and shall be payable on or before March 31 in the year immediately following the prior fiscal year. For example purposes only, assume that during the 2024 calendar year, the Company generates $11.0 million of EBITDA. As a result, there is $2.8 million of EBITDA Excess. The Executive would be entitled to an Annual Bonus equal to $345,000 ($100,000 *plus* $125,000 *plus* $120,000). In the event that the Agreement is extended by mutual agreement pursuant to Section 1, each time the Agreement is extended, the Executive and the Live Ventures CEO shall meet any discuss in good faith any changes to the Base EBITDA for purposes of calculating Executive's Annual Bonus. If the Employment Term does not exceed 90 days after the Fifth Anniversary, Executive shall receive a pro-rated portion of the Annual Bonus.

3. **Reference to Employment Agreement**. Upon the effectiveness of this Amendment, each reference in the Employment Agreement to "this Agreement," "hereunder," or words of like import shall mean and be a reference to the Employment Agreement, as amended by this Amendment

4. **Effect of Amendment.** Except as otherwise expressly provided in this Amendment, nothing herein shall be deemed to amend or modify any provision of the Employment Agreement, which shall remain in full force and effect.

5. **Governing Law.** This Amendment, for all purposes, shall be construed in accordance with the laws of the State of Nevada without regard to conflicts of law principles.

6. **Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. **Miscellaneous**. This Amendment expresses the entire understanding of the parties with respect to the subject matter hereof and may not be amended except in a writing signed by the parties.

8. **Further Assurances**. Each Party agrees to take such further actions as the other shall reasonably request from time to time in connection herewith to evidence or give effect to the amendments set forth herein or any of the transactions contemplated hereby.

9. **Electronic Execution and Delivery**. A reproduction of this Amendment may be executed by one or more Parties hereto, and an executed copy of this Amendment may be delivered by one or more Parties hereto by electronic transmission pursuant to which the signature of or on behalf of such Party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any Party hereto, all Parties hereto agree to execute an original of this Amendment as well as any electronic or other reproduction hereof.

10. **Representations**. Executive hereby represents and warrants to the Company that the execution and delivery of this Amendment, and the performance of his obligations hereunder, are not in violation of, and do not and will not conflict with or constitute a default under, any of the terms and provisions of any agreement or instrument to which Executive is subject; and that this Amendment has been duly executed and delivered by Executive and is a valid and binding obligation in accordance with its terms. It is important that Executive completely understands the terms and conditions in this Amendment. Executive expressly acknowledges and represents that: (i) Executive is competent to execute this Amendment; (ii) the Company has advised Executive to consult with an attorney before signing this Amendment; and (iii) Executive is executing this Amendment voluntarily.

11. **Counterparts**. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(Remainder of this page intentionally left blank; signatures begin on the next page.)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed under seal and delivered by their respective duly authorized officers on the date first written above.

PRECISION INDUSTRIES, INC.

By: ___/s/ Jon Isaac_________________________
Name: Jon Isaac
Title: President

EXECUTIVE

Signature:_____/s/ Thomas Sedlak____________
Print Name: Thomas Sedlak

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITOR

We consent to the incorporation by reference in Registration Statement on Form S-8 (No. 333-198205) of Live Ventures Incorporated of our report dated April 3, 2020 with respect to the consolidated financial statements of Precision Industries, Inc., as of December 31, 2019 and 2018, and the related notes, which report appears in the Current Report on Form 8-K/A of Live Ventures Incorporated dated September 25, 2020.

/s/ Louis Plung & Company, LLP
Pittsburg, Pennsylvania
September 25, 2020

Exhibit 99.1

PRECISION INDUSTRIES, INC.

FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULE AND INDEPENDENT AUDITORS’ REPORT

December 31, 2019 and 2018

PRECISION INDUSTRIES, INC.

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Louis Plung & Company

420 Ft. Duquesne Blvd., Ste. 1900, Pittsburgh, PA 15222
Tel: 412-281-8771 | Fax: 412-281-7001
info@louisplung.com | www.louisplung.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
and Stockholders of
Precision Industries, Inc.

We have audited the accompanying financial statements of Precision Industries, Inc. (a Pennsylvania corporation), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precision Industries, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule I - Financial Highlights is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Louis Plung + Company, LLP

Pittsburgh, Pennsylvania
April 3, 2020

PRECISION INDUSTRIES, INC.
BALANCE SHEETS
(dollars in thousands, except per share amounts)

	December 31, 2019	December 31, 2018
Assets		
Cash	$ 150	$ 151
Trade receivables, net of allowance for uncollectible accounts of $40	3,758	3,892
Inventory	25,365	24,440
Prepaid expenses	234	278
Total current assets	29,507	28,761
Property, plant and equipment		
Land	87	87
Buildings and improvements	2,368	2,173
Plant equipment	16,890	15,757
Office renovations and equipment	2,831	2,831
Computer software	1,246	1,246
	23,422	22,094
Less acculated depreciation	18,763	17,572
Net property, plant and equipment	4,659	4,522
Other assets		
Deposits on equipment	614	199
Cash surrender value - life insurance	261	217
Other assets	279	123
Deferred state income taxes	5	14
Total other assets	1,159	553
Total assets	$ 35,325	$ 33,836
Liabilities and Stockholder's Equity		
Liabilities:		
Accounts payable	$ 1,695	$ 840
Accrued expenses	477	489
Bank line-of-credit	10,117	11,183
Current portion of long-term debt	863	345
Current portion of capital lease obligations	12	25
Total current liabilities	13,164	12,882
Long-term debt, net of current portion	—	863
Lease obligation long term - capital leases	25	36
Deferred federal income taxes	713	683
Total liabilities	13,902	14,464
Commitments and contingencies		
Stockholder's equity:		
Class A common stock (voting) - $0.10 par value, 1,000,000 shares authorized, 116,579 shares issued and outstanding at December 31, 2019 and 2018	12	12
Class B common stock (nonvoting) - $0.10 par value, 500,000 shares authorized, 29,806 shares issued and outstanding at December 31, 2019 and 2018	3	3
Paid in capital	865	865
Treasury stock Class A common stock (voting), 82,756 shares at December 31, 2019 and 2018	(2,462)	(2,462)
Treasury stock Class B common stock (nonvoting), 22,711 shares at December 31, 2019 and 2018	(707)	(707)
Retained earnings	23,712	21,661
Total stockholder's equity	21,423	19,372
Total liabilities and stockholder's equity	$ 35,325	$ 33,836

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

PRECISION INDUSTRIES, INC.
STATEMENTS OF OPERATIONS
(dollars in thousands, except per share)

	December 31, 2019	December 31, 2018
Revenues	$ 41,436	$ 45,869
Cost of revenues	32,850	34,354
Gross profit	8,586	11,515
Operating expenses:		
Sales, general and administrative expenses	5,371	5,674
Total operating expenses	5,371	5,674
Operating income (loss)	3,215	5,841
Other (expense) income:		
Interest expense, net	(440)	(509)
Total other (expense) income, net	(440)	(509)
Income before provision for income taxes	2,775	5,332
Provision for income taxes	724	1,247
Net income	$ 2,051	$ 4,085
Net income per weighted average number of shares Class A and B of common stock outstanding	$ 50.13	$ 99.80
Weighted average number of shares Class A and B of common stock outstanding	40,918	40,928

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

PRECISION INDUSTRIES, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(dollars in thousands)

	Common Stock		Paid-In	Treasury Stock		Retained	Total
	Class A	Class B	Capital	Class A	Class B	Earnings	Equity
Balance, December 31, 2017	$ 12	$ 3	$ 865	$ (2,437)	$ (707)	$ 17,576	$ 15,312
Purchase of Class A common stock	—	—	—	(25)	—	—	(25)
Net income	—	—	—	—		4,085	4,085
Balance, December 31, 2018	12	3	865	(2,462)	(707)	21,661	19,372
Net income	—	—	—	—	—	2,051	2,051
Balance, December 31, 2019	$ 12	$ 3	$ 865	$ (2,462)	$ (707)	$ 23,712	$ 21,423

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

PRECISION INDUSTRIES, INC.
STATEMENTS OF CASH FLOW
(dollars in thousands)

	December 31, 2019	December 31, 2018
OPERATING ACTIVITIES:		
Net loss	$ 2,051	$ 4,085
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,208	1,110
Change in deferred tax	39	74
Change in cash surrender value - life insurance	(44)	(89)
Change in other	(155)	(5)
Changes in assets and liabilities:		
Trade receivables	133	(246)
Inventories	(924)	(1,234)
Income taxes receivable	77	161
Prepaid expenses	(33)	(24)
Accounts payable	855	(875)
Accrued liabilities	(12)	(118)
Net cash provided by (used in) operating activities	3,195	2,839
INVESTING ACTIVITIES:		
Deposits on property and equipment	(414)	(199)
Purchase of property and equipment	(1,347)	(1,268)
Net cash used in investing activities	(1,761)	(1,467)
FINANCING ACTIVITIES:		
Purchase of common stock	—	(25)
Payments on long-term debt	(345)	(345)
Payment of capital lease obligations	(24)	(70)
Net borrowings (payment) on line of credit	(1,066)	(933)
Net cash provided by (used in) financing activities	(1,435)	(1,373)
INCREASE IN CASH	(1)	(1)
CASH, beginning of period	151	150
CASH, end of period	$ 150	$ 151

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

(dollars in thousands, except per share)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Precision Industries, Inc. (the "Company"), with facilities in Washington, PA and Bolingbrook, IL, is a producer of precision ground flat stock, machined tool steel plates, and mold quality steels. The Company sells to customers throughout the United States as well as Canada and Mexico.

Basis of Accounting - It is the policy of the Company to prepare the financial statements on the accrual basis of accounting. As such, income is recognized when earned, and expenses and the related liabilities are recognized when incurred and not when paid.

Estimates and Uncertainties - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Cash and cash equivalents - The Company considers all deposits with maturities of three months or less to be cash equivalents.

Allowance for Uncollectible Accounts - The Company provides an allowance for estimated losses on uncollectible accounts receivable. The allowance is based upon historical data and management's evaluation of the accounts receivable balances at year end. If amounts become uncollectible, they will be charged to operations when that determination is made. The allowance for uncollectible accounts was $40 as of December 31, 2019 and 2018.

Inventories – Inventory is stated at the lower of cost or net realizable value using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Cost of manufacturing includes materials, labor, and applicable overhead. Inventories consist primarily of high grade steel plates and ground flat stock.

Property, Plant and Equipment - Property, plant and equipment are stated at cost, which is closely approximated to the fair value. Expenditures for maintenance and repairs are charged to income as incurred. Additions, improvements and major replacements are capitalized. The cost and accumulated depreciation related to assets sold or retired are removed from the accounts and any gain or loss is credited or charged to income.

For financial reporting purposes, depreciation is primarily provided on the straight-line method over the estimated useful lives of depreciable assets, based on the following:

Buildings and improvements	20 - 45 years
Plant equipment	7 - 15 years
Office renovations and equipment	3 - 15 years
Computer software	7 years

Leasehold improvements are depreciated on a straight-line basis over the useful life of the improvement or the term of the lease, whichever is shorter. Depreciation expense was $1,208 and $1,110 for the years ended December 31, 2019 and 2018, respectively.

Impairment of Long-lived Assets - Management of the Company considers the valuation and depreciation of property, plant and equipment. Management considers both the current and future levels of undiscounted cash flow generated by the Company and the continuing value of property, plant and equipment to determine when and if an impairment has occurred. Any write-downs due to impairment are charged to operations at the time the impairment is identified. No such write-downs due to impairment have been recorded in 2019 and 2018.

Concentration of Risk – The Company maintains its cash and cash equivalents with one financial institution as of December 31, 2019 and 2018. The account is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250 in coverage. The balance in this account may, at times, exceed the federally insured limits. The Company has not experienced any losses on the deposits and management believes the Company is not exposed to any significant credit risk related to this account.

The Company sold products to one customer that individually exceeds 10% of the total sales. During the years ended December 31, 2019 and 2018, total sales related to that customer were approximately $7,553 and $9,559, respectively. Amounts receivable from this customer included in accounts receivable at December 31, 2019 and 2018 were approximately $133 and $346, respectively.

The Company purchases from three suppliers that individually exceed 10% of total purchases. During the years ended December 31, 2019 and 2018, total purchases related to those suppliers aggregated approximately $12,190 and $18,240, respectively. Amounts payable to those suppliers included in accounts payable at December 31, 2019 and 2018 were approximately $1,095 and $3, respectively.

Substantially all of the Company's hourly employees are covered by collective bargaining agreements. Employees at the Washington, PA facility are represented by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union under a collective bargaining agreement through December 2020. Employees at the Bolingbrook, IL facility are represented by the International Association of Machinists and Aerospace Workers under a collective bargaining agreement through April 30, 2021.

Advertising – The Company has incurred costs for non-direct response advertising in the amounts of $40 and $82 for 2019 and 2018, respectively. It is the Company's policy to expense these costs as incurred.

Income Taxes - The Company records income taxes in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 "Income Taxes". ASC 740 requires an asset and liability approach for financial reporting purposes. Deferred income taxes are provided for differences between the tax bases of assets and liabilities and the financial reporting amounts at the end of the period, and for net operating loss and tax credit carryforwards available to offset future taxable income. Changes in enacted tax rates or laws result in adjustments to recorded deferred tax assets and liabilities in the periods in which the tax laws are enacted or tax rates are changed.

In addition, ASC 740 clarifies the accounting for uncertainty in tax positions and requires that a company recognize in its financial statements the impact of a tax position, only if it is more likely than not of being sustained upon examination, based on the technical merits of the position. The Company recognized no material adjustments to the liability for unrecognized income tax benefits.

The Company's policy regarding the classification of interest and penalties recognized in accordance with ASC 740 is to classify them as income tax expense in its financial statements, if applicable.

The Company is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress.

Revenue Recognition – In accordance with FASB ASC Topic 606, "Revenue from Contracts with Customers", the Company recognizes revenue when obligations under the terms of a contract with the customer is satisfied. Generally, this occurs upon shipment of the goods to their customer.

Freight Costs - Freight costs associated with acquiring inventories are charged to cost of goods sold when incurred. Freight costs for delivering products to customers are included in revenues from sales at the time the goods are shipped.

Recent Accounting Standard Updates – The FASB issued new ASUs addressing various accounting and reporting standards that became effective in current or subsequent reporting periods. Management has determined based on their review that the following ASUs issued recently may be applicable to the Company. As new ASUs are released, Management will assess if they are applicable and if they are applicable, their affect will be included in the notes to the financial statements.

(dollars in thousands, except per share)

In February 2016, the FASB issued ASU 2016-02, “Leases”, which significantly changes the accounting for a lessee. Under previous guidance, lessees did not have to record a lease it designated as operating on its balance sheet. Under the new guidance, a lessee must record a liability for lease payments (referred to as the lease liability) and an asset for the right to use the leased asset during the lease term (referred to as the right of use asset) for all leases, regardless of whether they are designated as finance or operating leases. If a lessee has a lease with a term of 12 months or less, it may make an accounting policy election (by leased asset class) not to recognize lease assets or lease liabilities. This election generally requires the lessee to recognize lease expense on a straight-line basis over the lease term. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018 for public entities, not-for-profit entities that have issued (including conduit bond obligors) securities that are traded, listed, or quoted on an exchange or an over-the-counter market, and employee benefit plans that file financial statements with the United States Securities and Exchange Commission (SEC). All other entities must apply the ASU to annual periods beginning after December 15, 2020, and interim periods beginning after December 15, 2021. Any entity may early adopt the ASU. Management has determined that when this guidance is adopted the impact will be properly reflected in the financial statements and notes thereto.

2. INVENTORIES

Inventories by major components at December 31, 2019 and 2018 are as follows:

	December 31, 2019	December 31, 2018
Inventory, net		
Raw materials	$ 7,251	$ 9,876
Work in progress	1,426	669
Finished goods	16,630	13,837
In-transit (finished)	58	58
	$ 25,365	$ 24,440

3. LINE OF CREDIT

The Company has a line of credit agreement with its principal bank. On December 1, 2017, the Company amended its credit agreement, which increased the maximum amount of borrowings from $16,000 to $17,000 and extended its maturity date to August of 2020, at which all outstanding principal and interest is due. The balance on the line of credit as of December 31, 2019 and 2018 was $10,117 and $11,18, respectively. The interest rate depends on the type of loan the Company selected at the time of requesting the borrowings, a base rate loan or LIBOR loan as outlined below:

Fixed Charge Coverage Ratio	Base Rate Loan	LIBOR Loan
Greater than 1.10 to 1.00 but less than or equal to 1.40 to 1.00	Prime rate plus 1.00%	LIBOR plus 2.25%
Greater than 1.40 to 1.00 but less than or equal to 1.75 to 1.00	Prime rate plus 0.75%	LIBOR plus 2.00%
Greater than 1.75 to 1.00	Prime rate plus 0.50%	LIBOR plus 1.75%

The prime and LIBOR lock-in rates were 5.25% (Prime rate of 4.75% plus 0.50%) and 3.49% (LIBOR rate of 1.74% plus 1.75%), respectively, at December 31, 2019. The prime and LIBOR lock-in rates were 6.00% (Prime rate of 5.50% plus 0.50%) and 4.27% (LIBOR rate of 2.52% plus 1.75%), respectively, at December 31, 2018. For the years ended December 31, 2019 and 2018, the line of credit incurred interest at the LIBOR rate for $8,750,000 and $10,000,000, respectively, of the outstanding balance and the remaining balance incurred interest at the base rate.

The line of credit is secured by substantially all the assets of the Company as defined in the Security and Loan Agreement dated December 1, 2017.

The Company is required to maintain certain covenants, ratios and reporting requirements with its primary bank as defined in the Security and Loan Agreement. For the years ended December 31, 2019 and 2018, the Company was in compliance with all of its bank covenants.

(dollars in thousands, except per share)

4. LONG-TERM DEBT

The Company holds two term loans with its principal bank. On December 1, 2017, the loan agreement was amended and restated and the new outstanding amounts for the two loans were $1,000 and $610, respectively. The amended agreement extended the maturity dates on the two loans to August 3, 2020 and February 3, 2020, respectively, at which time all outstanding principal and interest is due. The interest rate depends on the type of loan the Company selected at the time of requesting the borrowings, a base rate or LIBOR loan as outlined below:

Fixed Charge Coverage Ratio	Base Rate Loan	LIBOR Loan
Greater than 1.10 to 1.00 but less than or equal to 1.40 to 1.00	Prime rate plus 1.00%	LIBOR plus 2.50%
Greater than 1.40 to 1.00 but less than or equal to 1.75 to 1.00	Prime rate plus 0.75%	LIBOR plus 2.25%
Greater than 1.75 to 1.00	Prime rate plus 0.50%	LIBOR plus 2.00%

The prime and LIBOR rates were 5.25% (Prime rate of 4.75% plus 0.50%) and 3.74% (LIBOR rate of 1.74% plus 2.00%), respectively, at December 31, 2019. The prime and LIBOR rates were 6.00% (Prime rate of 5.50%, plus 0.50%) and 4.52% (LIBOR rate of 2.52% plus 2.00%) respectively, at December 31, 2018. For the year ended December 31, 2019, Term Loans 1 and 2 incurred interest at the LIBOR rate for the outstanding loan balances of $725 and $130, respectively, and the remaining balances incurred interest at the base rate. For the year ended December 31, 2018, Term Loans 1 and 2 incurred interest at the LIBOR rate for the outstanding loan balances of $825 and $350, respectively, and the remaining balances incurred interest at the base rate.

The Company is required to maintain certain covenants, ratios and reporting requirements with its principal bank as defined in the Loan and Security Agreement. For the years ended December 31, 2019 and 2018, the Company was in compliance with all of its bank covenants.

Long-term debt at December 31, 2019 and 2018 consisted of the following:

	December 31, 2019	December 31, 2018
Term Loan 1: Payable in monthly installments of $10 plus interest; maturing on August 3, 2020 at which time all outstanding principle and interest is due.	$ 729	$ 854
Term Loan 2: Payable in monthly intallements of $18 plus interest; maturing of February 3, 2020, at which time all outstanding principle and interest is due.	134	354
Total notes payable	863	1,208
Less current portion	(863)	(345)
Long-term portion	$ —	$ 863

5. CAPITAL LEASES

The Company entered into lease agreements for machinery and equipment under separate agreements classified as capital leases. The cost and accumulated depreciation for this machinery and equipment as of December 31, 2019 and 2018 are as follows:

	December 31, 2019	December 31, 2018
Cost	$ 68	$ 185
Accumulated depreciation	(24)	(96)
	$ 44	$ 89

The cost and accumulated depreciation of the equipment are included in amounts reported as property, plant and equipment and accumulated depreciation on the balance sheet. Depreciation for the equipment during the years ended December 31, 2019 and 2018 were included in amounts reported as depreciation expense on the statements of operations.

(dollars in thousands, except per share)

The following is a schedule of future minimum lease payments under the capital lease agreements together with the present value of the net minimum lease payments as of December 31, 2019:

		December 31, 2019
Total minimum lease payments	$	41
Less amount representing interest		(4)
Present value of future minimum payments		37
Less current portion due within in one year		(12)
	$	25

Maturities of capital lease obligations are as follows as of December 31, 2019:

2020	$	12
2021		12
2022		13
	$	37

6. OPERATING LEASES

The Company has various commitments under noncancelable operating lease agreements, which expire at various dates through January 2026. The leases are expected to be renewed or replaced as they expire. Total rental expense was $242 and $232 for the years ended December 31, 2019 and 2018, respectively.

At December 31, 2019, future minimum rental payments due under operating leases are as follows:

		Building		Equipment		Total
2020	$	171	$	55	$	226
2021		172		55		227
2022		177		36		213
2023		181		3		184
2024		186		—		186
Thereafter		206		—		206
Total	$	1,093	$	149	$	1,242

7. INCOME TAXES

The Company's provision for income taxes consists of the following at December 31, 2019 and 2018:

		December 31, 2019		December 31, 2018
Current provision:				
Federal	$	537	$	1,006
State		148		167
		685		1,173
Deferred provision liability		39		74
Total income tax provision	$	724	$	1,247

(dollars in thousands, except per share)

Temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities that give rise to a net deferred income tax liability relate to the following as of December 31, 2019 and 2018:

	December 31, 2019	December 31, 2018
Deferred income tax assets (liabilities):		
Accounts receivable, due to allowance for doubtful accounts	$ 9	$ 9
Accrued expenses, due to expenses not yet deductible for income tax purposes	17	18
Inventory capitalization	61	23
Property & equipment - due to differences in depreciation for state	50	39
Property & equipmnet - due to differences in depreciation for federal	(845)	(758)
Net deferred income tax liability	(708)	(669)
State deferred income tax asset	5	14
Net federal deferred income tax liability	$ (713)	$ (683)

Management is of the opinion that the deferred tax assets will be fully realizable in future periods. Accordingly, no valuation allowance has been established.

The Company's provision for income taxes differs from applying the statutory U.S. federal income tax rate to income before income taxes. The primary differences result from providing for state income taxes and from deducting certain expenses for financial statement purposes but not for federal income tax purposes.

8. DEFINED CONTRIBUTION PLANS

The Company maintains a 401(k) Profit Sharing Plan available to all eligible employees. To be eligible for the Plan, the employee must be at least 21 years of age and have completed one year of employment, which is defined as at least 1,000 hours. The Plan includes a deferral provision, whereby a participant may elect to contribute eligible compensation, up to the maximum limits allowed by the IRS. The Company's discretionary contributions are determined by the Board of Directors. The Board authorized contributions to the Plan of $83 and $96 for the years ended December 31, 2019 and 2018, respectively.

The Company maintains an additional 401(K) Plan, United Steel Workers Local 8824 Hourly Pension Plan to eligible employees as required by their union contract. To be eligible for the Plan, the employee must have completed three months of employment. The Plan includes a deferral provision, whereby a participant may elect to contribute eligible compensation, up to the maximum limits allowed by the IRS. No employer contributions are required or were made during the years ended December 31, 2019 or 2018 under this agreement.

In accordance with their collective bargaining agreements (see Note 1), the Company is also required to make employer contributions into 3rd party defined contribution plans on behalf Washington, PA and Bolingbrook, IL union employees as defined in the respective agreements. Total employer contributions for Washington, PA union employees were approximately $76 and $84 for the years ended December 31, 2019 and 2018, respectively. Total employer contributions for Bolingbrook, IL union employees were approximately $16 and $15 for the years ended December 31, 2019 and 2018, respectively.

9. CONTINGENCIES

The Company has a self-insurance program for medical coverage for its employees. The Company limited its exposure per covered individual to $75 and $70, in 2019 and 2018, respectively, through the use of stop-loss policies from reinsurers. The Company's aggregate annual loss limitation was based on a formula that considers, among other things, the total number of employees and historical expenses. Total amount accrued for health insurance is $124 and $137 as of December 31, 2019 and 2018, respectively.

The Company is subject to a claim with a former employee which occurred in the normal course of business. The trial is set to take place in December 2020 and the Company's estimate of the settlement value in this matter is in the range of $1,500 to $2,000. No liability has been recorded. In the opinion of management, the entire settlement will be covered by insurance, the insurance policies and related coverage are currently under review.

10. OFFICERS' LIFE INSURANCE

Officer's life insurance consists of a universal life policy insuring the life of one of the executive officers of the Company. The policy totaled approximately $6,400 as of December 31, 2019 and 2018. The cash surrender value of the policy at December 31, 2019 and 2018 was $261 and $216, respectively, which is included in other assets on the balance sheet. The policy is owned by the Company. In 2015, the policy was taken out on the majority shareholder pursuant to a stockholders' agreement concerning repurchase of the corporate stock in the event of termination, disability, or death of a stockholder (see Note 11).

Annual premiums, net of increase in cash surrender value, are charged against general and administrative expenses.

Total premiums paid during the years ended December 31, 2019 and 2018, were approximately $204.

11. BUY-SELL AGREEMENT

On November 17, 2015, the Company executed a Buy-Sell Agreement with certain shareholders of the Company. Upon the death of the individual shareholder, the Company shall purchase all shares held within 120 days following the event. In the event a shareholder retires, the remaining shareholders may purchase from such retired shareholder those shares of stock, which the retired shareholder chooses to sell at the time of retirement. In the event that the remaining shareholders fail to purchase the shares then the Company shall purchase all shares held by such retired shareholder within 120 days following retirement. Shares subject to this agreement include a total of 22,957 Class A voting shares and 2,475 Class B non-voting shares of the Company. The purchase price is based on the fair value of the shares to be sold as of the last day of the month immediately preceding the date of retirement or death, as determined by the Agreement. The Agreement for the majority shareholder is funded by life insurance policy purchased by the Company (See Note 10).

12. ACQUISTION ACCOUNTING

On October 31, 2019, the Company entered into an asset purchase agreement to purchase certain assets from D.B. & S. Steel, LLC and the former owners for a purchase price of $2,100, which was paid at closing. No liabilities were assumed. The purchase agreement was accounted for in accordance with ASC 805, Business Combinations, using the acquisition method of accounting. Under the acquisition method of accounting, the assets acquired must be measured at their fair values as of the acquisition date. Goodwill is measured as a residual amount, and it is only recognized if the sum of the fair value of the consideration transferred and interests exceed the fair value of the acquired net assets.

The purchase price of $2,100 included $478 of fixed assets and the remaining $1,622 was for inventory. Since fixed assets and inventory were purchased at their fair value amounts, no goodwill was recorded as a result of the sale.

13. SUBSEQUENT EVENTS

The Company has evaluated subsequent events in accordance with ASC 855, Subsequent Events, through April 3, 2020 which is the date the financial statements were available to be issued. No material subsequent events that required recognition or additional disclosure in these financial statements were identified as a result of management evaluation.

Exhibit 99.2

Unaudited Pro Forma Condensed Combined Financial Statement of Live Ventures Inc. as of June 30, 2020 and for the year ended September 30, 2019

(Stated in thousands of dollars, except per share amounts)

Introduction

Precision Acquisition

On July 14, 2020 (the "Closing Date"), the Company entered into a definitive Agreement and Plan of Merger (the "Merger Agreement") with Precision Industries, Inc., a Pennsylvania corporation ("Precision"), President Merger Sub Inc., a Pennsylvania corporation and a wholly-owned subsidiary of Live Ventures ("Merger Sub"), and D. Jackson Milhollan, as shareholders' representative, pursuant to which Live Ventures acquired Precision by the consummation of a merger (the "Merger") of its Merger Sub with and into Precision, with Precision surviving the Merger.

Pursuant to the Merger Agreement, and subject to the terms and conditions contained therein, at the closing of the Merger, Live Ventures paid Precision's shareholders aggregate consideration of $31,475 in cash (the "Merger Consideration"), subject to (i) certain adjustments with respect to Precision's cash, expenses incurred in connection with the Merger, debt, and net working capital balances at the closing of the Merger, (ii) the withholding of a portion of the Merger Consideration in connection with the Precision shareholders' indemnification obligations under the Merger Agreement, and (iii) the withholding of a portion of the Merger Consideration as an expense account for the shareholders' representative. At the effective time of the Merger (the "Effective Time"), shares of Precision's outstanding common stock (the "Precision Common Stock") were converted into the right to receive a portion of the Merger Consideration in accordance with the terms of the Merger Agreement.

The Merger Agreement contains customary representations, warranties, covenants, and agreements of Live Ventures, Merger Sub, and Precision, including indemnification rights in favor of Live Ventures that are customary for a transaction of this nature and magnitude.

In connection with the Merger, Live Ventures formed "Precision Affiliated Holdings LLC", a Delaware limited liability company ("Precision Holdings"), as its wholly-owned subsidiary for the purpose of its holding 100% of the issued and outstanding shares of capital stock of Precision. Pursuant to the terms of a Contribution Agreement (the "Contribution Agreement") and in connection with the Merger and the financing of the acquisition of Precision, Live Ventures caused the capital stock of Precision to be vested in Precision Holdings.

Lonesome Oak Acquisition

On November 1, 2019, Marquis Industries, Inc. ("Marquis"), a subsidiary of Live Ventures Inc ("Live") entered into a purchase agreement, as amended (as amended, the "LOTC Purchase Agreement"), to acquire the outstanding capital stock of Lonesome Oak Trading Co., Inc. ("Lonesome Oak"). Pursuant to the LOTC Purchase Agreement, Marquis will acquire from the sole shareholder of Lonesome Oak (the "LOTC Shareholder") all of the issued and outstanding shares of capital stock of Lonesome Oak for $2,000. In addition, following the closing of the transaction, Lonesome Oak will be leasing back from the LOTC Shareholder certain properties owned by affiliates of the LOTC Shareholder that will be used in Lonesome Oak's operations. Marquis will hold back $1,450 of the purchase price (the "Holdback Amount") to satisfy claims for indemnity arising out of breaches of certain representations, warranties, and covenants, and certain other enumerated items, if any. In connection with the closing of the transaction, the LOTC Shareholder will enter into an employment agreement with a five-year term and will serve as Lonesome Oak's Executive Vice President pursuant to the terms thereof. The parties expect that the transaction will close within the Company's second fiscal quarter, subject to customary closing conditions. The LOTC Purchase Agreement contains customary representations, warranties, and covenants. Subject to certain exceptions, the LOTC Shareholder has agreed to indemnify Marquis for breaches of certain representations, warranties, and covenants, and certain other enumerated items, if any. Indemnification by the LOTC Shareholder for breaches of certain representations and warranties is generally limited to the Holdback Amount. The LOTC Purchase Agreement contains a three-year non-competition covenant and non-solicitation covenant that apply to the LOTC Shareholder. The transaction closed on January 31, 2020.

Proforma information

The accompanying unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of SEC Regulation S-X. The historical consolidated financial information in the unaudited pro forma condensed combined financial information has been adjusted to give effect to pro forma events that are (1) directly attributable to the acquisition, (2) factually supportable and (3) with respect to the unaudited pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results of Gardner Denver and Ingersoll Rand Industrial.

The unaudited pro forma condensed combined financial information does not give effect to any cost savings, operating synergies or revenue synergies that may result from the merger or the costs to achieve any synergies.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only and is not necessarily indicative of what the combined company's financial position or results of operations would have been had the transactions been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company.

The unaudited pro forma condensed combined financial information contains estimated adjustments, based upon available information and certain assumptions that we believe are reasonable under the circumstances. The assumptions underlying the pro forma adjustments are described in greater detail in the accompanying notes to the unaudited pro forma combined financial information. In many cases, these assumptions were based on preliminary information and estimates. The Company plans to complete the determination of the fair values of the acquired identifiable assets and liabilities and its purchase price allocation no later than December 31, 2020.

As of September 30, 2019, pro forma total assets, liabilities and shareholders' equity would have been \$195,046, \$155,467 and \$39,579, respectively. If the transaction had occurred on October 1, 2018, the pro forma statement of operations for the year ended September 30, 2019 would have reflected net loss of \$3,592. Pro forma basic and diluted loss per share would have decreased \$0.22 per common share to \$1.89 per common share. Additionally, the pro forma statement of operations for the nine months ended June 30, 2020 would have reflected net income of \$5,086. Pro forma basic income per share would have increased \$0.24 per common share to \$2.93 per common share and diluted income per share would have increased \$0.12 per common share to \$1.48 per common share.

LIVE VENTURES INCORPORATED
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS
JUNE 30, 2020
(dollars in thousands)

	Live historical (1)	Precision historical	Pro Forma Adjustments	Notes	Pro Forma Combined
Assets					
Cash	$ 5,689	$ 31	$ (2,998)	a	$ 2,722
Trade receivables, net	13,540	2,912	—		16,452
Inventories, net	42,927	25,966	2,335	b	71,228
Income taxes receivable	83	—	—		83
Prepaid expenses and other current assets	2,313	189	—		2,502
Debtor in possession assets	611	—	—		611
Total current assets	65,163	29,098	(663)		93,598
Property and equipment, net	24,687	4,932	1,116	c	30,735
Right of use asset - operating leases	24,585	—	4,000	d	28,585
Deposits and other assets	88	314	—		402
Deferred taxes	2,678	—	—		2,678
Intangible assets, net	1,196	—	—		1,196
Goodwill	37,577	—	275	d	37,852
Total assets	$ 155,974	$ 34,344	$ 4,728		$ 195,046
Liabilities and Stockholders' Equity					
Liabilities:					
Accounts payable	$ 9,841	$ 2,787	$ —		$ 12,628
Accrued liabilities	6,724	570	—		7,294
Short term notes payable	—	6,474	(6,474)	f	—
Current portion of long-term debt	18,075	287	(287)	f	18,075
Lease obligation short term - operating leases	6,900	—	466	d	7,366
Debtor in possession liabilities	12,022	—	—		12,022
Total current liabilities	53,562	10,118	(6,295)		57,385
Long-term debt, net of current portion	39,250	1,793	26,330	e	67,373
Lease obligation long term - operating leases	18,439	—	4,943	d	23,382
Notes payable related parties, net of current portion	4,826	—	—		4,826
Deferred taxes	—	708	1,295	g	2,003
Other non-current obligations	318	—	180	h	498
Total liabilities	116,395	12,619	26,453		155,467
Commitments and contingencies					
Stockholders' equity:					
Common stock	2	15	(15)	i	2
Paid-in capital	64,359	865	(865)	i	64,359
Treasury stock common	(3,871)	(3,169)	3,169	i	(3,871)
Treasury stock Series E preferred	(7)	—	—		(7)
Accumulated deficit	(20,904)	24,014	(24,014)	i	(20,904)
Total stockholders' equity	39,579	21,725	(21,725)		39,579
Total liabilities and stockholders' equity	$ 155,974	$ 34,344	$ 4,728		$ 195,046

(1) Includes the financial results of Lonesome Oak as of June 30, 2020 since the transaction closed on January 31, 2020.

LIVE VENTURES INCORPORATED
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2019
(dollars in thousands, except per share amounts)

	Live Historical	Lonesome Oak and Precision Historical	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenues	$ 193,288	$ 89,161	$ (1,583)	j	$ 280,866
Cost of revenues	122,415	75,945	(1,583)	j	196,777
Gross profit	70,873	13,216	—		84,089
Operating expenses:					
Sales, general and administrative expenses	67,617	11,113	—		78,730
Total operating expenses	67,617	11,113	—		78,730
Operating income	3,256	2,103	—		5,359
Other (expense) income:					
Interest expense, net	(6,315)	(973)	—		(7,288)
Impairment charges	(3,222)	—	—		(3,222)
Other income	644	14	—		658
Total other (expense) income, net	(8,893)	(959)	—		(9,852)
Income (loss) before provision (benefit) for income taxes	(5,637)	1,144	—		(4,493)
Provision (benefit) for income taxes	(1,625)	724	—		(901)
Net income (loss)	$ (4,012)	$ 420	$ —		$ (3,592)
Loss per share:					
Basic and diluted	$ (2.11)				$ (1.89)
Weighted average common shares outstanding:					
Basic and diluted	1,901,315				1,901,315

LIVE VENTURES INCORPORATED
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
NINE MONTHS ENDED JUNE 30, 2020
(dollars in thousands, except per share amounts)

	Live Historical (1)	Precision Historical	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenues	$ 145,100	$ 27,632	$ (414)	j	$ 172,318
Cost of revenues	93,828	22,502	(414)	j	115,916
Gross profit	51,272	5,130	—		56,402
Operating expenses:					
Sales, general and administrative expenses	40,355	4,227	—		44,582
Total operating expenses	40,355	4,227	—		44,582
Operating income (loss)	10,917	903	—		11,820
Other (expense) income:					
Interest expense, net	(3,946)	(267)	—		(4,213)
Gain on lease settlement, net	223	—	—		223
Other income	(130)	(15)	—		(145)
Total other (expense) income, net	(3,853)	(282)	—		(4,135)
Income (loss) before provision for income taxes	7,064	621	—		7,685
Provision for income taxes	2,402	197	—		2,599
Net income (loss)	$ 4,662	$ 424	$ —		$ 5,086
Income (loss) per share:					
Basic	$ 2.69				$ 2.93
Diluted	$ 1.35				$ 1.48
Weighted average common shares outstanding:					
Basic	1,735,416				1,735,416
Diluted	3,444,623				3,444,623

(1) Includes proforma financial results for the period of October 1, 2020 to January 31, 2020 and the actual financial results of Lonesome Oak as of June 30, 2020 for the period of February 1, 2020 through June 30, 2020 since the transaction closed on January 31, 2020.

LIVE VENTURES INCORPORATED
NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(dollars in thousands)

Note 1. Basis of presentation

The unaudited pro forma condensed combined financial statements are based on Live's, Lonesome Oak's and Precision's historical consolidated financial statements as adjusted to give effect to the acquisition of Lonesome Oak and Precision and the debt issuance necessary to finance the acquisition.

The unaudited pro forma combined statements of operations for the year ended September 30, 2019 gives effect to the Lonesome Oak and Precision acquisitions as if they had occurred on October 1, 2018. Live's fiscal year is October 1, 2018 to September 30, 2019, while Lonesome Oak and Precision's fiscal year is January 1, 2019 to December 31, 2019, the combined proforma statement of operations represents these periods.

The unaudited pro forma combined statements of operations for the nine months ended June 30, 2020 gives effect to the Lonesome Oak and Precision acquisitions as if they had occurred on October 1, 2019. The statement of operations for "Live Historical" includes proforma financial results for the period of October 1, 2020 to January 31, 2020 and the actual financial results of Lonesome Oak as of June 30, 2020 for the period of February 1, 2020 through June 30, 2020 since the transaction closed on January 31, 2020. The statement of operations for "Precision Historical" includes the actual results for Precision for the period of October 1, 2019 to December 31, 2019 plus the actual results for January 1, 2020 through June 30, 2020.

The unaudited pro forma combined balance sheet as of June 30, 2020 gives effect to the Precision acquisition as if it had occurred on June 30, 2020.

Note 2. Preliminary purchase price allocation

Effective July 14, 2020, Live acquired Precision for total cash consideration of $31,475 plus the assumption of all Precision liabilities. The Company financed the acquisition through the issuance of an additional loan. The unaudited pro forma condensed combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed of Precision based on management's best estimates of fair value. The final purchase price allocation may vary based on final appraisals, valuations and analyses of the fair value of the acquired assets and assumed liabilities. Accordingly, the pro forma adjustments are preliminary and have been made solely for illustrative purposes. The following table shows the preliminary allocation of the purchase price for Precision to the acquired identifiable assets, liabilities assumed and pro forma goodwill:

Total purchase price	$	31,475
Less working capital adjustment		(1,877)
Net purchase		29,598
Cash		624
Accounts receivable, net		2,814
Inventories		28,301
Other assets		72
Property, plant and equipment, net		10,048
Total assets acquired		41,859
Accounts payable		(3,116)
Accrued liabilities		(445)
Debt		(1,383)
Lease liability		(5,409)
Reclamation liability		(180)
Deferred tax		(2,003)
Total liabilities assumed		(12,536)
Total pro forma goodwill	$	275

Note 3. Pro forma adjustments

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the unaudited pro forma condensed combined financial information:

Adjustments to the pro forma condensed combined balance sheet:

(a) Reflects cash paid to the seller, net of proceeds from debt issuance.

(b) Reflects the preliminary fair value fair value adjustment to the acquired inventory based on an independent third-party appraisal.

(c) Reflects the fair value adjustment fair value adjustment to the acquired property and equipment based on an independent third-party appraisal.

(d) Reflects the fair value adjustment fair value adjustment to the acquired real estate based on an independent third-party appraisal and the accounting for sale leaseback entered into at the time of the transaction.

(e) Reflects the preliminary estimate of goodwill, which represents the excess of the purchase price over the fair value of Precision's identifiable assets acquired and liabilities assumed as shown in Note 2.

(f) Reflects the Precision payment of short-term notes payable and long-term debt and the loan issuance necessary to finance the acquisition

(g) Reflects the estimated deferred tax impact related to the fair value adjustment of inventory and property and equipment.

(h) Reflects the estimated liabilities related to reclamation.

(i) Reflects the elimination of Precision shareholder's equity.

Adjustments to the pro forma condensed statements of operations:

(j) Reflects the elimination of revenues and cost of revenues associated with transactions between Lonesome Oak and the Company.