

Risk Factors Comparison 2024-04-01 to 2023-03-31 Form: 10-K

Legend: **New Text** ~~Removed Text~~ ~~Unchanged Text~~ **Moved Text** **Section**

● If we fail to retain current users or add new users, or if our users decrease their level of engagement with the Platform, our business would be seriously harmed. ● The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed. ● The sales and payment cycle for online advertising is long, and such sales may not occur when anticipated or at all, all of which could adversely affect our business. ● We are dependent on the continued services and on the performance of key third-party content contributors, the loss of which could adversely affect our business. ● Our revenues could decrease if the Platform does not continue to operate as intended. ● The growing percentage of users whose computers, tablets, or phones that do not support identification through third-party cookies, mobile identifiers, or other tracking technologies could adversely affect our business, results of operations, and financial conditions. ● Our Publisher Partners may engage in intentional or negligent misconduct or other improper activities on the Platform or otherwise misuse the Platform, which may damage our brand image, our business and our results of operations. ● The Platform and our technology systems contain open source software, which may pose particular risk to our proprietary software and Platform features and functionalities in a manner that negatively affect our business. **Economic and Operational Risks** ● We may have difficulty managing our growth. ● The strategic relationships that we may be able to develop and on which we may come to rely may not be successful. ● A significant portion of our revenues is derived from a single customer. If we were to lose this customer, our revenues could decrease significantly. ● Interruptions or performance problems associated with our technology and infrastructure may adversely affect our business and operating results. ● We operate our exclusive coalition of professional-managed online media channels on third-party cloud platforms and data center hosting facilities. ● Real or perceived errors, failures, or bugs in the Platform could adversely affect our operating results and growth prospects. ● Malware, viruses, hacking attacks, and improper or illegal use of the Platform could harm our business and results of operations. ● If we are unable to protect our intellectual property rights, our business could suffer. ● We could be required to cease certain activities or incur substantial costs as a result of any claim of infringement of another party's intellectual property rights. ● We are subject to a variety of laws and regulations in the United States and abroad that are constantly evolving and involve matters central to our business, including privacy, data protection, and personal information, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, personal information, electronic contracts and other communications, competition, protection of minors, consumer protection, telecommunications, employee classification, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance, and online payment services, and the related compliance costs and our failure to comply with these laws and regulations could adversely affect our business. ● Our services involve the storage and transmission of digital information; therefore, cybersecurity incidents, including those caused by unintentional errors and those intentionally caused by third parties, may expose us to a risk of loss, unauthorized disclosure or other misuse of this information, litigation liability, regulatory exposure, reputational harm and increased security costs. ● Existing or future strategic alliances, long-term investments and acquisitions may have a material and adverse effect on our business, reputation and results of operations. ● Our products may require availability of components or known technology from third parties and their non-availability can impede our growth. ● Our business is subject to the risk of catastrophic events such as pandemics, earthquakes, flooding, fire, and power outages, and to interruption by man-made problems such as acts of war and terrorism. ● Compliance with the reporting obligations under the United States securities laws and Section 404 of the Sarbanes-Oxley Act ("Sarbanes") will require expenditure of capital and other resources and may divert management's attention. If we fail to comply with these reporting obligations or to maintain adequate internal control over financial reporting, our business, financial condition, and results of operations, and investors' confidence in us, could be materially and adversely affected. ● Unfavorable economic and market conditions could adversely affect our business, reputation and results of operations. **Risks Related to Our Indebtedness, Financial Condition, and Internal Control** ● As the general economic and market conditions present uncertainty as to our ability to secure additional capital, there can be no assurances that we will be able to secure additional financing on acceptable terms, or at all, as and when necessary to continue to conduct operations. ● We have a history of losses. ● Our results of operations may fluctuate significantly and may not meet our expectations or those of securities analysts and investors. ● Any future litigation against us could be costly and time-consuming to defend. ● Our ability to utilize our net operating loss carryforwards may be limited. **Risks Related To Governance** ● We are dependent on the continued services and on the performance of our key executive officers, management team, and other key personnel, the loss of which could adversely affect our business. ● The elimination of monetary liability against our directors, officers, and employees under Delaware law and the existence of indemnification rights for our obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees. ● Because we are a "smaller reporting company," we will not be required to comply with certain disclosure requirements that are applicable to other public companies, and we cannot be certain if the reduced disclosure requirements applicable to smaller reporting companies will make our common stock less attractive to investors. ● Provisions in our Certificate of Incorporation and Bylaws and Delaware law may discourage a takeover attempt even if a takeover might be beneficial to our stockholders and limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers and employees. ● Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us. **Risks Related to Investment in Our Securities** ● The trading price of the shares of our common stock has been and may continue to be volatile

and could subject us to litigation. ● Our Board is authorized to issue additional shares of our common stock that would dilute existing stockholders and sales, distribution or issuance of substantial amounts of our common stock could cause the market price of our common stock to decline. ● We may issue additional securities with rights superior to those of our common stock, which could materially limit the ownership rights of our stockholders. We may issue additional securities with rights superior to those of our common stock, which could materially limit the ownership rights of our stockholders.

Part I Item 1. Business The Arena Group Holdings, Inc. (the “Company,” “Arena Group,” “we,” “our,” or “us”), is a tech-powered media company that focuses on building deep content verticals powered by a best-in-class digital media platform (the “Platform”) empowering premium publishers who impact, inform, educate, and entertain. Our strategy is to focus on key verticals where audiences are passionate about a topic category (e.g., sports and finance), and where we can leverage the strength of our core brands to grow our audience and increase monetization both within our core brands as well as our media publisher partners (each, a “Publisher Partner”). Our focus is on leveraging our Platform and iconic brands in targeted verticals to maximize audience reach, improve engagement, and optimize monetization of digital publishing assets for the benefit of our users, our advertiser clients, and our greater than 40 owned and operated properties as well as properties we run on behalf of independent Publisher Partners. We operate the media businesses for Sports Illustrated (“Sports Illustrated”), own and operate TheStreet, Inc. (“TheStreet”) and College Spun Media Incorporated (“The Spun”), Parade Media (“Parade”), Men’s Journal and power more than 225 independent Publisher Partners, including the many sports team sites that comprise FanNation. Each Publisher Partner joins the Platform by invitation only and is drawn from premium media brands and independent publishing businesses with the objective of augmenting our position in key verticals and optimizing the performance of the Publisher Partner. Publisher Partners incur the costs in content creation on their respective channels and receive a share of the revenue associated with their content. Because of the state-of-the-art technology and large scale of the Platform and our expertise in search engine optimization, social media, ad monetization and subscription marketing, Publisher Partners continually benefit from our ongoing technological advances and bespoke audience development expertise. Additionally, we believe the lead brand within each vertical creates a halo benefit for all Publisher Partners in the vertical while each of them adds to the breadth and quality of content. While the Publisher Partners benefit from these critical performance improvements they also may save substantially in costs of technology, infrastructure, advertising sales, and member marketing and management. The Platform We developed the Platform, a proprietary online publishing platform that provides our owned and operated media businesses, Publisher Partners (who are third parties producing and publishing content on their own domains), and individual creators contributing content to our owned and operated sites (“Expert Contributors”), the ability to produce and manage editorially focused content through tools and services provided by us. We have also developed proprietary advertising technology, techniques and relationships that allow us, our Publisher Partners and Expert Contributors to monetize online, editorially focused content through various display and video advertisements and tools and services for driving a subscription or membership based business and other monetization services (the “Monetization Solutions”) and, together with the Platform, the “Platform Services”). Our Platform offers audiences bespoke content with optimized design and page construction. The Platform comprises state-of-the-art publishing tools, video platforms, social distribution channels, newsletter technology, machine learning content recommendations, notifications, and other technology that deliver a complete set of features to drive a digital media business in an entirely cloud-based suite of services. Our software engineering and product development teams are experienced at delivering these services at scale. We continue to develop the Platform software by combining proprietary code with components from the open-source community, plus select commercial services as well as identifying, acquiring, and integrating other platform technologies, where we see unique long-term benefits to us. The Platform Services include: ● Content management, machine learning driven content recommendations, traffic redistribution, hosting and bandwidth; ● Video publishing, hosting, and player solution via an integrated set of third-party providers; ● Dashboards for our Publisher Partners as well as integration with leading analytics services like Google Analytics; ● User account management; ● User account migration to platform, including emails and membership data; ● Technical support team to support our Publisher Partners and staff (if applicable) on the Platform; ● Advertising serving, trafficking / insertion orders, yield management, and reporting and collection; ● Various integrations to enable the syndication of content (e.g., Apple News, Facebook Instant Articles, Google AMP, Google news and RSS feeds); and ● Other features, as they may be added to the Platform from time to time. Our Publisher Partners use the Platform Services to produce, manage, host and monetize their content in accordance with the terms and conditions of partner agreements between each of our Publisher Partners and us (the “Partner Agreements”). Our Publisher Partners incur the costs with respect to creating their content; thus, not requiring capital expenditures by us. Pursuant to the Partner Agreements, we and our Publisher Partners split revenue generated from the Platform Services used in connection with the Publisher Partner’s content based on certain criteria such as whether the revenue was from direct or programmatic advertising sales, was generated by our Publisher Partner or us, was generated in connection with a subscription or a membership, was generated from syndicating or licensing the content to third parties, or whether the revenue was derived from affiliate links. Subject to the terms and conditions of each Partner Agreement and in exchange for the Platform Services, our Publisher Partners grant us, for so long as our Publisher Partner’s assets are hosted on the Platform, (i) the right to use, host, store, cache, reproduce, publish, publicly display, distribute, transmit, modify, adapt and create derivative works of the content provided by the Publisher Partner to provide, maintain and improve the Platform Services; (ii) use, publicly display, distribute and transmit the name, logo, and trademarks of the Publisher Partner to identify them as users of the Platform Services; (iii) exclusive control of ads. txt with respect to our Publisher Partner’s domains and (iv) the exclusive right to include our Publisher Partner’s website domains and related URLs in our coalition in a consolidated listing assembled by third party measurement companies such as comScore, Nielsen or other similar measuring services selected by us. As such, the Platform serves as the primary digital media and social platform with respect to each of our Publisher Partners’ website domains during the applicable term of each Partner Agreement. Our Brands and Growth Strategy Our business model is to grow our Platform audience while striving to diversify revenue and drive gross

margin through traditional media brands as well as new digital-first brands. We believe our vertical model allows us and our partners to leverage audience growth, technological efficiencies and cost savings across all of our brands. Our vertical model consists of (i) acquiring or partnering with powerful brands that can offer our audience bespoke content and domain authority, (ii) forming key strategic partnerships with like-minded partners of high-quality content, (iii) partnering with entrepreneurial publishers to drive local content at variable cost tied to performance, and (iv) growing our Publisher Partners on our network to expand our content offerings and add scale to the ecosystem. Our growth strategy is to continue to expand the coalition by adding new Publisher Partners in key verticals that management believes will expand the scale of unique users interacting on the Platform. In each vertical, we seek to build around a leading brand, such as Sports Illustrated (for sports), TheStreet (for finance) and Parade and Men's Journal (for lifestyle), surround it with subcategory specialists, and further enhance coverage with individual Expert Contributors. The primary means of expansion is adding independent Publisher Partners or acquiring publishers that have premium-branded content and can broaden the reach and impact of the Platform. As our digital revenue and gross margin grows, we believe we can further accelerate our growth. Specifically, our 2023 growth initiatives include: (i) increasing syndication of the content on our Platform through the re-publishing the content on third-party websites, (ii) offering of podcasts and e-commerce through our Platform, (iii) growing Sports Illustrated sportsbook ("SI Sportsbook"), (iv) acquiring or developing new verticals for our users, and (v) continuing to identify and partner with new Publisher Partners. In 2019, we entered into a licensing agreement, as amended (the "Sports Illustrated Licensing Agreement") with ABG-SI LLC ("ABG"), pursuant to which we have the exclusive right and license in the United States, Canada, Mexico, United Kingdom, Republic of Ireland, Australia, and New Zealand to operate the Sports Illustrated media business (in the English and Spanish languages), including to (i) operate the digital and print editions of Sports Illustrated (including all special interest issues and the swimsuit issue) and Sports Illustrated for Kids, (ii) develop new digital media channels under the Sports Illustrated brands, and (iii) operate certain related businesses, including without limitation, special interest publications, video channels, bookazines, and the licensing and/or syndication of certain products and content under the Sports Illustrated brand. ABG is a brand development, marketing, and entertainment company. Since assuming management of the Sports Illustrated media assets in October 2019, we have implemented significant changes to rebuild the historic brand and beacon of sports journalism, to evolve and expand the business, and to position it for growth and continued success going forward. With respect to Sports Illustrated Swim ("SI Swim"), we have transitioned to a female-focused lifestyle brand, with the annual content release in May 2022. Our fan-facing event to celebrate the 2022 annual content release and ongoing digital sponsorships was held over several nights in May 2022 and we partnered with Hard Rock, Maybelline, Celsius, Frida Mom and others. SI Sportsbook, an online sports betting app, was launched in 2021 in Colorado and has expanded to several states through the end of fiscal 2022. Pursuant to a licensing agreement, we provide content for SI Sportsbook and our partner, 888 Holdings PLC, one of the world's leading online betting and gaming companies, provides the gambling engine, which it makes available to users in certain states in which it is registered. TheStreet is a leading financial news and information provider to investors and institutions worldwide and produces business news and market analysis for individual investors. TheStreet has a strong editorial tradition, robust subscription platform, and valuable membership base to us, and benefits from our mobile-friendly CMS, social, video, and monetization technology. The Spun The Spun, founded in September 2012, and acquired by us in June 2021, is an online independent sports publication that brings readers the most interesting athletic stories of the day. The Spun focuses on the social media aspect of the industry. The former Chief Executive Officer of The Spun is now serving as our Senior Vice President of Growth, a role we believe will continue to assist us in growing our sports vertical business. We acquired Parade, a premium-branded company in April 2022 which helped to expand our digital audience reach. Parade has become the anchor of our new lifestyle vertical, and Athlon Sports, one of Parade's premium brands, has expanded our sports vertical. In the fourth quarter of 2022, we discontinued the Parade print business. See Note 3, Discontinued Operations in our accompanying consolidated financial statements for additional information. Men's Journal We acquired the digital assets of Men's Journal from Weider Publications, a subsidiary of A360 Media, LLC in December 2022 to supplement our growing lifestyle vertical. This suite of digital assets provides our audience with access to premium active lifestyle brands including Men's Journal, Men's Fitness, Surfer, Powder, Bike, SKATEboarding, Snowboarder and NewSchoolers. HubPages HubPages enhances the user's experience by including content from individual creators to the HubPages network of premium content channels that are owned and operated by Arena. These channels, such as PetHelpful, dengarden and Fashionista, act as an open community for writers, explorers, knowledge seekers, and conversation starters to connect in an interactive and informative online space. Corporate History We were originally incorporated in Delaware as Integrated Surgical Systems, Inc. ("Integrated") in 1990. On October 11, 2016, Integrated and TheMaven Network, Inc. ("Maven Network") entered into a share exchange agreement (the "Share Exchange Agreement"), whereby the stockholders of Maven Network agreed to exchange all of the then-issued and outstanding shares of common stock for shares of common stock of Integrated. On November 4, 2016, the parties consummated a recapitalization pursuant to the Share Exchange Agreement and, as a result, Maven Network became a wholly owned subsidiary of Integrated. Integrated changed its name to theMaven, Inc. on December 2, 2016. On September 20, 2021, we re-branded to "The Arena Group." Effective on February 8, 2022, we changed our legal name to The Arena Group Holdings, Inc. in conjunction with filing a Certificate of Amendment and Certificate of Corrections with the State of Delaware and on February 9, 2022, our common stock began trading on the NYSE American. Intellectual Property We use proprietary technology to operate our business, and our success depends, in part, on our ability to protect our technology and intellectual property. We rely on a combination of patent, copyright, trademark and trade secret laws, as well as contractual restrictions, to establish and protect our intellectual property. We maintain a policy requiring our employees, contractors, consultants and other third parties to enter into confidentiality and proprietary rights agreements to control access to our proprietary information. These laws, procedures and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated. Further, the laws of certain countries do not protect proprietary rights to

the same extent as the laws of the United States and, therefore, in certain jurisdictions, we may be unable to protect our proprietary technology. As of December 31, 2022, we had 7 issued patents in the United States, all expiring by 2033. As of December 31, 2022, we also owned approximately 1,300 U. S. copyright registrations and had unregistered copyrights in our software documentation, software code, marketing materials, and website content that we develop, and owned over 1,600 registered domain names. As of December 31, 2022, we also owned 165 U. S. trademark registrations, 15 pending U. S. trademark applications, and 88 issued foreign trademark registrations and 20 pending foreign trademark applications in over 30 countries, and a number of unregistered marks that we use in the United States and other countries to promote our brands. Our registered trademarks are all subject to renewal at various times through 2033. We will continue to file updated trademark applications in the United States and abroad to reflect our branding evolution and to continue strengthening our trademark portfolio as financial resources permit. From time to time we also expect to file additional patents and copyrights. Our Publisher Partners and Licensing In connection with our Partner Agreements and any other applicable agreements between us and our Publisher Partners, (i) we and our affiliates own and retain (a) all right, title, and interest in and to the Platform, other Monetization Solutions and data collected by us, and (b) we and our licensors' trademarks and branding and all software and technology we use to provide and operate the Platform and Monetization Solutions, and (ii) each Publisher Partner owns and retains (a) all right, title, and interest in and to the Publisher Partner's assets, content, and data collected by Publisher Partner and (b) each Publisher Partner's trademarks and branding. Seasonality We do experience seasonality during the year, as a result of advertising seasonality and sports seasons and major sporting events. Advertising typically peaks in the fourth quarter of our fiscal year as advertisers concentrate their budgets during the holiday season. This trend is magnified as it also includes the professional sports and college football seasons, which account for a significant portion of our advertising revenue during that period of the year. Other sporting events such as the Super Bowl, Winter and Summer Olympics, soccer's World Cup, and major golf, tennis and cycling events create increased traffic surrounding the respective events. Competition Currently, we believe that there are many competitors delivering media content in the verticals that we serve on the web and on mobile devices and an even broader array of general media companies and major media brands that compete for the attention of users and the advertisers who desire to reach them. We have developed a playbook that leverages our state-of-the-art platform to optimize the performance of both our owned and operated and our Publisher Partners' properties. The playbook is a set of processes, procedures and tactics that help improve the consumer experience, develop a greater organic audience reach, apply data management and artificial intelligence tools, optimize monetization and leverage content through syndication and improved distribution. This all happens within our vertical structure, which leverages the iconic brands leading each vertical to deliver a highly engaging and effective experience for our users, advertisers and subscribers. The web provides unlimited access to the market by niche or general media companies, so there are a large number and variety of direct competitors of ours competing for audience and ad and membership dollars. The general business of online media, combined with some level or method of leveraging community attracts many potential entrants, and in the future, there may be strong competitors that will compete with us in general or in selected markets. These and other companies may be better financed and be able to develop their markets more quickly and penetrate those markets more effectively. The following is a list of possible competitors and their respective categories: • Vice, BuzzFeed, Business Insider, et al. — niche content, leverages social, mobile, and video, and competes for ad dollars; • Fortune, CNN, ESPN, Yahoo!, Google, et al. — general content, major media companies, and competes for ad dollars; • WordPress, Medium, RebelMouse, Arel — content management software, open to all including experts and professionals, and competes for publishers; • Leaf Group Ltd. and Future PLC — competes for partners and ad dollars; • YouTube, Twitter, Facebook, Reddit — social platforms open to all including experts and professionals; and • Affiliate networks such as Liberty Alliance — competes for ad dollars. In addition, even though do not compete in the same market, we view Nexstar Media Group, Inc. and Ziff Davis as peer companies for purposes of comparing our performance. We believe that we compete on the basis of our technology, substantial scale in traffic, ease of use, recognized lead media brands, and platform evolution through a continuing development and acquisition program. We believe that our scale, methods, technology, and experience enable us to compete for a material amount of market share of media dollars and membership revenue. Government Regulations Our operations are subject to a number of United States federal and state laws and regulations that involve data privacy, data protection, rights of publicity, content regulation, intellectual property, or other subjects. Many of these laws and regulations are still evolving and being tested in courts and could be interpreted in ways that could harm our business. In addition, the application and interpretation of these laws and regulations often are uncertain, particularly in the new and rapidly evolving industry in which we operate. We continue to monitor existing and pending laws and regulations, and the impact of regulatory changes cannot be predicted with certainty. Several government authorities, both in the United States and abroad, and private parties are increasing their focus on privacy issues and the use of personal information. All U. S. states have enacted some form of data security legislation, including data breach notification laws. There are a number of federal laws governing data privacy, and a growing number of U. S. states have enacted laws regarding the collection, use and disclosure of personal information. California has been the most active in consumer privacy legislation, including passing a comprehensive law requiring transparency, access, and choice known as the California Consumer Privacy Act of 2018 (the "CCPA"), which was amended by the California Privacy Rights Act (the "CPRA") which went into effect January 1, 2020, with enforcement beginning in June 2023. In addition to California, certain states have already enacted (e. g. VA, CO, CT, and UT) comprehensive consumer privacy legislation and numerous others have introduced or are considering similar legislation. Certain states, such as Massachusetts, have also enacted legislation requiring that companies have written information security programs to protect certain personal data, and more states are considering laws for or have enacted laws about information security, which may require the adoption of written information security policies that are consistent with state laws if businesses have personal information of residents of those states. Data privacy and information security legislation is also being considered at the federal level. In the United States, the Federal Trade Commission ("FTC") and state attorneys general have oversight of business

operations concerning the use of personal information and breaches of the privacy laws under existing consumer protection laws. In particular, an attorney general or the FTC may examine privacy policies to ensure that a company discloses all material practices and fully complies with representations in the policies regarding the manner in which the information provided by visitors to a website is used and disclosed, and the failure to do so could give rise to penalties under state or federal unfair competition or consumer protection laws. The California Attorney General has begun aggressively investigating companies, especially those with websites, with respect to CCPA compliance, and these investigations include inquiries into issues for which there has not yet been clear guidance issued by the state, such as regarding third party cookies that collect personal information from users when they visit our and other websites. We review our privacy policies and overall operations on a regular basis to ensure compliance with applicable United States federal and state laws, and to the extent applicable, any foreign laws. We launched a CCPA compliance program in January 2020, and have expedited it to cover CPRA as well. On an annual basis we review the program and adjust our privacy notice and compliance program practices to account for our evolving practices and the CCPA / CPRA regulations, which were first promulgated in July 2020 and continue to be subject to ongoing rulemaking. There are conflicting interpretations of the law that have been adopted by various parties in the digital media industry, and given the lack of guidance to date on many of these issues, our compliance posture on some issues might not be accepted by the State of California. In addition to the laws of the United States, we may be subject to foreign laws regulating web sites and online services, and the laws in some jurisdictions outside of the United States are stricter than the laws in the United States. For instance, in May 2018, the General Data Protection Regulation (the “GDPR”) went into effect in the EU and European Economic Area and Switzerland. The GDPR includes operational requirements for companies that receive or process personal data of residents of the EU that include significant penalties for non-compliance. In addition, some EU countries are considering or have passed legislation implementing additional data protection requirements or requiring local storage and processing of personal data or similar requirements that could increase the cost and complexity of delivering our services. The GDPR also includes certain requirements regarding the security of personal data and notification of data processing obligations or security incidents to appropriate data protection authorities or data subjects, as well as requirements for establishing a lawful basis on which personal data can be processed. How the GDPR will be fully applied to online services, including cookies and digital advertising, is still being determined through ongoing rulemaking and evolving interpretation by applicable authorities. On June 16, 2020, the Court of Justice of the European Union (“CJEU”), declared the E. U.-U. S. Privacy Shield framework (“Privacy Shield”) to be invalid. As a result, Privacy Shield is no longer a valid mechanism for transferring personal data from the E. E. A. to the United States. We are addressing this issue, for instance, by including standard contractual clauses as part of our Data Processing Agreements; however, it is uncertain whether the standard contractual clauses will also be invalidated by the European courts or legislature, which seems possible given the rationale behind the CJEU’s concerns about U. S. law and practice on government surveillance. GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies and obtain compensation for damages resulting from violations of the GDPR. GDPR imposes substantial fines for breaches and violations (up to the greater of € 20 million or 4 % of our consolidated annual worldwide gross revenue). Social networking websites are also under increasing scrutiny. Legislation has been introduced on the state and federal level that could regulate social networking websites. Some rules call for more stringent age-verification techniques, attempt to mandate data retention or data destruction by Internet providers, and impose civil or criminal penalties on owners or operators of social networking websites. The FTC regularly considers issues relating to online behavioral advertising (a/k/a interest-based advertising), which is a significant revenue source for us, and Congress and state legislatures are frequently asked to regulate this type of advertising, including requiring consumers to provide express consent for tracking purposes, so that advertisers may know their interests and are, therefore, able to serve them more relevant, targeted ads. Targeted ads generate higher per impression fees than non-targeted ads. New laws, or new interpretations of existing laws, could potentially place restrictions on our ability to utilize our database and other marketing data (e. g., from third parties) on our own behalf and on behalf of our advertising clients, which may adversely affect our business. Legislation concerning the above-described online activities has either been enacted or is in various stages of development and implementation in other countries around the world and could affect our ability to make our websites available in those countries as future legislation is made effective. It is possible that state and foreign governments might also attempt to regulate our transmissions of content on our website or prosecute us for violations of their laws. United States law offers limited safe harbors and immunities to publishers for certain liability arising out of user-posted content, but other countries do not. Further, there are a number of legislative proposals in the United States and internationally, that could impose new obligations in areas affecting our business, such as liability for copyright infringement by third parties and liability for defamation or other claims arising out of user-posted content. Our business could be negatively impacted if applicable laws subject us to greater regulation or risk of liability. Our business could also be adversely affected if regulatory enforcement authorities, such as the California Attorney General or EU / EEA data protection authorities, take issue with any of our approaches to compliance, or if new laws, regulations or decisions regarding the collection, storage, transmission, use or disclosure of personal information are implemented in such ways that impose new or additional technological requirements on us, limit our ability to collect, transmit, store and use or disclose the information, or if government authorities or private parties challenge our data privacy or security practices that result in liability to, or restrictions on us, or we experience a significant data or information breach which would require public disclosure under existing notification laws and for which we may be liable for damages or penalties. Furthermore, governments of applicable jurisdictions might attempt to regulate our transmissions or levy sales or other taxes relating to our activities even though we do not have a physical presence or operate in those jurisdictions. As our platforms, products and advertising activities are available over the Internet anywhere in the world, multiple jurisdictions may claim that we are required to qualify to do business as a foreign corporation in each of those jurisdictions and pay various taxes in those jurisdictions. We address state and local jurisdictions where we believe we have nexus, however, there can be no assurance that we have complied

with all jurisdictions that may assert that we owe taxes. Currently, we carry cybersecurity and business interruption coverage to mitigate certain potential losses, but this insurance is limited in amount and may not be sufficient in type or amount to cover us against claims related to a cybersecurity breach and related business and system disruptions. We cannot be certain that such potential losses will not exceed our policy limits, insurance will continue to be available to us on economically reasonable terms, or at all, or any insurer will not deny coverage as to any future claim. In addition, we may be subject to changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements.

Human Capital Resources Our total number of employees as of December 31, 2021, was 400, of which 391 were full-time employees and 9 were part-time employees. Roughly 23% of our workforce, or 92 employees, is represented by a union named The NewsGuild of New York, CWA Local 31003 (the “Guild”) pursuant to a binding Memorandum of Agreement executed by and between the Guild and The Arena Media Brands, LLC (“Arena Media”) on December 31, 2021 (the “MOA”), which covers Sports Illustrated editorial staff. The MOA is intended to be finalized in the form of a collective bargaining agreement during fiscal 2023. The MOA comprehensively addresses the terms of employment for covered employees and non-employees regarding, among other things, wages, raises, bonuses, severances, benefits, discipline and the like. We have incorporated the terms of the MOA into our fiscal 2022 employment practices.

Corporate Culture We like to say that The Arena Group is where the action is—where passion drives each of us. The things we love are what keep us coming back to read, watch and experience the best in sports, finance, and entertainment—brought to you by the iconic brands you admire most. We are building out the pathways to passion—your ticket to continuous excitement. We are working to build and sustain a company culture that enables our employees to show up as their best, whole selves; to communicate, collaborate, and innovate with their colleagues, no matter where they are located; and to learn, grow, and belong.

DEI Initiatives We believe that a workforce rich in diversity of thought, background, and experience helps us build a company and community where we can all succeed. This year, we launched our first company-wide Diversity, Equity, and Inclusion (“DEI”) Council—comprised of 18 employees with a variety of identities and backgrounds that also represented as wide a selection as possible across brands, functions, and tenures at Arena, and most importantly, represented a clear commitment to diversity and inclusion at our company. The Council meets monthly, and meets with and advises senior leadership on how to direct an annual DEI budget. We expect to launch our first company-wide engagement survey in 2023, alongside multi-faceted efforts to build and sustain an inclusive culture of feedback and engagement. The feedback from this survey will help us prioritize our best next steps in continued improvement of our workplace community.

Available Information We file our annual, periodic and current reports, and other required information, electronically with the SEC. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements and other information that we file with the SEC electronically. We also make available on our website at www.thearenagroup.net, free of charge, copies of these reports and other information as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. We use our website, blog, press releases, public conference calls and public webcasts as means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels. The contents of the websites referred to above are not incorporated into this filing.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. Listed below is a summary of the principal risks that could adversely affect our business, operations and financial results. There are numerous factors that affect our business, operations and financial results, many of which are beyond our control. The risks described below are not the only risks we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations. If any of the following risks actually occur, our business, financial condition, results of operations, cash flows, or our ability to pay our debts and other liabilities could suffer. As a result, the trading price and liquidity of our securities could decline, perhaps significantly, and you could lose all or part of your investment. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See the section entitled “Cautionary Statement Regarding Forward-Looking Statements.” All dollar figures are presented in thousands unless otherwise stated.

RISKS RELATED TO OUR BUSINESS If we fail to retain current users or add new users, or if our users decrease their level of engagement with the Platform, our business would be seriously harmed. The success of our business **and our ability to attract and retain advertisers** heavily depends on the size of our user base and the level of engagement of our users. **Several** Thus, our business performance will also become increasingly dependent on our ability to increase levels of user engagement in existing and new markets. We are continuously subject to a highly competitive market in order to attract and retain our users’ attention. A number of factors could negatively affect user retention, growth, and engagement, including if:

- our users increasingly engage with competing platforms instead of **ours the Platform**;
- we fail to introduce new and exciting products and services, or such products and services do not achieve a high level of market acceptance;
- we fail to accurately anticipate user needs, or we fail to innovate and develop new software and products that meet these needs;
- we fail to price our products competitively;
- we do not provide a compelling user experience because of the decisions we make regarding the type and frequency of advertisements that we display;
- we are unable to combat spam, bugs, malwares, viruses, hacking, or other hostile or inappropriate usage of our products or the Platform **(as defined below)**;
- there are changes in user sentiment about the quality or usefulness of our existing products in the short-term, long-term, or both;
- there are increased user concerns related to privacy and information sharing, safety, or security on the Platform;
- there are adverse changes in our products or services that are mandated by legislation, regulatory authorities, or legal proceedings;
- technical or other problems frustrate the user experience, particularly if those problems prevent us from delivering our products in a fast and reliable manner;
- we, our Publisher Partners, or other companies in our industry are the subject of adverse media reports or other negative publicity, some of which may be inaccurate or include confidential information that we are unable to correct or retract; or
- we fail to maintain our brand image or our reputation is damaged. **Any decrease in user retention** **Our**

license agreement to operate the Sports Illustrated media business was terminated by the licensor, growth, which may materially harm our engagement business, operating results and financial condition. In connection with our failure to make a quarterly payment due to ABG pursuant to the Licensing Agreement of approximately \$ 3, 750, 000, on January 18, 2024, ABG notified us of the termination of the Licensing Agreement, effective immediately, in accordance with its rights under the Licensing Agreement. Upon such termination, a fee of \$ 45. 0 million became immediately due and payable by us to ABG pursuant to the terms and conditions of the Licensing Agreement. In addition, upon termination of the Licensing Agreement, all outstanding and unvested warrants to purchase shares of Arena common stock issued to ABG in connection with the Licensing Agreement became immediately vested and exercisable. On March 18, 2024, ABG announced it had reached an agreement in principle with a third party to become the new operator of the Sports Illustrated media business. We are engaging in discussions with ABG and the third party regarding the timing and terms of the transition of the Sports Illustrated media business to the aforementioned third party. The loss of the rights to operate the Sports Illustrated media business, in addition to termination payments that are due following termination of the Licensing Agreement, could harm our products and the Platform less attractive to users, advertisers, or our competitiveness in our industry Publisher Partners, damage any goodwill we thereby reducing our revenues from them, which may have generated, and otherwise have a material and adverse impact effect on our business, operating results and financial condition. Any subsequent rebranding efforts we may undertake may require significant resources and expenses and may affect our ability to attract and retain customers, all of which may have a material adverse effect on our business, contracts, financial condition, operating results, liquidity and prospects. We defaulted on certain covenants included in our debt agreements that could result in the acceleration of the related debt or the exercise of other remedies. On December 29, 2023, we failed to make the interest payment due pursuant to the Third A & R NPA (as defined in " Management's Discussion and Analysis of Financial Condition and Results of Operations - Operations - Liquidity and Capital Resources - Senior Secured Notes ") in the amount of approximately \$ 2. 8 million, resulting in an event of default under the Arena Notes (as described below) (the " Arena Notes Default "). On January 5, 2024, we entered into a forbearance agreement (the " Forbearance Agreement ") with Renew Group Private Limited (" Renew "), the lender under the Third A & R NPA, pursuant to which Renew agreed to a forbearance period through March 29, 2024, while reserving its rights and remedies. The forbearance period is subject to us retaining a chief restructuring officer acceptable to Renew. Also on January 5, 2024, the Company's board of directors finalized an engagement with FTI Consulting Inc. (" FTI "), a global business advisory firm, to assist the Company with its turnaround plans and forge an expedited path to sustainable positive cash flow and earnings to create shareholder value (the " FTI Engagement "). As part of the FTI Engagement, Jason Frankl, a senior managing director of FTI, was appointed as the Company's Chief Business Transformation Officer. Jason Frankl is a chief restructuring officer acceptable to Renew. On March 27, 2024, the forbearance period was extended through the earlier of the following: (a) April 30, 2024; (b) the occurrence of the closing of the Business Combination and (c) the termination of the Business Combination prior to closing. The outstanding principal on the Arena Notes was approximately \$ 110. 7 million as of December 31, 2023. The Arena Notes Default, as well as the Company's failure to make a quarterly payment due to ABG pursuant to the Licensing Agreement, resulted in an Event of Default under its credit and security agreement dated February 2020 (as amended, the " Arena Credit Agreement ") with SLR Digital Finance LLC (" SLR "). On March 13, 2024 the Company entered into a loan agreement (the " Arena Loan Agreement "), by and between the Company and Simplify Inventions, LLC (" Simplify " and in reference to the loan agreement, the " Simplify Loan "), which provides for up to \$ 25 million of borrowings to be used for working capital and general corporate purposes. Upon the closing, the Company borrowed approximately \$ 7. 7 million, of which approximately \$ 3. 4 million was used to repay the outstanding loan balance, accrued interest, certain fees and contingency reserves under its Arena Credit Agreement. The indirect owner of Renew also has an indirect non- controlling interest in Simplify. Borrowings under the Arena Loan Agreement are secured by substantially all of our assets. Upon the termination of the forbearance period under the Forbearance Agreement, Renew can declare all outstanding borrowings under the Arena Notes, together with accrued and unpaid interest and fees, to be immediately due and payable. In addition, Simplify could declare all outstanding borrowings under the Arena Loan Agreement together with accrued and unpaid interest and fees, to be immediately due no assurance that we will succeed in developing products and payable services that will eventually become widely accepted, that we will be able to timely release products and services that are commercially viable. subject to the terms of the intercreditor agreement between Renew and Simplify, foreclose on our assets. Any of that we will establish ourselves as a successful player in any new business area we decide to enter in the these actions future. Our inability to do so would have an a material adverse impact effect on our business, financial condition, and or results of operations and could lead to selling assets, cutting costs, reducing cash requirements, filing bankruptcy or ceasing operations. The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed. The digital media industry is fragmented and highly competitive. There are many players in the digital media market, many with greater name recognition and financial resources, which may give them a competitive advantage. The general business of online media, combined with some some of level our or current and method of leveraging community attracts many potential entrants, and in the future, there may be strong competitors have substantially greater financial, technical, that will compete with us in general or in selected marketing markets. These, distribution, and other companies resources than we do. Our competitors may be better financed and be able to respond develop their markets more quickly and penetrate those markets more effectively than we can to new or changing opportunities, technologies, standards, customer, and user requirements and trends. We expect In addition, our customers and strategic partners may become competitors competition to intensify in the future. Certain All of this our competitors may be able to negotiate alliances with strategic partners on more favorable terms than we are able to

negotiate. Pricing pressures and increased competition generally could result in reduced sales, reduced margins, losses, or the failure of the Platform to achieve or maintain more widespread market acceptance, any of which could adversely affect our revenues and operating results. With the introduction of new technologies, the evolution of the Platform, and new market entrants, we expect competition to intensify in the future. The sales and payment cycle for online advertising is long, and such sales may not occur when anticipated or at all, all of which could adversely affect our business. The decision process is typically lengthy for brand advertisers and sponsors to commit to online campaigns and. Some of their budgets are planned a full year in advance. The decision process for such purchases, even in normal business situations, is subject to delays which may be and aspects that are beyond our control. In addition, some advertisers and sponsors take months after the campaign runs to pay, and some may not pay at all, or require partial “make-goods” based on performance. **This could have a material adverse effect on our business, financial condition, or results of operations.** We are dependent on the continued services and on the performance of key third party content contributors, the loss of which could adversely affect our business. We rely on content contributed by third party providers to, which has in turn attracted-- attract users that drive advertising and subscription revenue. The loss of the services of any of such key contributors could have a material adverse effect on our business, operating results, and financial condition. Although we have service agreements with some of our key contributors, many are short term in nature or have cancellation clauses in the agreements. We also depend on our ability to identify, attract, and retain, other highly skilled third-party content contributors. Competition for such contributors is intense, and there can be no assurance that we will be able to successfully attract, assimilate, or retain them which. The loss or limitation of the services of any of our key third party contributors, or our inability to attract and retain additional qualified key contributors, could have a material adverse effect on our business, financial condition, or results of operations. Our revenues could decrease if the Platform does not continue to operate as intended. The Platform performs complex functions and is vulnerable to undetected errors or unforeseen defects that could result in a failure to operate or inefficiency. There can be no assurance that errors and defects will not be found in current or new products or, if discovered, that we will be able to successfully correct them in a timely manner or at all. The occurrence of errors and defects could result in loss of or delay in revenue, loss of market share, increased development costs, diversion of development resources and injury to our reputation or damage to our efforts to expand brand awareness. The growing percentage of users whose computers, tablets, or phones that do not support identification through third-party cookies, mobile identifiers, or other tracking technologies could adversely affect our business, results of operations, and financial conditions. **We rely heavily on our ability to collect and disclose data and metrics in order to attract new advertisers and retain existing advertisers. Any restriction, whether by law, regulation, policy, or other reason, on our ability to collect and disclose data that our advertisers find useful would impede our ability to attract and retain advertisers.** We use “cookies,” or small text files placed on user devices when an Internet browser is used, as well as mobile device identifiers, to connect users’ computers anonymously to information that we gather, enabling the Platform to demonstrate to advertisers its efficacy. Our cookies and mobile device identifiers do not identify users directly, but provide an anonymized identifier that connects users to our records on what that user views or clicks on, as well as other information provided by the user’s device. More and more devices have offered functionalities that block such anonymized identifiers and or provided the ability for the users to proactively block such anonymized identifiers, which could reduce the ability of the Platform to discover which users are most relevant to a message or to measure the effectiveness of such messages. Some some prominent technology companies, including Google, have also announced intentions to discontinue the use of cookies entirely, and to develop alternative methods and mechanisms for tracking users. As companies replace cookies, it is possible that such companies may rely on proprietary algorithms or statistical methods to track users without cookies, or may utilize log-in credentials entered by users into other web properties owned by these companies, such as their email services, to track web usage, including usage across multiple devices, which could come into conflict with local regulations in various jurisdictions. Although we believe the Platform is well-positioned to continue to provide key data insights to advertisers without cookies, actions by advertisers to buy advertising based on alternative identifiers could lead to changes in purchase behavior of such advertisers, thereby possibly impacting our operations, and our financial condition could be adversely affected. Our Publisher Partners may engage in intentional or negligent misconduct or other improper activities on the Platform or otherwise misuse the Platform, which may damage our brand image, our business and our results of operations. The Platform provides our owned and operated media businesses, Publisher Partners, and individual creators contributing content to our owned and operated sites the ability to produce and manage editorially focused content through tools and services provided by us. We might not be able to monitor or edit a significant portion of the content, such as advertising content, that appears on the Platform. **We use a mix of automated and human controls to detect and manage editorial content produced by Publisher Partners and individual creators that could cause damage to our brands.** If Publisher Partner misconduct and misuse of the Platform for inappropriate or illegal purposes occurs, user experience on the Platform may suffer, and claims may be brought against us. Our business and public perception of our brands may be materially and adversely affected if we face any related lawsuits or other liabilities. The Platform and our technology systems contain open source software, which may pose particular risk to our proprietary software, and Platform features and functionalities in a manner that negatively affect our business. We use open source software in the Platform and our technology systems and will continue to use open source software in the future. **We To handle risks in this regard, we have set up an internal system to monitor the open source software we use in our operation and its functionality, and** to manage the risk it poses to our business. **We Despite these risk management efforts, open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our services through the various features and functionalities of the Platform. Additionally, we may face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require**

significant additional technology and development resources, and we may not be able to complete it **such re-engineering** successfully. ECONOMIC AND OPERATIONAL RISKS We may have difficulty managing our growth. We have added, and expect to continue to add, Publisher Partner and end-user support capabilities, to continue software development activities, and to expand our administrative **operations capabilities**. In the past two years, we have entered into multiple strategic transactions. ~~These strategic transactions, which have significantly expanded our business, have and are expected to place~~ **placed a** significant strain on our ~~managerial, operational, and financial~~ resources. To manage any further growth, we will be required to improve existing, and implement new, operational, customer service, and financial systems, procedures and **properly** controls and expand, train, and manage our growing employee base. We also will be required to expand our finance, administrative, technical, and operations staff. There can be no assurance that our current and planned personnel, systems, procedures, and controls will be adequate to support our anticipated growth, that management will be able to hire, train, retain, motivate, and manage required personnel or that our management will be able to successfully identify, manage and exploit existing and potential market opportunities. If we are unable to manage growth effectively, our business could be harmed. The strategic relationships that we may be able to develop and on which we may come to rely may not be successful. We will seek to develop strategic relationships with advertising, media, technology, and other companies to enhance the efforts of our market penetration, business development, and advertising sales revenues. ~~These relationships are expected to, but may not, succeed.~~ There can be no assurance that these relationships will develop and mature, or that potential competitors will not develop more substantial relationships with **the same or more** attractive partners. Our inability to successfully implement our strategy of building valuable strategic relationships could harm our business. We rely heavily on our ability to collect and disclose data and metrics in order to attract new advertisers and retain existing advertisers. Any restriction, whether by law, regulation, policy, or other reason, on our ability to collect and disclose data that our advertisers find useful would impede our ability to attract and retain advertisers. Our advertising revenue could be seriously harmed by many other factors, including: • a decrease in the number of active users of the Platform; • our inability to create new products that sustain or increase the value of our advertisements; • our inability to increase the relevance of targeted advertisements shown to users; • adverse legal developments relating to advertising, including changes mandated by legislation, regulation, or litigation; and • difficulty and frustration from advertisers who may need to reformat or change their advertisements to comply with our guidelines. The occurrence of any of these or other factors could result in a reduction in demand for advertisements, which may reduce the prices we receive for our advertisements or cause advertisers to stop advertising with us altogether, either of which would negatively affect our business, financial condition, and results of operations. A significant portion of our revenues is derived from a single customer. If we were to lose this customer, our revenues could decrease significantly. **In fiscal** ~~During the year ended December 31, 2022-2023~~, we had **approximately 10 % of our** revenues ~~revenue was derived~~ from sales to one customer that comprised approximately 13.9% of our annual revenue. Therefore, we are highly dependent on a single customer to generate a material percentage of our annual revenue. The loss of this customer, or a significant reduction in sales to such customer, could adversely affect our financial condition and operating results. ~~We attempt to diversify our business in order to minimize any revenue concentration risk.~~ Interruptions or performance problems associated with our technology and infrastructure may adversely affect our business and operating results. Our growth will depend in part on the ability of our users, customers, and Publisher Partners to access the Platform at any time and within an acceptable amount of time. We believe that the Platform is proprietary, and we rely on the expertise of members of our engineering, operations, and software development teams for their continued performance. It is possible that the Platform may experience performance problems due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints due to an overwhelming number of users accessing the Platform software simultaneously, denial of service attacks, or other security related incidents. ~~We may not be able to identify the cause or causes of any performance problems within an acceptable period of time. It may be that it will be difficult to maintain or improve our performance, especially during peak usage times and as the Platform becomes more complex and our user traffic increases.~~ If the Platform software is unavailable or if our users are unable to access it within a reasonable amount of time or at all, our business would be negatively affected. ~~Therefore, in the event of any of the factors described above, or certain other failures of our infrastructure, partner or user data may be permanently lost.~~ Moreover, the Partner Agreements with our Publisher Partners include service level standards that obligate us to provide credits or termination rights in the event of a significant disruption ~~in of~~ the Platform. ~~To the extent that we do not effectively address capacity constraints, which may adversely affect~~ upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results may be adversely affected. We operate our exclusive coalition of professional-managed online media channels on third party cloud platforms and data center hosting facilities. We rely on software and services licensed from, and cloud platforms provided by, third parties in order to offer our digital media services. Any errors or defects in third-party software or cloud platforms could result in errors in, or a failure of, our digital media services, which could harm our **reputation, our** business. ~~Any damage and force us to, or seek more expensive alternatives.~~ **Failure** of these third-party systems generally could result in interruptions in the availability of our digital media services. As a result of this third-party reliance, we may experience the aforementioned issues, which could cause us to render credits or pay penalties **or**, could cause our Publisher Partners to terminate their contractual arrangements with us, and could adversely affect our ability to grow our audience of unique visitors, all of which could reduce our ability to generate revenue. Our business would also be harmed if our users and potential users believe our product and services offerings are unreliable. In the event of damage to, or failure of, these third-party systems, we would need to identify alternative channels for the offering of our digital media services, which would consume substantial resources and may not be effective. We are also subject to certain standard terms and conditions with Amazon Web Services and Google Cloud, **companies which** related to data storage purposes. These providers have broad discretion to change their terms of service and other policies with respect to us, and those changes may be unfavorable to us. ~~Therefore, we believe that~~

maintaining successful partnerships with Amazon Web Services, Google Cloud, and other third-party suppliers is critical to our success. Real or perceived errors, failures, or “bugs” in the Platform could adversely affect our operating results and growth prospects. Because the Platform is complex, undetected errors, failures, vulnerabilities, or bugs may occur **despite prior testing**, especially when updates are deployed. ~~Despite testing by us, errors, failures, vulnerabilities, or bugs may not be found in the Platform until after they are deployed to our users. We expect from time to time to discover software errors, failures, vulnerabilities, and bugs in the Platform and anticipate that certain of these errors, failures, vulnerabilities, and bugs will only be discovered and remediated after deployment to our Publisher Partners and used by our users.~~ Real or perceived errors, failures, or bugs in our software could result in negative publicity, loss of or delay in market acceptance of the Platform, loss of competitive position, or claims by our Publisher Partners or our users for losses sustained by them. ~~In such an event, we may be required, or may choose, for customer relations or other reasons, to expend additional resources in order to help correct the problem.~~ Malware, viruses, hacking attacks, and improper or illegal use of the Platform could harm our business and results of operations. Malware, viruses, and hacking attacks have become more prevalent in our industry and have occurred on our systems and may occur in the future. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware, or other computer equipment, and the inadvertent transmission of computer viruses could harm our business, financial condition and operating results. ~~Any failure to detect such attack and maintain performance, reliability, security and availability of products and technical infrastructure to the satisfaction of our users may also seriously harm our reputation and our ability to retain existing users and attract new users. Our information technology systems are susceptible to a growing and evolving threat of cybersecurity risk. Any compromise of our data security, whether externally or internally, or misuse of agent, customer, or employee data, could cause considerable damage to our reputation, cause the public disclosure of confidential information, and result in lost sales, significant costs, and litigation, which would negatively affect our financial position and results of operations. Although we maintain policies and processes surrounding the protection of data, which we believe to be adequate, there can be no assurance that we will not be subject to such claims in the future.~~ If we are unable to protect our intellectual property rights, our business could suffer. Our success significantly depends on our proprietary technology. We rely on a combination of copyright, trademark and trade secret laws, employee and third-party non-disclosure and invention assignment agreements and other methods to protect our proprietary technology. ~~However, these only afford limited protection, and unauthorized parties may attempt to copy aspects of the Platform’s features and functionality, or to use information that we consider proprietary or confidential. There can be no assurance that the Platform will be protectable by patents, but if it is, any efforts to obtain patent protection that is not successful may harm our business in that others will be able to use our technologies. For example, previous disclosures or activities unknown at present may be uncovered in the future and adversely impact any patent rights that we may obtain. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of the United States. There can be no assurance that the steps taken by us to protect our proprietary rights will be adequate or that third parties will not infringe or misappropriate our trademarks, copyrights, and similar proprietary rights. If we resort to legal proceedings to enforce our intellectual property rights, those proceedings could be expensive and time-consuming and could distract our management from our business operations.~~ Our business, profitability and growth prospects could be adversely affected if we fail to receive adequate protection of our proprietary rights. We could be required to cease certain activities or incur substantial costs **due to as a result of any claim-claims** of infringement of another party’s intellectual property rights. Some of our competitors, and other third parties, may own technology patents, copyrights, trademarks, trade secrets and website content, which they may use to assert claims against us. We cannot assure you that we will not become subject to claims that we have misappropriated or misused other parties’ intellectual property rights. Any claim or litigation alleging that we have infringed or otherwise violated intellectual property or other rights of third parties, with or without merit, ~~and~~ whether or not settled out of court or determined in our favor, could be time-consuming and costly to address and resolve, and could divert the time and attention of our management and technical personnel. ~~The results of any intellectual property litigation to which we might become a party may require us to do one or more of the following: • cease making, selling, offering, or using technologies or products that incorporate the challenged intellectual property; • make substantial payments for legal fees, settlement payments, or other costs or damages; • obtain a license, which may not be available on reasonable terms, to sell or use the relevant technology; or • redesign technology to avoid infringement.~~ If we are required to make substantial payments, **cease using** or undertake any of the other ~~the~~ actions noted above as **challenged intellectual property, obtain** a result of **license or redesign existing technology due to** any intellectual property infringement claims against us, such payments or actions could have a material adverse effect upon our business and financial results. We are subject to **many a variety of** laws and regulations in the United States and abroad that are constantly evolving and involve matters central to our business. **We are subject**, including privacy, data protection, and personal information, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, personal information, electronic contracts and other communications, competition, protection of minors, consumer protection, telecommunications, employee classification, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance, and online payment services, and the related compliance costs and our ~~or~~ failure to comply with **will be subject in** these ~~the~~ **future to myriad constantly evolving** laws, **statutes** and regulations could adversely affect our business. We must comply with regulations in the United States as well as **in** any other regulations adopted by other countries where we may do business. ~~The~~ **These include** introduction of new products, **among** expansion of our activities in certain jurisdictions, or other **others** actions that we may take may subject us to additional laws, regulations **privacy**, monetary penalties or other government scrutiny. In addition, foreign data protection, **privacy and personal information, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, personal information, electronic contracts and other communications**, competition, and **protection of minors, consumer**

protection, telecommunications, employee classification, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance, and online payment services, and the related compliance costs. Our failure to comply with these laws and regulations can impose different and/or conflicting obligations or be more restrictive than those in the United States. These United States federal and state and foreign laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change, which could adversely affect our business. As a result, the application, interpretation, and cause significant penalties to enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate and may be imposed interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright, and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted, or the content provided by users. In addition, there have been calls by members of Congress, from both parties, to limit the scope of the current immunities and safe harbors afforded online publishers with regard to user content and communications under the federal Digital Millennium Copyright Act and the federal Communications Decency Act. Any material reduction of those protections would make us more vulnerable to third party claims arising out of user content published by our online services. In particular, the adoption or modification of laws or regulations relating to online media, communities, commerce, security and privacy could harm our business, operating results and financial condition by increasing our compliance costs and administrative burdens. It may take years to determine whether and how existing laws such as those governing intellectual property, privacy, security, libel, consumer protection, and taxation apply. Laws and regulations directly applicable to Internet activities are becoming more diverse and prevalent in all global markets. The growth and development of Internet content, commerce and communities may prompt calls for more stringent consumer protection laws, privacy laws, and data protection laws, both in the United States and abroad, as well as new laws governing the their taxation of these activities. Compliance with any newly adopted laws may prove difficult and costly for us and may harm our business, operating results, and financial condition. For example, regulatory or legislative actions affecting the manner in which we display content to our users or obtain consent to various practices could adversely affect user growth and engagement. Such actions could affect the manner in which we provide our services or adversely affect our financial results. Furthermore, significant penalties could be imposed on us for failure to comply with various statutes or regulations. Violations may result from: • ambiguity in statutes; • regulations and related court decisions; • the discretion afforded to regulatory authorities and courts interpreting and enforcing laws; • new regulations affecting our business; and • changes to, or interpretations of, existing regulations affecting our business. While we prioritize ensuring that our business and compensation model are compliant, and that any product or income related claims are truthful and non-deceptive, we cannot be certain that the FTC or similar regulatory body in another country will not modify or otherwise amend its guidance, laws, or regulations or interpret in a way that would render our current practices inconsistent with the same. Our services involve the storage and transmission of digital information; therefore, cybersecurity incidents, including those caused by unintentional errors and those intentionally caused by third parties, may expose us to a risk of loss, unauthorized disclosure or other misuse of this information, litigation liability, regulatory exposure, reputational harm and increased security costs. We and our third party service providers experience attempted cyber-attacks of varying degrees on a regular basis, one of which infiltrated our systems and accessed a limited amount of our non-financial and encrypted data. We expect to incur significant, increasing costs in ongoing efforts to detect and prevent cybersecurity-related incidents. The COVID-19 pandemic has increased opportunities for cyber-criminals and the risk of potential cybersecurity incidents, as more companies and individuals work online. We cannot ensure that our efforts to prevent cyber security incidents will succeed. An actual or perceived breach of our cybersecurity could impact the market perception of the effectiveness of our cybersecurity controls. Our users or business partners, including our Publisher Partners, could lose trust and confidence in us, decrease their use of our services or stop using them in entirety. We could also incur significant legal and financial exposure, including legal claims, higher transaction fees and regulatory fines and penalties, which in turn could have a material and adverse effect on our business, reputation and operating results. While we purchase our insurance policies include liability coverage for certain of these types of matters, a significant cybersecurity incident could subject us to reputational harm, loss of revenue, financial liability or and other damages damage that may exceed our insurance coverage, increase the cost of our insurance policy going forward, and preclude us from obtaining adequate insurance levels in the future. Existing or future strategic alliances, long-term investments and acquisitions may have a material and adverse effect on our business, reputation, and results of operations. We may enter into strategic alliances business relationships with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the third party and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffers suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party. In addition, if appropriate opportunities arise, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. Future acquisitions and the subsequent integration of new assets and businesses into our own would will require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. Acquisitions may not achieve our goals and could be viewed negatively by users, business partners or investors. Acquisitions could result in the use of substantial amounts of cash, cause potentially dilutive issuances of equity securities, require the occurrence of significant goodwill impairment charges, or amortization expenses for other intangible assets and expose us to potential unknown liabilities of the acquired

business. Moreover, the costs of identifying and consummating acquisitions may be significant. In addition to **possible, in some cases, having to obtain** shareholders' approval, we may also have to obtain approvals and licenses from relevant authorities for the acquisitions, which could result in increased delay and costs. Our products may require availability of components or known technology from third parties and their non-availability can impede our growth. We license / buy certain technology integral to our products from third parties, including open- source and commercially available software. Our inability to acquire and maintain any third -party product licenses or integrate the related third -party products into our products in compliance with license arrangements, could result in delays in product development until equivalent products can be identified, licensed, and integrated. We also expect to require new licenses in the future as our business grows and technology evolves. We cannot provide assurance that these licenses will continue to be available to us on commercially reasonable terms, if at all. Our business is subject to the risk of catastrophic events such as pandemics, earthquakes, flooding, fire, and power outages, and to interruption by man- made **problems-acts**, such as **acts of** war and terrorism. Our business is vulnerable to damage or interruption from pandemics, **including the ongoing COVID-19 pandemic**, earthquakes, flooding, fire, power outages, telecommunications failures, terrorist attacks, acts of war, human errors, break- ins, and similar events. A significant natural disaster could have a material adverse effect on our business, results of operations, and financial condition, and our insurance coverage may be insufficient to compensate us for losses that may occur. Furthermore, acts of terrorism, which may be targeted at metropolitan areas that have higher population density than rural areas, could cause disruptions in our or our Publisher Partners' businesses or the **U. S.** economy as a whole. Our technology infrastructure may also be vulnerable to computer viruses, break- ins, denial- of- service attacks, and similar disruptions from unauthorized tampering with our computer systems, which could lead to interruptions, delays, **and** loss of critical data. We may not have sufficient protection or recovery plans in some circumstances, **such as natural disasters affecting New York and other states where we have properties**. As we rely heavily on our computer and communications systems and the Internet to conduct our business and provide high- quality user and customer service, these disruptions could negatively impact our ability to run our business and either directly or indirectly disrupt our Publisher Partners' businesses, which could adversely affect our business, results of operations, and financial condition. Compliance with the reporting obligations under the United States securities laws and Section 404 of **the Sarbanes- Oxley Act ("Sarbanes ")** **require-requires** expenditure of capital and other resources and may divert management' s attention. If we fail to comply with these reporting obligations or to maintain adequate internal **control-controls** over financial reporting, our **business, financial condition, and results of** operations, and investors' confidence in us, could be materially and adversely affected. As a public company, we are required to comply with the periodic reporting obligations of the Exchange Act, Sarbanes - **Oxley** and other applicable securities rules and regulations, including the preparation of annual reports, quarterly reports, and current reports. Complying with these rules and regulations have caused us and will continue to cause us to incur additional legal and financial compliance costs, **and** make some activities more difficult, **be-time- consuming or-and** costly, **and continue to increase demand on our systems and resources**. Further, by complying with public disclosure requirements, our business and financial condition are more visible, which **we believe** may result in the likelihood of increased threatened or actual litigation. **In preparing our financial statements for the year ended December 31, including 2022, we identified material weaknesses in our internal control over financial reporting, which were remediated in 2023 with the implementation of additional controls and procedures. However, we may in the future discover material weaknesses in other areas of our internal control over financial reporting that require remediation. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations, cause us to lose investor confidence, prevent us from obtaining capital on favorable terms or at all, and subject us to sanctions or investigations by competitors and the SEC, the NYSE American or other regulatory authorities** third parties. Compliance with these additional requirements may also divert management' s attention from operating our business. Any of these results may adversely affect our operating results. If we fail to timely meet our reporting obligations under the Exchange Act, Sarbanes - **Oxley** and other applicable securities rules and regulations in their entirety, we could be subject to penalties under federal securities laws and regulations of the NYSE American and face lawsuits, and **we** our ability to access financing on favorable terms could be restricted severely. We will also not be able to obtain independent accountant certifications required for public companies under Sarbanes **if we fail to or are unable to comply with Sarbanes**. In addition, pursuant to Section 404 of Sarbanes, we are required to evaluate and provide a management report of our systems of internal control over financial reporting and our independent registered public accounting firm is required to annually audit the effectiveness of our internal control over financial reporting commencing with the year ended December 31, 2022, which has, and will continue to, require increased costs, expenses and management resources. As discussed in Item 9A of this Annual Report on Form 10- **Oxley** K, in the course of preparing our financial statements, we identified material weaknesses in our internal control over financial reporting related to (i) controls over segregation of duties consistent with control objectives related to our information technology general controls specifically as relates to change management and (ii) insufficient validation of non- Google impression data provided by certain third- party service providers. As a result of the identified material weaknesses, our management concluded that our internal control over financial reporting was not effective as of December 31, 2022. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses identified in Item 9A of this Annual Report on Form 10- K did not result in any misstatement of our financial statements. Our management is currently evaluating remedial actions to address the material weaknesses identified as of December 31, 2022. However, our remediation efforts may be inadequate, or we may in the future discover material weaknesses in other areas of our internal control over financial reporting that require remediation. We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to the material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. Any

failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets. If we fail to timely meet our reporting obligations under the Exchange Act, Sarbanes and other applicable securities rules and regulations in their entirety, we could be subject to penalties under federal securities laws and regulations of the NYSE American and face lawsuits, and our ability to access financing on favorable terms could be restricted severely. We will also not be able to obtain independent accountant certifications required for public companies under Sarbanes if we fail to or are unable to comply with Sarbanes. In addition, pursuant to Section 404 of Sarbanes, we are required to evaluate and provide a management report of our systems of internal control over financial reporting and our independent registered public accounting firm is required to annually audit the effectiveness of our internal control over financial reporting commencing with the year ended December 31, 2022, which has, and will continue to, require increased costs, expenses and management resources. During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets. Unfavorable economic and market conditions could adversely affect our business, reputation, and results of operations. Our services, products and properties are, and our ability to access the capital markets on terms acceptable or at all may be adversely impacted by uncertain economic conditions, including but not limited to, regional the impact of the ongoing COVID-19 pandemic; the Ukraine—Russia conflict conflicts; pandemics, adverse changes in interest rates, foreign currency exchange rates, tax laws or tax rates; inflation; a economic downturns, recession recessions; contraction in the availability of credit in the marketplace due to legislation or other economic conditions, which may potentially impair our ability to access the capital markets on terms acceptable to us or at all; and the effects of government initiatives to manage economic conditions. Moreover Our ongoing cash management strategy is to maintain diversity in our deposit accounts across financial institutions to manage risks from potential instability in the banking system, we but deposits in these institutions may exceed the amount of insurance provided on such deposits and there can be no assurance that this strategy will be successful. We cannot predict how future economic conditions will affect our users and Publisher Partners and any negative impact on our users or Publisher Partners may also have an adverse impact on our own results of operations or financial condition. A severe or prolonged economic downturn, as result of a global pandemic such as the COVID-19 pandemic or otherwise, could result in a variety of risks to our business, including weakened demand for our products and services and our ability to raise additional capital when needed on favorable terms, if at all. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business. RISKS RELATED TO OUR INDEBTEDNESS, FINANCIAL CONDITION, AND INTERNAL CONTROL As the general economic and market conditions present uncertainty as to our ability to secure additional capital, there can be no assurances that we will be able to secure additional financing on acceptable terms, or at all, as and when necessary to continue to conduct operations. Our future liquidity and capital requirements will depend upon numerous factors, including the success of the Platform, our offerings, competing technological developments, and general economic and market conditions, which have presented substantial uncertainty in recent months. We may need to raise funds through public or private financings, strategic relationships, or other arrangements. There can be no assurance that such funding will be available on terms acceptable to us, or at all. Furthermore, any equity financing will be dilutive to existing stockholders, and debt financing, if available, may involve restrictive covenants that may limit our operating flexibility with respect to certain business matters. Strategic arrangements may require us to relinquish our rights or grant licenses to some or substantial parts of our intellectual property. If funds are raised through the issuance of equity securities, the percentage ownership of our stockholders will be reduced, stockholders may experience additional dilution in net book value per share, and such equity securities may have rights, preferences, or privileges senior to those of the holders of our existing capital stock. If adequate funds are not available on acceptable terms, we may not be able to continue operating, develop or enhance products, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, operating results, and financial condition. We have a history of losses. In fiscal the year ended December 31, 2022-2023, we had net loss of approximately \$ 70,858 193.8 million compared to approximately \$ 89-135.0 million for the year ended December 31, 940 in fiscal 2021-2022. Our accumulated deficit as of December 31, 2023 was approximately \$ 373.1 million. In fiscal 2023, we had net loss of approximately \$ 55.6 million compared to approximately \$ 70.9 million in fiscal 2022. Our accumulated deficit as of December 31, 2022 was approximately \$ 323,071-378.7 million. We may continue to incur losses in the future if we do not achieve sufficient revenue or adequately reduce costs to achieve and maintain profitability. There is no assurance that our operations will generate sufficient cash flows to support our continued operations in the future without

needing to seek additional capital funding or borrowings. We can provide no assurance that if we need to seek such additional outside capital that it will be available on favorable terms or at all. Any failure to achieve and maintain profitability could have a materially adverse effect on our ability to implement our business plan, our results and operations, and our financial condition.

Our financial conditions raise substantial doubt about our ability to continue as a “going concern” through one year from the date of the financial statements contained herein if the Business Combination is not consummated and we are unable to refinance or modify the terms of the Third A & R NPA and the underlying debt with Renew. For the year ended December 31, 2023, Arena incurred a net loss of \$ 55. 6 million. For year ended December 31, 2023 and year ended December 31, 2022, our cash on hand of \$ 9. 3 million and \$ 13. 9 million and a working capital deficit of \$ 63. 3 million and \$ 137. 7 million, respectively. Arena’s net loss and working capital deficit have been evaluated by management to determine if the significance of those conditions or events would limit its ability to meet its obligations when due. As a result, management determined there is substantial doubt about Arena’s ability to continue as a going concern for a one-year period following the financial statement issuance date, unless (i) Arena closes the transactions contemplated by the business combination agreement by and among the Company, Simplify, Bridge Media Networks, LLC (“Bridge Media”), New Arena Holdco, Inc (“New Arena”) and the other parties dated November 5, 2023, as amended on December 1, 2023 (the “Business Combination”) and (ii) Arena is able to refinance or modify the terms of the Third A & R NPA and the underlying debt with Renew, which is subject to a forbearance period through the earlier of the following: (a) April 30, 2024, (b) the closing of the Business Combination, and (c) the termination of the Business Combination, and establishes debt payments that are serviceable by the Company’s cash flow. If we are unable to raise additional capital, we may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction and reducing overhead expenses. We cannot provide any assurance that financing sources will be available to us on commercially acceptable terms or if at all, that our plans to consummate the Business Combination will be successful or the Company will be able to refinance or modify the terms of the Third A & R NPA and the underlying debt with Renew. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our

results of operations may fluctuate significantly and may not meet our expectations or those of securities analysts and investors. We operate in an evolving industry, and as a result, our business has evolved over time such that our operating history makes it difficult to evaluate our business and future prospects. Our results of operations have fluctuated in the past, and future results of operations are likely to fluctuate as well. Although we have experienced substantial revenue growth, we may not be able to sustain this growth rate or current revenue levels or achieve profitability. In addition, because our business is evolving, our historical results of operations may be of limited utility in assessing our future prospects. We expect to face challenges, risks, and difficulties frequently experienced by growing companies in rapidly developing industries, including those relating to: ● changes in demand and pricing for our products, services and the Platform; ● developing, maintaining, and expanding relationships with Publisher Partners and advertisers; ● innovating and developing new solutions that are adopted by and meet the needs of Publisher Partners and advertisers; ● competing against companies with a larger user and customer base or greater financial or technical resources; ● changes in the pricing policies of Publisher Partners, advertisers and competitors; ● changes in our access to valuable user data; ● costs to develop and upgrade the Platform to incorporate new technologies; ● costs related to the acquisition of businesses, talent, technologies, or intellectual property, including potentially significant amortization costs and possible write-downs; ● seasonality in our business; ● the length and complexity of our sales cycles; ● the timing of stock-based compensation expense; ● potential costs to attract, onboard, retain and motivate qualified personnel; ● responding to evolving industry standards and government regulations that impact our business, particularly in the areas of data protection and consumer privacy; ● changes in demand as a result of changes in the macroeconomic environment, as a result of inflation, changes in interest rates or foreign exchange rates, or otherwise; and ● further expanding our business in other markets. Any one or more of the factors above may result in significant fluctuations in our results of operations. You should not rely on our past results as an indicator of our future performance. Because many of our expenses are based upon forecast demand and may be difficult to reduce in the short term, volatility in quarterly revenue could cause significant variations in quarterly results of operations. We may not forecast our revenue or expenses accurately, which may cause our results of operations to diverge from our estimates or the expectations of securities analysts, and investors. If we fail to meet or exceed such expectations for these or any other reasons, the trading price of our common stock could fall, and we could face costly litigation, including securities class action lawsuits. Any future litigation against us could be costly and time-consuming to defend. We have in the past and may in the future become subject to legal proceedings and claims or regulatory inquiries or proceedings that arise in the ordinary course of business, such as claims brought by our customers and partners in connection with commercial disputes, employment claims made by our current or former employees, or claims for reimbursement following misappropriation of customer data. For example, we could face claims relating to information that is published or made available on the Platform. In particular, the nature of our business exposes us to claims related to defamation, intellectual property rights and rights of publicity and privacy. We might not be able to monitor or edit a significant portion of the content that appears on the Platform. This risk is enhanced in certain jurisdictions outside the United States where our protection from liability for third-party actions may be unclear and where we may be less protected under local laws than we are in the United States. We could also face fines or orders restricting or blocking our services in particular geographies as a result of content hosted on our services. If any of these events occur, our business could be seriously harmed. Our Further, our employees are highly experienced, having worked in our industry for many years and Prior prior employers may try to assert that our employees are breaching restrictive covenants and other limitations imposed by past employment arrangements. We believe that all of our employees are free to work for us in their various capacities and have not breached past employment arrangements. Notwithstanding our care in our employment practices, a prior employer may assert a claim against us. Such claims will can be costly to contest, highly disruptive to our

work environment, and may be detrimental to our operations **and financial results**. Moreover, insurance **might may** not cover any such claims that rise in the ordinary course of business, **might may** not provide sufficient payments to cover all the costs to resolve one or more such claims, and **might may** not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our results of operations and leading analysts or potential investors to reduce their expectations of our performance, which could reduce the trading price of our common stock. Litigation **might may** result in substantial costs and may divert management's attention and resources, which could adversely affect our business, financial condition, results of operations, and prospects. Our ability to utilize our net operating loss carryforwards may be limited. As of December 31, ~~2022~~ **2023**, we had federal net operating loss carryforwards, or NOLs, due to prior period losses of \$ ~~190~~ **193.8 million**, ~~070~~, and ~~the certain~~ NOLs could expire before we generate sufficient taxable income to make use of our NOLs. Subject to certain limitations, NOLs can be used to offset taxable income for U. S. federal income tax purposes. However, Section 382 of the Internal Revenue Code of 1986, as amended, may limit ~~the certain~~ **the certain** NOLs we may use in any year for U. S. federal income tax purposes in the event of certain changes in ownership of our Company. If an "ownership change" occurs, Section 382 would impose an annual limit on ~~certain the amount of~~ **certain the amount of** pre-ownership ~~change~~ NOLs and other tax attributes we can use to reduce our taxable income, potentially increasing and accelerating our liability for income taxes, and also potentially causing those tax attributes to expire unused. In addition, our ability to use our net operating losses is dependent on our ability to generate taxable income, and ~~the certain~~ **the certain** net operating losses could expire before we generate sufficient taxable income to make use of our net operating losses.

RISKS RELATED TO GOVERNANCE AND COMMON STOCK We are dependent on the continued services and on the performance of our key executive officers, management team, and other key personnel, the loss of which could adversely affect our business. **We are** ~~Our future success largely depends~~ **dependent upon on** the continued services **and on the performance** of our key executive officers, management team, and other key personnel. ~~The loss of the services of any of such key personnel could have a material adverse effect on our business, operating results, and financial condition. We depend on the continued services of our key personnel as they work closely with both our employees and our Publisher Partners. Such key personnel are also responsible for our day-to-day operations. Although we have employment agreements with some of our key personnel, these are at-will employment agreements, albeit with non-competition and confidentiality provisions and other rights typically associated with employment agreements. We do not believe that any of our executive officers are planning to leave or retire in the near term; however, we cannot ensure that our executive officers or members of our management team will remain with us.~~ We also depend on our ability to identify, attract, hire, train, retain, and motivate other highly skilled technical, managerial, sales, operational, business development, and customer service personnel. Competition for such personnel is intense, and there can be no assurance that we will be able to successfully attract, assimilate, or retain sufficiently qualified personnel. The loss or limitation of the services of any of our executive officers, members of our management team, or **other** key personnel, ~~including our regional and country managers,~~ or the inability to attract and retain additional qualified key personnel, could have a material adverse effect on our business, financial condition, or results of operations. The elimination of monetary liability against our directors, officers, and employees under Delaware law and the existence of indemnification rights for our obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees. Our Amended and Restated Certificate of Incorporation, as amended (our "Certificate of Incorporation"), and our Second Amended and Restated Bylaws (our "Bylaws") contain provisions permitting us to eliminate the personal liability of our directors and officers to us and our stockholders for damages for the breach of a fiduciary duty as a director or officer to the extent provided by Delaware law. We may also have contractual indemnification obligations under any future employment agreements with our officers. The foregoing indemnification obligations could result in us incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers, which we may be unable to recoup. These provisions and the resulting costs may also discourage us from bringing a lawsuit against directors and officers for breaches of their fiduciary duties, and may similarly discourage the filing of derivative litigation by our stockholders against our directors and officers even through such actions, if successful, might otherwise benefit us and our stockholders. Because we are a "smaller reporting company," we will not be required to comply with certain disclosure requirements that are applicable to other public companies, and we cannot be certain if the reduced disclosure requirements applicable to smaller reporting companies will make our common stock less attractive to investors. **We are Following the consummation of the Business Combination, we will be** a "smaller reporting company," as defined in Item 10 (f) (1) of Regulation S-K. As a smaller reporting company, we are eligible for exemptions from various reporting requirements applicable to other public companies that are not smaller reporting companies, including, but not limited to reduced disclosure obligations, including with respect to executive compensation, in our periodic reports, proxy statements, and registration statements. We will continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than \$ 250 million as of the prior June 30, or (ii) our annual revenue is less than \$ 100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than \$ 700 million as of the prior June 30. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. ~~If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.~~ Provisions in our Certificate of Incorporation and Bylaws and Delaware law may discourage a takeover attempt even if a takeover might be beneficial to our stockholders and limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers and employees. Provisions contained in our Certificate of Incorporation and Bylaws could make it more difficult for a third party to acquire us. Provisions in our Certificate of Incorporation and Bylaws impose various procedural and other requirements, which could make it more difficult for stockholders to affect certain corporate actions. For example, our Certificate of Incorporation authorizes our Board to determine the rights, preferences, privileges, and restrictions of unissued series of our Preferred Stock without any vote or action by our stockholders. Thus, our Board can

authorize and issue shares of our Preferred Stock with voting or conversion rights that could dilute the voting power of holders of other series of our capital stock. These rights may have the effect of delaying or deterring a change of control of us. Additionally, our Certificate of Incorporation or Bylaws establish limitations on the removal of directors and include advance notice requirements for nominations for election to our Board and for proposing matters that can be acted upon at stockholder meetings. In addition, our Certificate of Incorporation provides that a state or federal court located within the state of Delaware will be the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our Certificate of Incorporation, or our Bylaws; any action to interpret, apply, enforce, or determine the validity of our Certificate of Incorporation or our Bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results, and financial condition. Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law ("DGCL"), which prohibits an "interested stockholder" owning in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which such stockholder acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. These provisions could limit the price that certain investors might be willing to pay in the future for shares of our common stock. Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us. Our Certificate of Incorporation provides that we will indemnify our directors and officers, in each case, to the fullest extent permitted by Delaware law. In addition, Section 145 of the DGCL or our Certificate of Incorporation provides that:

- We will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.
- We may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.
- We are required to advance expenses, as incurred, to our directors and officers in connection with defending a legal proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.
- The rights conferred in our Certificate of Incorporation are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees, and agents and to obtain insurance to indemnify such persons.
- We may not retroactively amend our Certificate of Incorporation or indemnification agreement, if any, to reduce our indemnification obligations to directors, officers, employees, and agents.

The trading price of the shares of our common stock has been and may continue to be volatile and could subject us to litigation. Stocks of companies in the media and technology industries have historically experienced high levels of volatility. The trading price of our common stock has fluctuated substantially and may continue to do so. These fluctuations could cause you to incur substantial losses, including all of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock, some of which are beyond our control and may not be related to our operational or financial performance, include, among others, the following:

- price and volume fluctuations in the overall stock market from time to time;
- announcements of new products, solutions or technologies, commercial relationships, acquisitions, or other events by us or our competitors;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- fluctuations in the trading volume of our shares or the size of our public float, including in connection with an acquisition;
- sales of large blocks of our common stock;
- actual or anticipated changes or fluctuations in our results of operations or financial projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- recruitment or departures of key personnel;
- governmental or regulatory developments or actions, or litigation involving us, our industry, or both;
- general economic conditions and trends, including inflation and fluctuating interest rates;
- general political conditions and trends, political instability and acts of war or terrorism, including the ongoing conflict between Russia and Ukraine, as well as in the Middle East;
- public health crises and related measures to protect the public health (such as the COVID-19 pandemic);
- major catastrophic events in our domestic and foreign markets;
- changes in accounting standards, policies, guidelines, interpretations, or principles; and
- "flash crashes," "freeze flashes," or other glitches that disrupt trading on the securities exchange on which we are listed.

In addition, if the market for stock of media and technology companies or the stock market, in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, results of operations, or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in the media and technology industries even if these events do not directly affect us. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. If litigation is instituted against us, it could subject us to substantial costs, divert management's attention and resources, and adversely affect our business. Our Board is authorized to issue additional shares of our common stock that would dilute existing stockholders and sales, distribution or issuance of substantial amounts of our common stock could cause the market price of our common stock to decline. Our Board has the power authority to issue any or all authorized but unissued shares of our common stock at any price and, in respect of with regard to our preferred stock, at any price and with any attributes our Board considers sufficient appropriate, without absent stockholder approval. The issuance of additional shares of our common stock in the future will reduce the proportionate

ownership and voting power of current stockholders and may negatively impact the market price of our common stock. Moreover, the sale or distribution of a substantial number of shares of our common stock, particularly sales by us or our directors, executive officers, and principal stockholders, or the perception that these sales or distributions might occur in large quantities, could cause the market price of our common stock to decline. In addition, shares subject to outstanding warrants as well as the shares of common stock subject to outstanding options and restricted stock unit awards under our equity incentive plans, and the shares reserved for future issuance under our equity incentive plans, will become eligible for sale in the public market upon issuance, subject to compliance with applicable securities laws. Further, we also may issue our capital stock or securities convertible into our capital stock, from time to time in connection with financing, an acquisition, investments, or otherwise. Any of the aforementioned activity, could result in substantial dilution to our existing stockholders and cause the market price of common stock to decline. We may issue additional securities with rights superior to those of our common stock, which could materially limit the ownership rights of our stockholders. We may offer additional debt or equity securities in private or public offerings in order to raise working capital or to refinance our debt. Our Board has the right to determine the terms and rights of any debt securities and preferred stock without obtaining the approval of our stockholders. It is possible that any debt securities or preferred stock that we sell would have terms and rights superior to those of our common stock and may be convertible into shares of our common stock. Any sale of securities could adversely affect the interests or voting rights of the holders of our common stock, result in substantial dilution to existing stockholders, or adversely affect the market price of our common stock. **Cyber- attacks and other security threats and disruptions could have a material adverse effect on our business. As a tech- powered media company, we face cybersecurity threats, such as ransomware and denial- of- service, and attacks on technical infrastructure. Our customers and suppliers face similar cybersecurity threats, and a cybersecurity incident impacting us or any of these entities could materially adversely affect our operations, performance and results of operations. The sophistication of threats continues to evolve and grow, including the risk associated with the use of emerging technologies, such as artificial intelligence and quantum computing, for nefarious purposes. In addition to cybersecurity threats, we face threats to the security of our systems and employees from terrorist acts, sabotage or other disruptions, any of which could adversely affect our business. The improper conduct of our employees or others working on behalf of us who have access to confidential or sensitive information could also adversely affect our business and reputation. Our customers (including sites that we operate for our customers) and suppliers experience similar security threats. If we are unable to protect sensitive information, including complying with evolving information security, data protection and privacy regulations, our customers or governmental authorities could investigate the adequacy of our threat mitigation and detection processes and procedures; and could bring actions against us for noncompliance with applicable laws and regulations. Moreover, depending on the severity of an incident, our customers' data, our employees' data, our intellectual property (including trade secrets and research, development and engineering know- how), and other third party data (such as suppliers) could be compromised, which could adversely affect our business. Products and services we provide to customers also carry cybersecurity risks, including risks that they could be breached or fail to detect, prevent or combat attacks, which could result in losses to our customers and claims against us, and could harm our relationships with our customers and financial results. Given the persistence, sophistication, volume and novelty of threats we face, we may not be successful in preventing or mitigating an attack that could have a material adverse effect on us and the costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Our suppliers face similar security threats and an incident at one of these entities could adversely impact our business. These entities are typically outside our control and may have access to our information with varying levels of security and cybersecurity resources, expertise, safeguards and capabilities. Adversaries actively seek to exploit security and cybersecurity weaknesses in our supply chain. Breaches in our supply chain could in the future compromise our data and adversely affect customer deliverables. We also must rely on our supply chain for adequately detecting and reporting cyber incidents, which could affect our ability to report or respond to cybersecurity incidents effectively or in a timely manner. Failures by our suppliers could result in damages to you and have an adverse effect on our business and operations.** Item 1B. Unresolved Staff Comments