

## Risk Factors Comparison 2025-03-14 to 2024-03-21 Form: 10-K

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A summary of the principal risk factors that make investing in our securities risky and might cause our actual results to differ is set forth below. The following is only a summary of the principal risks that may materially adversely affect our business, financial condition, results of operations and cash flows. This summary should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth in the section entitled “Risk Factors” in this Report. Risks Related to our Business and our Industry

- We have generally incurred losses, and may never become or remain profitable.
- Our digital marketing business is evolving in a rapidly changing market, and we cannot ensure the long- term successful operation of our business or the execution of our business plan.
- Our success and longevity depend on our ability to generate profits from future operations and obtain sufficient capital through financing transactions to refinance our debt obligations, pay any contingent consideration owed to former Reflect stockholders, and meet our other business obligations.
- We do not have sufficient capital to engage in material research and development, which may harm our long- term growth.
- The variable sales cycle of some of **our** ~~the combined company’s~~ products ~~will likely~~ make it difficult to predict operating results.
- There has been, and we expect that there will continue to be, significant consolidation in our industry. Our failure or inability to either lead or participate in that consolidation would have a severe adverse impact on our access to financing, customers, technology, and human resources.
- Unpredictability in financing markets could impair our ability to grow our business through acquisitions.
- Our success depends on our interactive marketing technologies achieving and maintaining widespread acceptance in our targeted markets.
- Our financial condition and potential for continued net losses may negatively impact our relationships with customers, prospective customers and third- party suppliers.
- Because we do not have long- term binding purchase commitments from our customers, the failure to obtain anticipated orders or the deferral or cancellation of commitments could have adverse effects on our business. iii
- Our continued growth and financial performance could be adversely affected by the loss of several key customers.
- Most of our contracts are terminable by our customers with limited notice and without penalty payments, and ~~early~~ terminations could have a material adverse effect on our business, financial condition, and results of operations.
- It is common for our current and prospective customers to evaluate our products over an extended period of time, most especially during economic downturns that affect our customers’ businesses, as we saw during the COVID- 19 pandemic. The lengthy and variable sales cycle makes it difficult to predict our operating results.
- Our industry is characterized by frequent technological change. If we are unable to adapt our products and services and develop new products and services to keep up with these rapid changes, we will not be able to obtain or maintain market share.
- We operate in an intensely competitive industry, and our competitors are developing products and solutions that incorporate artificial intelligence (“ AI ”) and machine learning (“ ML ”). We may not be as successful as our competitors in incorporating AI and ML into our products and solutions.
- Issues relating to the use of new and evolving technologies in our offerings, such as AI and ML, may result in increased regulation and costs to comply with such regulations.
- We use developed and licensed software technology, and we could face claims of infringement by others in the industry. Such claims are costly and add uncertainty to our operational results.
- Our proprietary platform architectures and data tracking technology underlying certain of our services are complex and may contain unknown errors in design or implementation that could result in system performance failures or inability to scale.
- Our business may be adversely affected by malicious applications that interfere with, or exploit security flaws in, our products and services.
- We compete with other companies that have more resources, which puts us at a competitive disadvantage.
- Our future success depends on key personnel and our ability to attract and retain additional personnel.
- ~~We risk losing directors, officers and employees, or paying more cash compensation, if our shareholders do not approve our 2023 Stock Incentive Plan.~~
- We are subject to cyber security risks and interruptions or failures in our information technology systems and those of third- party partners with whom our applications are integrated and will likely need to expend additional resources to enhance our protection from such risks. Notwithstanding our efforts, a cyber incident could occur and result in information theft, data corruption, operational disruption and / or financial loss.
- Our reliance on information management and transaction systems to operate our business exposes us to cyber incidents and hacking of our sensitive information if our outsourced service provider experiences a security breach.
- Because our technology, products, platform, and services are complex and are deployed in and across complex environments, they may have errors or defects that could seriously harm our business.
- We may have insufficient network or server capacity, which could result in interruptions in our services and loss of revenues.
- Our business operations are susceptible to interruptions caused by events beyond our control.
- **Corporate social responsibility, specifically related to ESG, may impose additional costs and expose us to new risks.**
- **Anticipated changes in the U. S. political environment, including those resulting from the change in Presidential Administration and control of Congress, and to regulatory agencies, may result in significant changes to regulatory framework and enforcements.**
- Our competitors are constantly evolving, and we may be unable to compete successfully against existing or future competitors to our business. iv

Risks Related to our Securities and our Company

- Our largest shareholder ~~and senior lender~~ possesses significant voting power with respect to our common stock, which will limit your influence on our management and affairs, and may discourage parties from initiating potential merger, takeover or other change- of- control transactions.
- Our Articles of Incorporation grant our Board of Directors the power to issue additional shares of common and preferred stock and to designate other classes of preferred stock, all without shareholder approval.
- We have never paid dividends on our capital stock and we do not anticipate paying dividends in the foreseeable future.
- We do not have significant tangible assets that could be sold upon liquidation.
- We can provide no assurance that our securities will continue to meet Nasdaq listing requirements. If we fail to comply with the continuing listing

standards of the Nasdaq, our securities could be delisted. ● Significant issuances of our common stock, or the perception that significant issuances may occur in the future, could adversely affect the market price for our common stock. ● Sales of a substantial number of shares of our common stock in the public market by certain of our shareholders, including Slipstream, could cause our stock price to fall. ● There may not be an active market for shares of our common stock. General Risk Factors ● Because of our limited resources, we may not have in place various processes and protections common to more mature companies and may be more susceptible to adverse events. ● General Uncertain global market and macro- economic and political conditions could materially may have an adverse adversely affect impact on our operating performance and results of operations and financial condition. ● Inflation and price volatility in the global economy could hurt our business and results of operations. EXPLANATORY- EXPLANATORY NOTE All currency is rounded to the nearest thousand, except share and per share amounts. On March 27, 2023, the Company effectuated a 1- for- 3 reverse stock split of its outstanding common stock. This Report and the Consolidated Financial Statements and Notes to Consolidated Financial Statements herein, give retroactive effect to the reverse stock split for all periods presented. The shares of common stock retained a par value of \$ 0. 01 per share. PART I ITEM 1 BUSINESS Our Company Creative Realities, Inc. ( “ Creative Realities ”, the “ Company ”, “ we ”, “ us ” or “ our ”) provides innovative digital signage and media solutions to enhance communications in a wide- ranging variety of out- of- home environments, key market segments and use cases, including: ● Retail ● Entertainment and Sports Venues ● Restaurants, including quick- serve restaurants ( “ QSR ”) ● Convenience Stores ● Financial Services ● Automotive ● Medical and Healthcare Facilities ● Mixed Use Developments ● Corporate Communications, Employee Experience ● Digital out of Home ( “ DOOH ”) Advertising Networks We serve market- leading companies, so there is a good chance that if you leave your home today to shop, work, eat or play, you will encounter one or more of our digital signage experiences. Our solutions are increasingly viable because we help our enterprise customers achieve a wide range of business objectives including: ● Increased brand awareness / engagement ● Improved customer support ● Enhanced employee productivity and satisfaction ● Increased revenue and profitability ● Improved guest experience ● Increased customer / guest engagement

Through a combination of organically grown platforms and a series of strategic acquisitions, including our acquisition of Reflect Systems, Inc., a Delaware corporation ( “ Reflect ”), in February 2022, the Company assists customers to design, deploy, manage, and monetize their digital signage networks. The Company sources leads and opportunities for its solutions through its digital and content marketing initiatives, close relationships with key industry partners, equipment manufacturers, and the direct efforts of its in- house industry sales experts. Customer engagements focus on consultative conversations that ensure the Company’ s solutions are positioned to help customers achieve their business objectives in the most cost- effective manner possible. When comparing Creative Realities to other digital signage competitors, our customers value the following competitive advantages: ● Breadth of solutions – Creative Realities offers true solutions to our customers. Creative Realities is one of only a few companies in the industry capable of providing the full portfolio of products and services required to implement and run an effective digital signage network. We leverage a ‘ single vendor’ approach, providing customers with a one- stop- shop for sourcing digital signage solutions from design through day two services. ● Managed labor pool – Unlike most companies in our industry, we have a curated labor pool of qualified and vetted field technicians available to service customers quickly nationwide. We can meet tight schedules even in exceptionally large deployments and still ensure quality and consistency. ● In- house creative resources – We assist customers in creating new content or repurposing existing content for digital signage experiences, an activity for which the Company has won several design awards in recent years. In each instance, our services can be essential in helping customers develop an effective content program. ● Network scalability and reliability – Our software as a service ( “ SaaS ”) content management platforms power some of the largest and most complex digital signage networks in North America, evidencing our ability to manage enterprise scale projects. This also provides us purchasing power to source products and services for our customers, enabling us to deliver cost effective, reliable, and powerful solutions to small and medium size business customers. ● AdTech Ad management platform platforms – Our The Company has developed and deployed the AdLogic and Adlogic CPM platforms, which, working in conjunction with our CMS platforms, present completely integrated digital advertising solutions for existing and prospective customers seeking to are increasingly interested in monetizing monetize their digital signage in- store retail media networks through advertising content. However, efficiently scheduling advertising content These platforms anchor the Company’ s vertical expansion into AdTech bringing new digital signage playlists to meet campaign objectives can be a challenging and labor- intensive process for our customers. AdLogic, our home- grown, content management- agnostic platform, automates this process, allowing network owners to capture more revenue with less expense. ● Media sales – Few digital signage solution providers offer their customers media sales as a service. We have in- house media sales expertise to elevate conversations with our customers interested in better understanding network monetization. We believe this meaningful differentiation in the sales process provides us an and expanding existing, addressable markets additional revenue stream compared to our competitors. ● Market sector expertise – Creative Realities has in- house experts in key market segments such as automotive, retail, quick- serve restaurants ( “ QSR ”), convenience stores, and Digital Out of Home ( “ DOOH ”) advertising. Our expertise in these business segments enables our teams to provide meaningful business conversations and offer tailored solutions with prospects and customers to their unique business objectives. These experts build industry relationship and create thought leadership that drives lead flow and new opportunities for our business. ● Logistics – Implementing a large digital signage project can be a logistical nightmare that can stall an initiative, even before deployment. Our expertise in logistics improves deployment efficiency, reduces delays and problems, and saves customers time and money. ● Technical support – Digital signage networks present unique challenges for corporate IT departments. We simplify and improve end user support by leveraging our own Network Operations Center ( “ NOC ”) in Louisville, Kentucky. The NOC resolves many issues remotely and when field support is required, it can be dispatched quickly from the NOC, leveraging our managed labor pool to resolve customer issues quickly and effectively. ● Integrations and Application Development – The future of digital signage is not still images and videos on a

screen. We believe that interactive applications and integrations with other data sources will dominate the future. From social media feeds, mobile integrations, corporate data stores, or and Point of Sale (“POS”) systems, our proven ability to build scalable applications and integrations is a key advantage that customers can leverage to deliver more compelling and engaging experiences for their customers.

2. ● Hardware support – **Some** A number of digital signage providers sell a proprietary media player or align themselves with just one operating system. We utilize a range of media players including Windows, Android and BrightSign to provide customers the flexibility they need to select the appropriate hardware for any application knowing the entire network can still be served by a single digital signage platform, reducing complexity and improving the productivity of our customers. The three primary sources of revenue for the Company are:

- Hardware sales from reselling digital signage hardware from original equipment manufacturers such as Samsung and BrightSign.
- Services revenue from helping customers design, deploy and manage their digital signage network, including:
  - Hardware system design / engineering
  - Hardware installation
  - Content development
  - Content scheduling
  - Post- deployment network and field support
- **Media sales** ● Recurring subscription licensing and support revenue from our digital signage software platforms, which are generally sold via a SaaS model. Our platforms include:
  - ReflectView, the Company’s core digital signage platform for most applications, scalable and cost effective from 10 to 100, 000 devices;
  - Reflect Xperience, a web- based interface that allows customers to give content scheduling access to local users via the web or mobile devices, while still maintaining centralized programming control;
  - Reflect AdLogic, the Company’s ad management platform for digital signage networks, which presently delivers approximately 50 million ads daily;
  - **Reflect AdLogic CPM, the Company’s demand side and supply side platform with campaign management and extensive capabilities for programmatic advertising;**
  - Clarity, the Company’s menu board solution, which has become a market leader for a range of restaurant, **including QSR** and convenience store applications;
  - Reflect Zero Touch, which allows customers to turn any screen into an interactive experience by allowing guests to engage using their mobile device;
  - iShowroomProX, an omni- channel digital sales support platform targeted at original equipment manufacturers in the transportation sector, which integrates with dozens of key data services including dealer inventory at the VIN level; and
  - OSx, a digital VIN- level checklist used to assist in the tracking and delivery of new vehicles in the transportation sector, providing measurable lift in customer satisfaction scores and connected vehicle enrollments and subscription activations.

While hardware sales and support services revenues can fluctuate more significantly year over year based on new, large- scale network deployments, the Company **expects to see continuous growth in is focusing on maintaining and increasing** recurring SaaS revenue **for the foreseeable future** as digital signage adoption / utilization **continues to expand expands** across the vertical markets we serve.

3. We **We** believe that the adoption and evolution of our digital signage technology solutions will increase substantially in years to come in the industries in which we currently focus and in **others– other industries**. Throughout the COVID-19 pandemic, our current and potential customer base **reduced capital expenditures, including capital expenditures that we believe would have been used to implement digital technology solutions.** The costs of hardware configurations and software media players used to process and display content also increased during that period as a result of supply constraints for semiconductors, a key input to both digital display and digital media player products. Throughout 2021, we faced significant supply chain challenges which limited the availability of each of these components to our sold solutions; however, those supply constraints have materially subsided and the cost of hardware products has again begun to reduce in the most recent trailing twelve month period. We believe that the costs of such hardware will decrease over time as it has done so historically **and will do so at an accelerating rate**. Flat panel displays, **along with LED technology and digital media** players typically constitute a large portion of the expenditure customers make relative to the entire cost of implementing a digital marketing system implementation and can be a barrier to customer deployment. As a result, we believe that the broader adoption of digital marketing technology solutions is likely to increase, although we cannot predict the rate at which such adoption will occur. **We believe the proliferation of in- store retail media networks will be an industrial catalyst for infrastructure and AdTech sales for which the Company is well situated from product set and technology stack standpoints.** Another component of our business strategy, **given the evolving dynamics of the industry in which we operate, is to acquire and integrate other operating companies in the industry industries we operate in conjunction with pursuing our organic growth objectives.** We believe that the selective acquisition and successful integration of certain companies will: accelerate our growth in targeted vertical and operating markets; enable us to cost- effectively aggregate multiple customer bases onto a single business and technology platform; provide us with greater operating scale on a consolidated basis; enable us to leverage a common set of processes and tools, and cost efficiencies company- wide; and ultimately result in higher operating profitability and cash flow from operations. Our management team’s primary focus is the continued acceleration of organic growth, but secondarily evaluates acquisition opportunities on an ongoing basis. Our management team and Board of Directors have broad experience with the execution, integration, and financing of acquisitions and seek only accretive strategic transactions with material cost synergies as a result of overlapping or concurrent content management system capabilities with focus on eliminating the associated cost structure for these systems. **We believe that the COVID-19 pandemic has adversely affected our smaller competitors, and as a result, there may exist acquisition opportunities in the future.** We also believe that, **based on the foregoing, we can successfully serve as a consolidator of multiple business and technology platforms serving similar markets.** As part of our acquisition strategy, we acquired Allure Global Solutions, Inc., a Georgia corporation (“Allure”) in 2018, and Reflect in February 2022.

**Business Strategy** We believe that our existing business model is highly scalable and can be expanded successfully as we continue to grow organically, seek to acquire and integrate other companies in our target markets, strengthen our operational practices and procedures, further streamline our administrative office functions, and continue to capitalize on various marketing programs and activities. **With a focus on SaaS revenues, we believe that our gross margins will rise as our business scales.**

**Industry Background** We believe certain digital marketing technology industry trends are creating the opportunity for retailers, brands, venue- operators, enterprises, non- profits and other organizations to create innovative shopping, marketing, and informational experiences for their customers and other stakeholders in various

venues worldwide. These trends include: (i) the expectations of technology- savvy consumers; (ii) addressing on- line competitors by improving physical experiences; (iii) a decline in the cost of hardware configurations (primarily flat panel displays) and software media players; (iv) the continued evolution of mobile, social, software and hardware technologies, applications and tools; (v) increasing sophistication of social networking platforms; (vi) increasingly complex customer requirements related to their specific digital marketing technology and solution objectives; and (vii) customer expectations of satisfactory consumer experiences with reduced installation and operating costs. As a result, a growing number of retailers, brands, venue- operators, and other organizations have identified the need and opportunity to implement increasingly agile, automated, targeted and cost- effective and “ sales- lifting ” digital marketing, and interactive experiences to market to their customers. These experiences include creating unique and customized experiences for targeted, timely offerings and relevant promotions; improving engagement resulting in increased sales; and increasing shopping basket size. We believe our customers consider capitalizing on these industry trends to be increasingly critical to any successful “ store of the future ” retail and brand sales environment, especially where sales staff turnover is high, training outcomes are inconsistent and product knowledge is low. Companies are implementing various digital marketing technology solutions, which: are implemented in multiple forms and types of configurations and locations; attempt to achieve any of a broad range of individual or combination of objectives; contain various levels of targeting; have the ability to instantly manage single or multiple locations remotely from a customer’ s desktop or other connected device at each location; and are built to deliver or contain a standard or customized customer experience unique to and within the customer’ s environment. Examples of such solutions include: 4

- Digital Merchandising Systems, to inform and interact with customers through various types of content in an integrated experience, improve in- store customer experiences and increase overall sales, upsells, and / or cross- sales;
- Digital Sales Assistants, to replace or augment existing sales resources and the level of interactive and informational sales assistance inside the store;
- Digital Way- Finders, to help customers navigate their way around individual retail stores and multi- store locations or venues, or within individual brand categories;
- Digital Kiosks, to provide data, specialized and customized broadcasts, promotional information and coupons, train, and other forms of information and interaction with customers in a variety of deployment forms, types, configurations and experiences;
- Digital Menu- Board Systems, to enable various types of restaurant operators the ability to remotely and on a scheduled basis, update and modify menu information, promotions, and other forms of content dynamically;
- and • Dynamic Digital Signage, including Advertising Networks, to deliver and manage in- store marketing and advertising campaigns, specialized and customized broadcasts, and various other forms of messaging targeting customers in a particular experience or environment.

Our Markets We currently market and sell our marketing technology solutions through our direct sales force, inside sales team, and word- of- mouth referrals from existing customers. Select strategic partnerships and lead generation programs also drive business to the Company through targeted business development initiatives. We market to companies that seek digital marketing solutions across multiple connected devices and who specifically seek or could benefit from enhancements to the customer experience offered in their stores, venues, brands or organizations. Our digital marketing technology solutions apply in a wide variety of industries. The industries in which we primarily sell our solutions are established and include automotive, retail, DOOH including advertising networks and retail media networks, foodservice / QSR, financial services, gaming, and sports and entertainment venues. A number of participants in these industries have only recently started considering or expanding the adoption of these types of technologies, solutions, and experiences as part of their overall marketing strategies. Seasonality A portion of our customer activity is influenced by seasonal effects related to traditional end of calendar year peak retail sales periods, traditional spring stadium / venue opening seasons, and certain other factors that arise from our target customer base. Nevertheless, our revenues can be materially affected by the launch of new markets, the timing of production rollouts, and other factors, any of which have the ability to reduce or outweigh certain seasonal effects. Effect of General Economic Conditions on our Business We believe that demand for our services will increase in the future in part because of new construction and remodeling activities of pre- existing retail, convenience store, stadium, and event venues. While we do see reductions in retail footprints across the U. S., we see a continued focus on integration of digital into the retail marketplace and a focus on digital refreshes within the retail space to stay relevant in an evolving e- commerce marketplace. Recent general economic improvements conditions have generally make it easier for our customers to justify decisions to invest in digital marketing technology solutions. A change in the macroeconomic trend in the U. S. could have a negative impact on our customers’ ability and / or willingness to advance their digital initiatives. Government Effect of Supply Chain Constraints A key component of our business includes the sale of digital media players, digital displays, and mounts supplied by third- party manufacturing partners. While the disruptions we experienced throughout 2021 and the first half of 2022 with respect to semiconductors have mostly subsided, we are still exposed to potential disruptions and delays related to fulfillment of inventory purchases from vendors as a result of increased lead times post- COVID- 19 pandemic, which represent the key components to our digital signage solutions, because of a global shortage of semiconductor chips. In instances in which inventory was available, we experienced delays in the transportation of these goods from manufacturers to the Company, and in delivery of our solutions to our customers. 5 Regulation Regulation We are subject to regulation by various federal and state governmental agencies. Such regulation includes radio frequency emission regulatory activities of the U. S. Federal Communications Commission, the consumer protection laws of the U. S. Federal Trade Commission, product safety regulatory activities of the U. S. Consumer Product Safety Commission, and environmental regulation in areas in which we conduct business. Some of the hardware components that we supply to customers may contain hazardous or regulated substances, such as lead. A number of U. S. states have adopted or are considering “ takeback ” bills addressing the disposal of electronic waste, including CRT style and flat panel monitors and computers. Electronic waste legislation is developing. Some of the bills passed or under consideration may impose on us, or on our customers or suppliers, requirements for disposal of systems we sell and the payment of additional fees to pay costs of disposal and recycling. Presently, we do not believe that any such legislation or proposed legislation will have a materially adverse impact on our business. Competition While we believe there is presently no direct competitor with the

comprehensive offering of technologies, solutions, and services we provide to our customers, there are multiple individual competitors who offer subsets of our product and service offerings. These include digital signage software companies such as Stratacache and Poppulo; marketing services companies such as Sapient Nitro; or digital signage systems integrators such as SageNet. Some of these competitors may have significantly greater financial, technical, and marketing resources than we do and may be able to respond more rapidly than we can to new or emerging technologies or changes in customer requirements. We believe that our holistic sales and business development capabilities, network operations / field service management capabilities, our comprehensive offering of digital signage technology and solutions, brand awareness, and proprietary processes are the primary factors providing our competitive advantage. Major Customers **We had three customers that accounted for 15 %, 13 % and 10 % of revenue for the year ended December 31, 2024.** No customer accounted for more than 10 % of revenue for the year ended December 31, 2023. We had ~~three~~ **one customer that accounted for 16 % of accounts receivable at December 31, 2024 and two** customers that accounted for ~~44 26 %~~ **and 23 %** of ~~accounts receivable at~~ **revenue for the year ended December 31, 2022.** We had ~~two and three~~ **two and three** customers that in the aggregate accounted for ~~50 % and 49 % of accounts receivable as of December 31, 2023 and 2022, respectively.~~ Decisions by one or more of these key customers to not renew, terminate, or substantially reduce their use of our products, technology, services, and platform could substantially slow our revenue growth and lead to a decline in revenue. Our business plan assumes continued growth in revenue, and it is unlikely that we will become profitable without a continued increase in revenue. **For more information, see Item 1A. Risk Factors, “ Our continued growth and financial performance could be adversely affected by the loss of several key customers. ”**

Territories We sell products and services primarily throughout North America, with limited software licensing agreements operating in other international jurisdictions. Human Capital We ~~have~~ **strive to foster a workforce comprised of approximately 152 great work environment and offer an exceptional experience through competitive pay, benefits, and training programs to our employees.** Our objective is to attract, develop, retain, and reward individuals with the talent and skills to help support our business objectives. As of December 31, 2024, we had 146 employees. Corporate Organization We ~~originally incorporated and organized as of a Minnesota corporation under the name “ Wireless Ronin Technologies, Inc. ” in March 2003 and focused on our expertise in digital media marketing solutions, including digital signage, interactive kiosks, mobile, social media, and web- based media solutions. We acquired the interactive marketing technology business that we currently operate in a 2014 merger with Creative Realities, LLC. Shortly after that merger, we changed our corporate name from “ Wireless Ronin Technologies, Inc. ” to “ Creative Realities, Inc. ” On October 15, 2015, we acquired the systems integration and marketing technology business of ConeXus World Global, LLC. On November 20, 2024.~~ We do not have ~~2018, we acquired Allure, any- an employees that operate under collective- bargaining agreements~~ **enterprise software development company. On February 17, 2022, we acquired Reflect.** Our principal offices are located at 13100 Magisterial Drive, Ste 100, Louisville, Kentucky 40223, and our telephone number at that office is (502) 791- 8800. We have additional offices in the Dallas, TX, Atlanta, GA, and Windsor, Ontario (Canada) metro areas. **Our internet address is www. Corporate Organization We originally incorporated and organized as a Minnesota corporation under the name “ Wireless Ronin Technologies, Inc. cri. com. Information ” in March 2003 and focused on our website does not constitute part** expertise in digital media marketing solutions, including digital signage, interactive kiosks, mobile, social media, and web- based media solutions. We acquired the interactive marketing technology business that we currently operate in a 2014 merger with Creative Realities, LLC. Shortly after that merger, we changed our corporate name from “ Wireless Ronin Technologies, Inc. ” to “ Creative Realities, Inc. ” On October 15, 2015, we acquired the systems integration and marketing technology business of **this Report** ConeXus World Global, LLC. On November 20, 2018, we acquired Allure, an enterprise software development company. On February 17, 2022, we acquired Reflect. **ITEM- ITEM 1A RISK FACTORS** Our business involves a high degree of risk. In evaluating our business, you should carefully consider the specific risks described below, and any risks described in our other filings with the Securities and Exchange Commission (the “ SEC ”), pursuant to Sections 13 (a), 13 (c), 14, or 15 (d) of the Exchange Act. Any of the risks we describe below **or in our other filings with the SEC** could cause our business, financial condition, results of operations or future prospects to be materially adversely affected. In addition, some of ~~the~~ **these risks contain** following statements are ~~forward- looking statements.~~ **RISKS RELATED TO OUR BUSINESS AND OUR INDUSTRY** We have incurred historical net losses, and we have had negative cash flows from operations. While we ~~were have been~~ able to achieve net income in ~~2021 and~~ 2022, we incurred a net loss in 2023 **and 2024** and it is uncertain whether we will be able to ~~sustain~~ **obtain** or increase our profitability in successive periods. We have formulated our business plans and strategies based on certain assumptions regarding the acceptance of our business model and the marketing of our products and services. Nevertheless, our assessments regarding market size, market share, market acceptance of our products and services and a variety of other factors may prove incorrect. Our future success will depend upon many factors, including factors beyond our control and those that cannot be predicted at this time. Digital marketing technology and solutions are evolving, and the markets in which we compete are rapidly changing. As a result, our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by growing companies in new and rapidly evolving markets. We may be unable to accomplish any of the following, which would materially impact our ability to implement our business plan: • timely and successfully developing new technology, solution, service, and platform features, including but not limited to the utilization of artificial intelligence, and increasing the functionality and features of our existing technology, solution, service, and platform offerings; • establishing and maintaining broad market acceptance of our technology, solutions, services, and platforms, and converting that acceptance into direct and indirect sources of revenue; • establishing and maintaining adoption of our technology, solutions, services, and platforms in and on a variety of environments, experiences, and device types; • developing technology, solutions, services, and platforms that result in a high degree of customer satisfaction and a high level of end- customer usage; • successfully responding to competition, including competition from emerging technologies and solutions; • developing and maintaining strategic relationships to enhance the distribution, features, content

and utility of our technology, solutions, services, and platforms; • identifying, attracting and retaining talented engineering, network operations, program management, technical services, creative services, and other personnel at reasonable market compensation rates in the markets in which we employ such personnel; and • integrating operations, personnel and technology from our acquisitions. Our business strategy may be unsuccessful and we may be unable to address the risks we face in a cost-effective manner, if at all. If we are unable to successfully accomplish these tasks, our business will be harmed. ~~7The~~ ~~The~~ report of our independent registered public accounting firm on our Consolidated Financial Statements for the fiscal year ended December 31, ~~2023~~ ~~2024~~ ~~included~~ ~~includes~~ an explanatory paragraph indicating that there is substantial doubt as to our ability to continue as a going concern within one year after that date that the Consolidated Financial Statements are issued. At December 31, ~~2023~~ ~~2024~~, the Company has an accumulated deficit of \$ ~~53,563,346~~ ~~854~~, and negative working capital of \$ ~~11,667,587~~, including current debt obligations of \$ 3,690, and cash of \$ 2,910. For the year ended December 31, ~~2023~~ ~~2024~~, the Company generated operating income of \$ ~~938,134~~ and generated positive net cash flows from operations of \$ ~~53,381~~. **The Company's contingent consideration obligation was dependent upon the market value of the Company's share price at February 17, 2025. Pursuant to the Second Amended and contractually must be settled in cash. The Restated - estimated liability for financial statement accounting purposes is \$ 12,815 as of December 31, 2024. While the Company is currently generating cash from operations and refinanced its debt in 2024, the Credit and Security Agreement (as defined in Note 7 Debt below) limits, via specific reserve, utilization of the "Company's line of credit to no more than \$ 4,000 (or such lesser amount determined by the lender in its sole and absolute discretion) for payments to satisfy the contingent consideration obligation. Should the contingent consideration require a cash payment at maturity in excess of the specific reserve, the Company may not have sufficient liquidity to settle this obligation without (i) receipt of a waiver under the Credit Agreement", (ii) between the Company and an amendment Slipstream, the Company is required and began to make monthly repayments of principal on the Consolidation Term Loan on September 1, 2023. The monthly principal Credit Agreement to permit additional funds from the line of credit to be used for payment is approximately \$ 370 and will continue on the first day of each month thereafter until the Maturity Date on February 17, 2025, with total principal repayments of \$ 4,037 during the twelve months subsequent to the reporting date of our Consolidated Financial Statements. In addition, the Company is required to repay the principal balance on the Acquisition Term Loan of \$ 10,000 at maturity and resolve the contingent consideration obligation, (iii) described below - raising additional capital on the capital markets, the proceeds currently estimated for accounting purposes at \$ 11,208, each of which would be used mature on February 17, 2025 in whole or in part, to satisfy the contingent consideration obligation, or (iv) a reduction in the amount of the contingent consideration obligation. The conditions and collectively events raises - raise substantial doubt about the Company's ability to continue as a going concern under the technical framework within ASU 205-40. See "Note 1: Nature To the extent we are required to raise additional financing, turmoil in the capital markets, including the tightening of credit Organization of Organization and Operations - Liquidity - increased interest rates, may impact our ability to raise financing on terms and Financial Consideration" at a cost favorable to the Company's Consolidated Financial Statements contained in this Report. We may be required to raise capital during a weak economy and have little flexibility to wait for a description of more favorable terms our - or economic conditions payment obligations under the Credit Agreement. We are likely The merger agreement in which we acquired Reflect requires us to face higher borrowing costs pay to former Reflect stockholders additional contingent cash consideration after February 17, 2025 (subject to a six-month extension under certain circumstances), if the closing price of our shares of common stock on such date is less than \$ 6.40 per share (the "Guaranteed Price"). The actual amount of such contingent consideration cannot be determined until such time, but our financial statements reflect \$ 11,208 as the amount of such payment as of December 31, 2023, which include an increase in the Guaranteed Price to reflect the Company's 1-for-3 reverse stock split that occurred on March 23, 2023. See "Note 5 Business Combinations" to the Company's Consolidated Financial Statements contained in this Report for a description of our obligations to pay the contingent consideration. We do not anticipate that we will have adequate funds from our operations to satisfy these obligations in February 2025. In response to these conditions, the Company plans to evaluate its available capital options for refinancing, more stringent terms via recapitalization, debt financing or equity financing, its upcoming obligations associated with the Acquisition Term Loan, Consolidation Term Loan, and contingent consideration tighter covenants. Such unfavorable However, these plans have not been finalized, are subject to market conditions, could have and - an adverse impact on our are not within the Company's control, and therefore cannot be deemed probable. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as fund our operations and capital expenditures in the future. Any adverse change in the terms of our financing, including increased costs, could have a going concern - negative impact on our financial condition. Any equity financings will likely be dilutive to shareholders and may be completed at a discount to the then-current market price of our securities. Debt financing, if available, may involve restrictive covenants on our operations or pertaining to future financing arrangements. Nevertheless, we may not successfully complete any future equity or debt financing. Adequate funds for our operations, whether from financial markets, collaborative or other arrangements, may not be available when needed or on terms attractive to us. If adequate funds are not available, our plans to operate our business may be adversely affected and we could be required to curtail our activities significantly and / or cease operating. In light of our limited resources in general, we have limited material investments in research and development over the past several years. This conserves capital in the short term. In the long term, as a result of our failure to invest in research and development, our technology and product offerings may not keep pace with the market, and we may lose any current existing competitive advantage. Over the long term, this may harm our revenues growth and our ability to become profitable. ~~8The~~ ~~The~~ variable sales cycle of some of our products will likely make it difficult to predict operating results. Although we are focusing on increasing our revenues from SaaS services to our customers, our overall revenues in any quarter depend substantially upon contracts signed and the related shipment and installation or delivery of hardware and**

software products in that quarter. It is therefore difficult for us to accurately predict revenues and this difficulty also will affect the Company. It is difficult to forecast the timing of large individual hardware and software sales with a high degree of certainty due to the extended length of the sales cycle and the generally more complex contractual terms that may be associated with our products that could result in the deferral of some or all of the revenue to future periods. Accordingly, large individual sales have sometimes occurred in quarters subsequent to when we anticipated or not at all. If we receive any significant cancellation or deferral of customer orders, or **it is we are** unable to conclude license negotiations by the end of a fiscal quarter, our operating results may be lower than anticipated. In addition, any weakening or uncertainty in the economy may make it more difficult for the Company to predict quarterly results in the future, and could negatively impact our business, financial condition, and results of operations for an indefinite period of time. There has been, and we expect that there will continue to be, significant consolidation in our industry. Our failure or inability to either lead or participate in that consolidation **would may** have a severe adverse impact on our access to financing, customers, technology, and human resources. Our industry is currently composed of a large number of relatively small businesses; no single business dominates or provides integrated solutions and product offerings incorporating much of the available industry technology. We believe that substantial consolidation is occurring in our industry and will continue to do so in the near future. We believe that our prior acquisitions of Allure and Reflect illustrate acquisition opportunities that exist in our industry. If we are not active participants in consolidation, either as a consolidator or as a target, we may be left out of this process, with product offerings of limited value compared with those of our consolidated competitors. Moreover, even if we lead the consolidation process, we may incur unknown liabilities in such consolidations, fail to fully integrate the operations, personnel, or technology from such consolidations, and the market may not validate the decisions we make in that process. We anticipate that opportunities to acquire similar businesses will materially depend on, among other things, the availability of financing options for us with acceptable terms. Poor credit and other market conditions or uncertainty in financial markets could adversely affect our ability to obtain such financing, and as a result, materially limit our ability to grow through acquisitions. Our success will depend to a large extent on market acceptance of our interactive marketing technologies among our current and prospective customers. Our prospective customers may still not use our solutions for a number of other reasons, including preference for static advertising, lack of familiarity with our technology, preference for competing technologies or perceived lack of reliability. We believe that the acceptance of our interactive marketing technologies by prospective customers will depend primarily on the following factors: • our ability to demonstrate the economic and other benefits attendant to our interactive marketing technologies; • our customers becoming comfortable with using our interactive marketing technologies; and • the reliability of our interactive marketing technologies. Our interactive technologies are complex and must meet stringent user requirements. Some undetected errors or defects may only become apparent as new functions are added to our technologies and products. The need to repair or replace products with design or manufacturing defects could temporarily delay the sale of new products and adversely affect our reputation. Delays, costs, and damage to our reputation due to product defects could harm our business. ~~9Our~~ **Our** financial condition and potential for continued net losses may cause current and prospective customers to defer placing orders with us, to require terms that are less favorable to us, or to place their orders with our competitors, which could adversely affect our business, financial condition, and results of operations. On the same basis, third- party suppliers may refuse to do business with us, or may do so only on terms that are unfavorable to us, which also could cause our expenses to increase. Because we do not have long- term purchase commitments from our customers, the failure to obtain anticipated orders or the deferral or cancellation of commitments could have adverse effects on our business. Our business **contracts include** is characterized by short- term purchase orders, contracts that do not require that purchases be made by our customers, and monthly subscription contracts (SaaS) that may be terminated with minimal notice. This makes forecasting our sales difficult. The failure to obtain anticipated orders and deferrals or cancellations of purchase commitments or SaaS services because of changes in customer requirements, or otherwise, could have a material adverse effect on our business, financial condition, and results of operations. We have experienced such challenges in the past and may experience such challenges in the future. ~~No customer accounted for more than 10 % of revenue for the year ended December 31, 2023. We had three customers that accounted for 44 % of revenue for the years ended December 31, 2022.~~ Most of our contracts are terminable by our customers following limited notice and without early termination payments or liquidated damages due from them. In addition, each stage of a project often represents a separate contractual commitment, at the end of which the customers may elect to delay or not to proceed to the next stage of the project. We cannot assure you that one or more of our customers will not terminate a material contract or materially reduce the scope of a large project. The delay, cancellation or significant reduction in the scope of a large project or a number of projects could have a material adverse effect on our business, financial condition and results of operations. It is common for our current and prospective customers to evaluate our products over an extended period of time, most especially during economic downturns that affect our customers' businesses, as we saw during the COVID- 19 pandemic. The lengthy and variable sales cycle makes it difficult to predict our operating results. It is difficult for us to forecast the timing and recognition of revenue from sales of our products and services because our actual and prospective customers often take significant time to evaluate our products before committing to a purchase. Even after making their first purchases of our products and services (or "**“**pilot program **”**" purchases), existing customers may not make significant purchases of those products and services for a long period of time following their initial purchases, if at all. The period between initial customer contact and a purchase by a customer may be years with potentially an even longer period separating initial purchases and any significant purchases thereafter. During the evaluation period, prospective customers may decide not to purchase or may scale down proposed orders of our products for various reasons, including: • reduced need to upgrade existing visual marketing systems; • introduction of products by our competitors; • lower prices offered by our competitors; and • changes in **customer** budgets and purchasing priorities. Our prospective customers routinely require education regarding the use and benefit of our products and solutions. This may also lead to delays in receiving customers' orders. ~~10Our~~ **Our** industry is characterized by frequent technological change. If we are unable to adapt our products and

services and develop new products and services to keep up with these rapid changes, we will not be able to obtain, or maintain, market share. The market for our products and services is characterized by rapidly changing technology, evolving industry standards, changes in customer needs, heavy competition, and frequent new product and service introductions. If we fail to develop new products and services or modify or improve existing products and services in response to these changes in technology, customer demands, or industry standards, our products and services could become less competitive or obsolete. We must respond to changing technology and industry standards in a timely and cost-effective manner. We may not be successful in using new technologies, developing new products and services or enhancing existing products and services in a timely and cost-effective manner. Furthermore, even if we successfully adapt our products and services, these new technologies or enhancements may not achieve sufficient market acceptance. We operate in an intensely competitive industry, and our competitors are developing products and solutions that incorporate AI and ML. We may not be as successful as our competitors in incorporating AI and ML into our products and solutions. Our competitors may be larger, more diversified, better funded, and have access to more advanced technology, including AI and ML. These competitive advantages may enable our competition to innovate their products and solutions faster or better than we can, or to provide increased competition on quality and price, which could adversely affect our business and profitability. Burgeoning interest in AI and ML may increase competition and disrupt the Company's business model. AI and ML may lower barriers to entry in our industry and the Company may be unable to effectively compete with the products or services offered by new competitors. Changes to the products and services we offer related to AI and ML may affect customer expectations, requirements, or tastes in ways that the Company cannot adequately anticipate or adapt to, causing its business to lose revenues. We are exploring manners to integrate AI and ML into many of our offerings. We may need to increase our operational, research and development and compliance costs, or divert resources from other research and development efforts, to address potential issues related to AI and ML in a quickly evolving social, legal, and regulatory environment. As with many cutting-edge innovations, AI and ML present new risks and challenges, and existing laws and regulations may apply to us in new ways, the nature and extent of which are difficult to predict. Potential government regulation related to AI, including relating to ethics and social responsibility, may also increase the burden and cost of compliance and research and development. A portion of our business involves our ownership and licensing of software. This market space is characterized by frequent intellectual property claims and litigation. We could be subject to claims of infringement of third-party intellectual-property rights resulting in significant expense and the potential loss of our own intellectual property rights. From time to time, third parties may assert copyright, trademark, patent, or other intellectual property rights to technologies that are important to our business. Any litigation to determine the validity of these claims, including claims arising through our contractual indemnification of our business partners, regardless of their merit or resolution, would likely be costly and time consuming and divert the efforts and attention of our management and technical personnel. If any such litigation resulted in an adverse ruling, we could be required to: • pay substantial damages, royalties or other fees; • cease the development, use, licensing or sale of infringing products; • discontinue the use of certain technology; or • obtain a license under the intellectual property rights of the third party claiming infringement, which license may not be available on reasonable terms or at all. The platform architecture, data tracking technology, and integration layers underlying our proprietary platforms, our contract administration, procurement, timekeeping, content and network management, network services, device management, virtualized services, software automation and other tools, and back-end services are complex and include specially developed software and code. This software and code are developed internally, licensed from third parties, or integrated by in-house personnel and third parties. Any of the system architecture, system administration, integration layers, software, or code may contain errors, or may be implemented or interpreted incorrectly, particularly when they are first introduced or when new versions or enhancements to our tools and services are released. Consequently, our systems could experience performance failure, or we may be unable to scale our systems, which may: • adversely impact our relationship with customers and others who experience system failure, possibly leading to a loss of affected and unaffected customers; • increase our costs related to product development or service delivery; or • adversely affect our revenues and expenses. Our business may be adversely affected by malicious applications that make changes to our customers' computer systems and interfere with the operation and use of our products or products that impact our business. These applications may attempt to interfere with our ability to communicate with our customers' devices. The interference may occur without disclosure to or consent from our customers, resulting in a negative experience that our customers may associate with our products and services. These applications may be difficult or impossible to uninstall or disable, may reinstall themselves and may circumvent other applications' efforts to block or remove them. The ability to provide customers with a superior interactive marketing technology experience is critical to our success. If our efforts to combat these malicious applications fail, or if our products and services have actual or perceived vulnerabilities, there may be claims based on such failure or our reputation may be harmed, which would damage our business and financial condition. The market for interactive marketing technologies is highly competitive and we expect competition to increase in the future. Many competitors have significantly greater financial, technical, and marketing resources than us. These competitors may be able to respond more rapidly than we can to new or emerging technologies or changes in customer preferences or requirements. They may also devote greater resources to the development, promotion and sale of their products and services than us. We expect competitors to continue to improve the performance of their current products, services, and technologies and to introduce new products, services, and technologies as well. Successful new product and service introductions or enhancements by our competitors could reduce sales and the market acceptance of our products and services, cause intense price competition, or make our products and services obsolete. To be competitive, we must continue to invest significant resources in research and development, sales and marketing and customer support. If we do not have sufficient resources to make these investments or are unable to make the technological advances necessary to be competitive, our competitive position will suffer. Increased competition could result in price reductions, fewer customer orders, reduced margins, and loss of market share. Our failure to compete successfully against current or future competitors could adversely affect our

business and financial condition. ~~12~~Our ~~--~~ **Our future success depends on retaining key personnel and our ability to attract and retain additional personnel. Our key personnel include** ~~includes~~ **• Rick Mills**, our Chief Executive Officer and Chairman; ~~and~~ **• Will Logan**, **Rick Mills** our Chief Financial Officer. If we fail to retain our key personnel **Mr. Mills** or to attract, retain, and motivate other qualified employees, our ability to maintain and develop our business may be adversely affected. Our future success depends significantly on the continued service of our key technical, sales, and senior management personnel and their ability to execute our growth strategy. The loss of the services of our key employees could harm our business. We may be unable to retain our employees or to attract, assimilate and retain other highly qualified employees who could migrate to other employers who offer competitive or superior compensation packages. We ~~risk losing directors, officers, and employees, or paying more cash compensation, if our shareholders do not approve our 2023 Stock Incentive Plan. Our ability to issue incentive awards under our 2014 Stock Incentive Plan expired in 2023. Nasdaq's listing rules require us to obtain our shareholder's approval of a stock incentive plan before we may issue any shares under the plan or any option issued under the plan may be exercised. On November 8, 2023, our Board of Directors adopted a 2023 stock incentive plan (the "2023 Plan"), and we intend to seek shareholder approval of such plan at our 2024 annual shareholder meeting. As a company with limited capital resources, we have historically relied upon our ability to issue incentives from our stock incentive plans to our directors, officers and employees in lieu of cash-based compensation. Currently, we may only issue options under the 2023 Plan that cannot be exercised unless shareholder approval of the 2023 Plan is obtained in advance of the exercise of any option. We cannot issue restricted stock awards or stock awards, which we have issued in the past to incentivize our directors, officers and employees and to mitigate the cash compensation that would otherwise be payable to such persons. This limited use of the 2023 Plan limits the value of these incentives, and will require us to use cash in place of incentives under the 2023 Plan until shareholder approval is obtained, or we risk losing the services of our officers, directors and employees. We cannot guarantee that we will be able to obtain shareholder approval of the 2023 Plan. Our shareholders failed to approve at our 2023 annual shareholder meeting a 2023 equity incentive plan that authorized the issuance of up to 1,500,000 shares under such plan. We are subject to cyber security risks and interruptions or failures in our information technology systems and those of third party partners with whom our applications are integrated, and will likely need to expend additional resources to enhance our protection from such risks. Notwithstanding our efforts, a cyber incident could occur and result in information theft, data corruption, operational disruption, and / or financial loss. We depend on digital technologies to process and record financial and operating data and rely on sophisticated information technology systems and infrastructure to support our business, including process control technology. At the same time, cyber incidents, including deliberate attacks, have increased **in number and complexity**. Our technologies, systems and networks and those of our vendors, suppliers, and other business partners may become the target of cyberattacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of business operations. In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. Our **Despite our efforts, our** systems for protecting against cyber security risks may not be sufficient. As the sophistication of cyber incidents continues to evolve, we will likely be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate **any known** vulnerability to cyber incidents. Additionally, any of these systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, usage errors by employees, computer viruses, cyber-attacks, or other security breaches or similar events. The failure of any of our information technology systems may cause disruptions in our operations, which could adversely affect our revenues and profitability. Additionally, we engage third- party service providers to assist us in providing products and services for our customers. Those third- party services providers also subject to the foregoing risks to their systems. We do not have a process to oversee and identify risks from cyber security threats associated with our use of such third- party service providers, and any such incidents occurring on their system could similarly affect us, our revenues and profitability. ~~13~~~~Effective~~ **Effective** information security internal controls are necessary for us to protect our sensitive information from illegal activities and unauthorized disclosure in addition to denial of service attacks and corruption of our data. In addition, we rely on the information security internal controls maintained by our outsourced service provider. ~~Breaches~~ **Any breach** of our information management system could ~~also adversely affect~~ **compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption to our operations and the services we provide to customers or damage our reputation. In addition, a security breach could require that we expend significant additional resources to repair and enhance our information security systems. Furthermore, we could experience material harm to our financial condition, cash flows and the market price of our common stock, misappropriation of assets, compromise or corruption of confidential information collected in the course of conducting** our business reputation. ~~Finally, significant liability for stolen information system disruptions could adversely affect our~~ **assets, increased cybersecurity protection and insurance costs, regulatory enforcement, litigation and damage** ~~to effectively manage operations or our stakeholder relationships~~ **reliably report results**. Our technology, proprietary platforms, products, and services are highly complex and are designed to operate in and across data centers, large and complex networks, and other elements of the digital media workflow that we do not own or control. On an ongoing basis, we need to perform proactive maintenance services on our platform and related software services to correct errors and defects. In the future, there may be additional errors and defects in our software that may adversely affect our services. We may not have in place adequate reporting, tracking, monitoring, and quality assurance procedures to ensure that we detect errors in our software in a timely manner. If we are unable to efficiently and cost- effectively fix errors or other problems that may be identified, or if there are unidentified errors that allow persons to improperly access our services, we could experience loss of revenues and market share, damage to our reputation, increased expenses and legal actions by our customers. Our operations are dependent in part upon: network capacity provided by third- party telecommunications networks;~~

data center services provider owned and leased infrastructure and capacity; our dedicated and virtualized server capacity located at its data center services provider partner and a geo- redundant micro- data center location; and our own infrastructure and equipment. Collectively, this infrastructure, equipment, and capacity must be sufficiently robust to handle all of our customers' web- traffic, particularly in the event of unexpected surges in high- definition video traffic and network services incidents. We (and our service providers) may not be adequately prepared for unexpected increases in bandwidth and related infrastructure demands from our customers. In addition, the bandwidth we have contracted to purchase may become unavailable for a variety of reasons, including payment disputes, outages, or such service providers going out of business. Any failure of these service providers or our own infrastructure to provide the capacity we require, due to financial or other reasons, may result in a reduction in, or interruption of, service to our customers, leading to an immediate decline in revenue and possible additional decline in revenue as a result of subsequent customer losses. Our business operations are susceptible to interruptions caused by events beyond our control. For example, the COVID- 19 pandemic resulted in authorities implementing numerous preventative measures to contain or mitigate the outbreak of the virus, such as travel bans and restrictions, limitations on business activity, quarantines, and shelter- in- place orders. These measures caused business slowdowns and shutdowns in certain affected areas, both regionally and worldwide, which significantly adversely impacted our business and results of operations. We are vulnerable to potential problems when events beyond our control arise, including, among others: • our platform, technology, products, and services and underlying infrastructure, or that of our key suppliers, may be damaged or destroyed by events beyond our control, such as fires, earthquakes, floods, power outages, or telecommunications failures; • we and our customers and / or partners may experience interruptions in service as a result of the accidental or malicious actions of Internet users, hackers, or current or former employees; • we may transmit viruses to third parties that damage or impair their access to computer networks, programs, data or information, and eliminating computer viruses and alleviating other security problems may require interruptions, delays or cessation of service to our customers and cause us to face liability; • failure of our systems or those of our suppliers may disrupt service to our customers (and from our customers to their customers), which could materially impact our operations (and the operations of our customers), adversely affect our relationships with our customers and lead to lawsuits and contingent liability; • delays in product development or releases, or reductions in manufacturing production and sales of consumer hardware, as a result of inventory shortages, supply chain or labor shortages; • significant volatility and disruption of global financial markets, which could negatively impact our ability to access capital in the future; • our inability to recognize revenue, collect payment, or generate future revenue from customers, including from those that have been or may be forced to close their businesses or are otherwise adversely impacted by any resulting economic downturn; • negative impact on our workforce productivity, product development, and research and development due to difficulties resulting from our personnel working remotely • illnesses to key employees, or a significant portion of our workforce, which may result in inefficiencies, delays, and disruptions in our business; and • increased volatility and uncertainty in the financial projections we use as the basis for estimate used in our financial statements. The occurrence of any of the foregoing could result in claims for consequential and other damages, significant repair and recovery expenses and extensive customer losses and otherwise have a material adverse effect on our business, financial condition, and results of operations.

**Environmental, social and governance (“ ESG ”) matters have become increasingly important to some investors and other stakeholders. Certain organizations that provide corporate risk and corporate governance advisory services to investors have developed scores and ratings to evaluate companies based on ESG metrics. ESG evaluations are important to many investors and stakeholders. Many investors use ESG factors to guide their investment decisions. Many investment funds focus on positive ESG business practices and sustainability scores when making investments and may consider a company’ s sustainability efforts and / or score when making an investment decision. On the other hand, we could be criticized by ESG detractors for the scope and nature of any ESG policies or initiatives we implement. We could also be subjected to negative responses by governmental actors, such as state legislation, retaliatory legislative treatment or litigation by state or federal agencies or private actors, or face negative publicity campaigns that could adversely affect our reputation, business, financial performance and growth. The occurrence of any of the foregoing could have an adverse effect on our reputation, the price of our stock and our business, financial condition and results of operations, including increased capital expenditures and operating expenses. As a result of the 2024 presidential election, changes in the Presidency and both chambers of Congress may result in significant changes in, and have resulted in uncertainty with respect to, legislation, regulation, implementation or repeal of laws and rules that could affect our business. The new Presidential Administration has imposed and threatened tariffs against numerous countries and products, rescinded various prior executive orders and has issued new executive orders and taken other related executive actions. Many of these policy changes will require further rulemaking actions or other formal steps before they would become law. In addition, the new Administration has taken actions to reduce the number of federal employees and to eliminate certain federal agencies or reduce their authority. As a result, there is significant uncertainty regarding whether or how regulations and the agencies that administer and enforce these regulations may change as a result of the actions taken to date and possible future actions by the new Administration. Additionally, there may be litigation over such regulatory changes, and if public enforcement decreases as a result of such changes, private litigation over these matters may increase. We continually monitor these developments in order to respond to the changing regulatory environment impacting our business. While it is not possible to predict whether and when any such changes will occur, such changes could harm our business, operating results and financial condition. If we are slow or unable to adapt to any such changes, our business, operating results and financial condition could be adversely affected.** The market in which we operate is increasingly competitive. Our current competitors generally include general digital signage companies, specialized digital signage operators targeting certain vertical markets (e. g., financial services, retail, or food services), content management software companies, ~~or~~ **and** integrators and vertical solution providers who develop single implementations of content distribution, digital marketing

technology, and related services. These competitors, including future new competitors who may emerge, may be able to develop comparable or superior solution capabilities, software platform, technology stack, and / or series of services that provide a similar or more robust set of features and functionality than our technology, products and services. If this occurs, we may be unable to grow as necessary to make our business profitable. In addition, our existing and potential future competitors may be able to use their extensive resources to: • develop and deploy new products and services more quickly and effectively than we can; • develop, improve, and expand their platforms and related infrastructures more quickly than we can; • offer less expensive products, technology, platform, and services as a result of a lower cost structure, greater capital reserves, or otherwise; • adapt more swiftly and completely to new or emerging technologies and changes in customer requirements; • take advantage of acquisition and other opportunities more readily; and • devote greater resources to the marketing and sales of their products, technology, platform, and services. If we are unable to compete effectively in our various markets, or if competitive pressures place downward pressure on the prices at which we offer our products and services, our business, financial condition and results of operations may suffer.

**RISKS** RELATED TO OUR SECURITIES AND OUR COMPANY Our largest shareholder and senior lender possesses significant voting power with respect to our common stock, which will limit your influence on our management and affairs, and may discourage parties from initiating potential merger, takeover, or other change-of-control transactions. As of March 20, 2024, our largest shareholder and investor, Slipstream is the holder of all of our outstanding debt instruments, including two term loans, and has beneficial ownership of approximately 26 % of our common stock (on an as-converted, fully diluted basis including conversion of outstanding warrants, and assuming no other convertible securities, options and warrants are converted or exercised by other parties). Slipstream has significant influence on our management and affairs, including the election and removal of our Board of Directors and all other matters requiring shareholder approval, including the future merger, consolidation or sale of all or substantially all of our assets. This stockholder position, especially in light of Pegasus' prior proposals described below, may discourage others from initiating any potential merger, takeover, or other change-of-control transaction that may otherwise be beneficial to our shareholders. Furthermore, this concentrated ownership will limit the practical effect of your participation in Company matters, through shareholder votes and otherwise. On February 2, 2023 and May 1, 2023, we received unsolicited proposals from Pegasus Capital Advisors, L. P., on behalf of itself and certain of its affiliates, including Slipstream (collectively, "Pegasus"), to acquire all of the outstanding shares of common stock of the Company that are not owned by Pegasus for purchase prices of \$ 0.83 per share in cash (or, as a result of our 1-for-3 reverse stock split effectuated in March 2023, \$ 2.49 per share), and \$ 2.85 per share in cash, respectively. Pegasus is the beneficial owner of our common stock owned of record by Slipstream. The Special Committee of the Company's Board of Directors (the "Special Committee") concluded that each proposal undervalued the Company based on the Special Committee's views of the intrinsic value of the Company's existing business and current and future prospects, and was not in the best interests of the Company's existing shareholders. Consequently, the Special Committee advised Pegasus that it rejected each proposal, and since such time, Pegasus has not made any subsequent acquisition proposal. Our authorized capital consists of 116,666,666 shares of capital stock, 50,000,000 of which is undesignated preferred stock. Pursuant to authority granted by our Articles of Incorporation, our Board of Directors, without any action by our shareholders, may designate and issue shares in such classes or series (including other classes or series of preferred stock) as it deems appropriate and establish the rights, preferences and privileges of such shares, including dividends, liquidation and voting rights, provided such designation is consistent with Minnesota law. The rights of holders of other classes or series of stock that may be issued could be superior to the rights of holders of our common shares. The designation and issuance of shares of capital stock having preferential rights could adversely affect other rights appurtenant to shares of our common stock. Furthermore, any issuances of additional stock (common or preferred) will dilute the percentage of ownership interest of then-current holders of our capital stock and may dilute our book value per share. We have never paid dividends on any of our capital stock and currently intend to retain any future earnings to fund the growth of our business. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend on our financial condition, operating results, capital requirements, general business conditions, and other factors that our Board of Directors may deem relevant. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for the foreseeable future. We have nominal tangible assets. As a result, if we become insolvent or otherwise must dissolve, there will be no tangible assets to liquidate and no corresponding proceeds to disburse to our shareholders. If we become insolvent or otherwise must dissolve, shareholders will likely not receive any cash proceeds on account of their shares.

In 2022, the bid price of our the Company's common stock closed for 30 consecutive trading days below the \$ 1.00 per share minimum required for continued listing on The Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550 (a) (2) (the "Minimum Bid Price Requirement"). Although we the Company cured such noncompliance as a result of its 1-for-3 reverse stock split in March 2023, the trading price of our the Company's common stock has been subject to large movement in the past, especially in light of historically low trading volumes. **In addition, Nasdaq has recently adopted new rules that could hinder our ability to cure any future deficiency and maintain the continued listing of our common stock. These new rules, which became effective in January 2025, provide for the immediate delisting with no grace period of any listed company that falls out of compliance after the effective date with the Minimum Bid Price Requirement for a second time in a twelve-month period, provide for immediate delisting if a listed company effects a reverse stock split that causes it to fall out of compliance with certain other listing requirements, and limit the ratio of reverse stock splits to a cumulative ratio of 1-to-250 in any two-year period.** We cannot be certain that we the Company will be able to comply with the Minimum Bid Price Requirement and the other continued listing requirements of Nasdaq in the future, in which case our the Company's common stock may be delisted from the Nasdaq Capital Market. In the event our common stock is delisted from The Nasdaq Capital Market and we are also unable to maintain listing on another alternate exchange, trading in our common stock could thereafter be conducted in FINRA's OTC Bulletin Board or in the over-the-counter markets in the so-called "pink sheets." **In such event, Delisting would likely**

have an adverse effect on the liquidity of our common stock would likely be further impaired, decrease not only in the number of shares which could be bought and sold, but also through delays in the timing of the transactions, and there the market price of would likely be a reduction in our common stock, result in the potential loss of coverage by security analysts and the news media confidence by investors, customers, and employees, fewer business development opportunities, and thereby resulting in lower prices for our common stock than might otherwise prevail. Significant actual or perceived potential future issuance of our common stock could adversely affect the market price of our ability to obtain financing common stock. Generally, issuances of substantial amounts of common stock in the public market, and the availability of shares for future sale, could adversely affect the prevailing market price of our continuing operations common stock, and could cause the market price of our common stock to remain low for a substantial amount of time. We cannot foresee the impact of potential securities issuances of common shares on the market favorable terms for or our common stock, but it is possible that the market for our shares may be adversely affected, perhaps significantly. It is also unclear whether or not the market for our common stock could absorb a large number of attempted sales in a short period of time, regardless of the price at which they might be offered. Sales of a substantial number of shares of our common stock in the public market by certain of our stockholders could cause our stock price to fall all. Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur by our significant shareholders, including Slipstream, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our common stock. In general, there has been minimal trading volume in our common stock. Small trading volumes would likely make it difficult for our shareholders to sell their shares as and when they choose. Furthermore, small trading volumes are generally understood to depress market prices. As a result, you may not always be able to resell shares of our common stock publicly at the time and prices that you feel are fair or appropriate.

**GENERAL RISK FACTORS** Because of our limited internal resources, we may not have in place various processes and protections common to more mature companies and may be more susceptible to adverse events. We have limited internal resources. As a result, we may not have in place systems, processes, and protections that many of our competitors have or that may be essential to protect against various risks. For example, we have in place only limited resources and processes addressing human resources, timekeeping, data protection, business continuity, personnel redundancy, and knowledge institutionalization concerns. As a result, we are at risk that one or more adverse events in these and other areas may materially harm our business, financial condition, and results of operations.

Our Our results of operations are materially business has been and could continue to be affected by general global economic and market political conditions. Any downturn in the United States and internationally, including inflation, deflation, interest rates, recession, availability of capital, and the effects of governmental initiatives to manage economic conditions. The current conflicts in Ukraine and the Middle East, resulting sanctions and related countermeasures by the United States and other countries, and newly imposed and threatened tariffs could lead to market disruptions, including significant volatility in the credit and capital markets and the economy in general, which could weaken our operations and financial performance. Any developments or escalation of these conflicts, or any new conflicts, including those resulting from the policies of the new Presidential Administration, could significantly affect worldwide political stability and cause turmoil in the capital markets and generally in the global financial system. Additionally, the geopolitical and macroeconomic consequences of these events and associated sanctions cannot be predicted but could severely impact the world economy. If any of these events occur, the resulting political instability and societal disruption could have a negative effect cause our customers to slow or decrease spending on our products operating results, including a decrease in revenue and operating cash flow services as their budgets are impacted by economic or political conditions. To the extent our customers are unable to profitably leverage various forms of digital marketing technology and solutions, and / or the content we create, deliver and publish on their behalf, they may reduce or eliminate their purchase of our products and services. Such reductions A decline in customer spending traffic would lead to a reduction in our revenues. Additionally, in a down cycle economic environment, we may adversely experience the negative effects affect of increased competitive pricing pressure, customer loss, slowdown in commerce over the Internet, and corresponding decrease in traffic delivered over our network and failures by our customers to pay amounts owed to us on a timely basis or our earnings at all. Suppliers on which we rely for equipment, field services, servers, bandwidth, co location, and cash flows other services could also be negatively impacted by economic conditions that, in turn, could have a negative impact on our operations or revenues. Flat or worsening economic conditions may harm our operating results and financial condition. In addition, deterioration of conditions in worldwide credit markets could limit our ability to obtain financing to fund our operations and capital expenditures. During the past several years, inflation in the United States rose to levels not experienced in recent decades, including rising energy prices, prices for consumer goods, interest rates, wages, and currency volatility. These increases and any fiscal or other policy interventions by the U. S. government in reaction to such events could harm our business by increasing our operating costs and our borrowing costs, as well as decreasing the capital available to our customers and prospective customers who wish to purchase our products and services. The cost to operate and maintain and grow our operations could increase faster or at be adversely affected by the effects of a rate greater than any ability to increase widespread outbreak of contagious disease, including another outbreak of COVID-19 or our prices, which another illness. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for our products, our ability to collect against existing trade receivables and our operating results of. Specifically, such event may cause us, our customers or suppliers to temporarily suspend operations in the affected city or country, and customers may suspend or terminate capital improvements including in store digital deployments or refresh projects, all of which may have a material adverse effect on our business.