

## Risk Factors Comparison 2025-03-25 to 2024-03-25 Form: 10-K

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

We are currently party to a joint venture , Spiegel Venture, and our participation in such joint venture is subject to risks, including, among other things: (i) shared approval rights over certain major decisions affecting the ownership or operation of the joint venture and any assets owned by the joint venture; (ii) our joint venture counterparts being subject to different laws or regulations than us, which could create conflicts of interest; (iii) our ability to sell our interest in the joint venture, or the joint venture's ability to sell additional interests of, or assets owned by, the joint venture, being limited to that set forth under the terms of the governing agreements; (iv) the terms of the governing agreements providing our joint venture counterparts the right to exclude us from the joint venture under certain circumstances; (v) the terms of the governing agreements containing non-compete provisions, which may limit other potential business opportunities for us; (vi) a put option that permits our joint venture counterparts to require us to purchase their interest, subject to certain conditions, which, if exercised, would expose us to the full economics and risks of such joint venture, rather than only our proportionate interest therein; and (vii) disagreements with our joint venture counterparts, which may result in arbitration that could be expensive and distracting to management and could delay important decisions. Any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations. Certain of our growth strategies are untested, unproven or not yet fully developed. We intend to increase our revenues through expanding our subscriber base by, among other things, continuing to expand into international markets, expanding into the mobile video market, expanding into the corporate social responsibility market, expanding into the branded partnerships market, developing our Content Licensing business and developing our in-house production studio, Curiosity Studios, as well as our increasing focus on AVOD, TVOD and FAST channels. Our content is primarily in the English language with subtitling or dubbing in Spanish, Mandarin, Russian, Swedish, German, Dutch, Danish, Finnish, Norwegian and Slovenian in parts of our library and the world where demand exists and we have the language version rights. Our rights to the international distribution of portions of our co-produced or licensed content are subject to certain geographic and platform or media restrictions. However, we intend to seek partnerships with strong platforms in international territories, subject, in each case, to any then-existing geographic and media restrictions on the distribution of any of our content. There can be no assurance that these international partnerships will be successful or result in our meeting revenue targets. We believe there is an opportunity for us to commission or create content for other program providers. However, there can be no assurance that these partners will, or will continue to, engage us for co-productions or commissioned content, or that we will earn the margins that we expect on such projects. If we expand into new markets or increase certain operations in connection with our growth strategies, we may be required to comply with new regulatory requirements that could cause us to incur additional expenses, increase our cost of doing business, impose additional burdens on us or otherwise negatively affect our business. In pursuing these growth strategies, we expect to incur significant operating and capital expenditures and, as a result, we expect to continue to experience net losses in the future. It is possible that we will not be able to grow our revenues through these strategies, or if growth is achieved, that it will be maintained for any significant period, or at all. If we experience excessive rates of user churn, our revenues and business will be harmed. In order to increase our revenues, we must minimize the rate of loss of existing users while adding new users to our multiple subscription services. Our experience during our operating history indicates that many variables impact churn, including the type of plan selected, user engagement with the platform, length of a user's subscription to date and subscription pricing. As a result, in periods of rapid user growth, we believe that our average churn is likely to increase as the average length of subscription to date decreases. Similarly, in periods of slow user growth, we believe that our average churn is likely to decrease since our average user duration is longer. However, these estimates are subject to change based on a number of factors, including the percentage of users selecting monthly vs. annual plans, increased rates of subscription cancellations and decreased rates of user acquisition. We cannot assure you that these estimates will be indicative of future performance or that the risks related to these estimates will not materialize. Users may cancel their subscription to our service for many reasons, including, among others, a perception that they do not use the service sufficiently, or the belief that the service is a poor value, an increase in the price of the service or that customer service issues are not satisfactorily resolved. We must continually add new users both to replace users who cancel and to continue to grow our business beyond our current user base. From August 2021 through the end of 2023, we included access to Nebula's SVOD service as a part of a combined CuriosityStream / Watch Nebula subscription offer and as part of our Smart Bundle subscription package. On September 26, 2023, Nebula provided us with a notice of non-renewal, which resulted in Nebula's SVOD service leaving our platform, including our Smart Bundle package. We have shared a number of subscribers with Nebula during the term of this relationship. Since terminating this agreement, we have experienced a decline in the number of subscribers and are at risk of further churn from those subscribers who may only wish to access the Nebula service directly following the expiration of their CuriosityStream / Watch Nebula or Smart Bundle subscription. If too many of our users cancel our service, or if we are unable to attract new users in numbers sufficient to grow our business, our operating results will be adversely affected. Further, if excessive numbers of users cancel our service, we may ~~be required to incur significantly~~ higher marketing expenditures than we currently anticipate in order to replace these users with new users. If our efforts to build a strong brand identity and improve user satisfaction and loyalty are not successful, we may not be able to attract or retain users, and our operating results may be adversely affected. The CuriosityStream brand is only nine-ten years old, and we must continue to build a strong brand identity. To succeed, we must continue to attract and retain a large number of new users which require us to make significant advertising and promotional expenditures. We believe that the importance of brand loyalty will increase with the continued proliferation of

SVOD subscription services. If our branding efforts are not successful, however, our ability to attract and retain users will be adversely affected, which may negatively impact our future operating results. We may be unable to compete successfully against current and future competitors, and competitive pressures could harm our business and prospects. Our industry is intensely competitive, and we expect competition to increase in the future as current competitors improve their content offerings and as new participants enter the market. Competition may result in pricing pressures, reduced profit margins, loss of market share or greater difficulty in acquiring attractive content, any of which could substantially harm our business and results of operations. Many of the companies that are participating in the U. S. and global SVOD media sector have longer operating histories, larger and broader user bases, significantly greater financial, human, technical and other resources and greater name recognition than we do. These companies, which include Netflix, Amazon. com, Hulu, Paramount, Comcast, BBC, PBS, Fox Networks, Warner Bros. Discovery, Disney and others, provide a broader range of content, and could redirect and apply considerable resources to acquired and original factual content. During the COVID- 19 pandemic, both established companies and new competitors began developing and creating their own original factual content. In addition, many titles in our content library are subject to non-exclusive licenses, and as a result, our competitors may be able to license many of our popular titles to expand their reach into factual entertainment. If this were to occur, users that already subscribe to these services for other types of content may determine that they do not need to also subscribe to our service. There may also be other competitors, including non- profit and educational organizations and other knowledge- sharing focused institutions, that choose to focus on factual content that could directly compete with our SVOD offerings. Well- funded competitors may be better able to withstand economic downturns and periods of slow economic growth and the associated periods of reduced customer spending and increased pricing pressures. Some competitors are able to devote substantially more resources to website and systems development or to investments or partnerships. We may be unable to compete successfully against current and future competitors, and competitive pressures could harm our business and prospects. We face risks, such as unforeseen costs and potential liability, in connection with content we acquire, produce, license and / or distribute through our service. As a producer and distributor of content, we face potential liability for negligence, copyright and trademark infringement, or other claims based on the nature and content of materials that we acquire, produce, license and / or distribute. We also may face potential liability for content used in promoting our service, including marketing materials. We believe that original programming can help differentiate our service from other offerings, enhance our brand and otherwise attract and retain users. Consequently, we continue to devote resources toward the development, production, marketing and distribution of our original programming. To the extent our original programming does not meet our expectations, in particular, in terms of costs, viewing and popularity, our business, including our brand and results of operations, may be adversely impacted. As a content producer, we are responsible for production costs and other expenses. We also take on risks associated with production, such as completion risk. To the extent we create and sell physical or digital merchandise relating to our original programming, and / or license such rights to third parties, we could become subject to product liability, intellectual property or other claims related to such products. We may decide to remove content from our service, not to place licensed or produced content on our service or discontinue or alter production of original content if we believe such content might not be well received by our users, is prohibited by law or could be damaging to our brand. To the extent we do not accurately anticipate costs or mitigate risks, including for content that we obtain but ultimately does not appear on or is removed from our service, or if we become liable for content we acquire, produce, license and / or distribute, our business may suffer. Litigation to defend these claims could be costly and the expenses and damages arising from any liability or unforeseen production risks could harm our results of operations. We may not be indemnified against claims or costs of these types and we may not have insurance coverage for these types of claims. We rely upon a number of partners to make our service available on their platforms and devices. We currently offer users the ability to receive streaming content through a host of screens and devices, including televisions, set- top boxes, computers, streaming media players, game consoles and mobile devices. We have executed a number of distribution and licensing agreements with MVPDs, vMVPDs and digital distributors including Amazon. com, YouTube TV, Roku, Comcast, Cox Communications, Sling TV, Dish and others, as well as with our Bundled Distribution partners, including Multichoice, FuboTV and Izzi, among others. The future performance of our distribution partners under these distribution agreements is uncertain and we can provide no assurance that our distribution partners can generate the number of paying subscribers to our SVOD service in an amount adequate to produce the revenue required to maintain business operations. In many instances, our agreements also include provisions by which the distribution partner bills consumers directly for the CuriosityStream service or otherwise offers services or products in connection with offering our service. We intend to continue to broaden our relationships with existing partners and to increase our capability to stream our content to other platforms, partners and territories over time. If we are not successful in maintaining existing and creating new relationships, or if we encounter technological, content licensing, regulatory, business or other impediments to delivering our streaming content to our users via these devices and platforms and in these territories, our ability to increase our subscriber base and grow our business, as well as retain existing users, could be adversely impacted. Our agreements with our partners are typically between one and three years in duration and our business could be adversely affected if, upon expiration, a number of our partners do not continue to provide access to our service or are unwilling to do so on terms acceptable to us, which terms may include the degree of accessibility and prominence of our service. Furthermore, while devices are manufactured and sold by entities other than CuriosityStream, the connection between these devices and CuriosityStream may nonetheless result in consumer dissatisfaction toward CuriosityStream and such dissatisfaction could result in claims against us or otherwise adversely impact our business. In addition, technology changes to our streaming functionality may require that partners update their devices. If partners do not update or otherwise modify their devices, our service and our users' use and enjoyment of our content could be negatively impacted. We are subject to payment processing risk. Our users pay for our service using a variety of different payment methods, including credit and debit cards, gift cards, direct debit and online wallets. We rely on third parties to process payment. Acceptance and processing of these payment methods are subject to certain rules,

regulations, and industry standards, including data storage requirements, additional authentication requirements for certain payment methods, and require payment of interchange and other fees. To the extent there are disruptions in our payment processing systems, increases in payment processing fees, material changes in the payment ecosystem, such as large re-issuances of payment cards, delays in receiving payments from payment processors and / or changes to rules or regulations concerning payment processing, our revenue, operating expenses and results of operations could be adversely impacted. In addition, the military invasion of Ukraine by Russian forces and the economic sanctions imposed by the U. S. and other nations on Russia, Belarus and certain Russian organizations and individuals may disrupt payments we receive for distribution of our content in Russia. In certain instances, we leverage third parties such as our MVPDs and other partners to bill subscribers on our behalf. If these third parties become unwilling or unable to continue processing payments on our behalf, we would have to find alternative methods of collecting payments, which could adversely impact user acquisition and retention. In addition, from time to time, we encounter fraudulent use of payment methods, which could impact our results of operation and if not adequately controlled and managed could create negative perceptions of our service. If we are unable to maintain our fraud and chargeback rate at acceptable levels, card networks may impose fines, our card approval rate may be impacted and we may be subject to additional card authentication requirements. The termination of our ability to process payments on any major payment method would significantly impair our ability to operate our business. Distributors' failure to promote our content could adversely affect our revenue and could adversely affect our business results. We will not always control the timing and manner in which our licensed distributors distribute our content offerings. However, their decisions regarding the timing of release and promotional support are important in determining success. Any decision by those distributors not to distribute or promote our content or to promote our competitors' content to a greater extent than they promote our content could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects. If we fail to maintain or, in newer markets establish, a positive reputation with consumers concerning our service and the content we offer, we may not be able to attract or retain users, we may face regulatory scrutiny and our operating results may be adversely affected. We believe that a positive reputation with consumers concerning our service is important in attracting and retaining users who have many choices when it comes to where to obtain video entertainment. To the extent our content is perceived as low quality, offensive or otherwise not compelling to consumers, our ability to establish and maintain a positive reputation may be adversely impacted. To the extent our content is deemed controversial or offensive by government regulators, we may face direct or indirect retaliatory action or behavior, including being required to remove such content from our service, and our entire service could be banned and / or become subject to heightened regulatory scrutiny across our business and operations. In light of the military invasion of Ukraine by Russian forces and the economic sanctions imposed by the U. S. and other nations on Russia, Belarus and certain Russian organizations and individuals, our contracts to sell and distribute our content to Russian distributors in Russia may cast us in a negative light with consumers, governmental authorities, business partners or other stakeholders and injure our reputation. Furthermore, to the extent our marketing, customer service and public relations efforts are not effective or result in negative consumer reaction, our ability to establish and maintain a positive reputation may likewise be adversely impacted. Lastly, to the extent we suffer any security vulnerabilities, bugs, errors or other performance failures, our ability to establish and maintain a positive reputation may be adversely impacted. With newer markets, we also need to establish our reputation with consumers and to the extent we are not successful in creating positive impressions, our business in these newer markets may be adversely impacted. In addition, there is an increasing focus from regulators, investors, members and other stakeholders on environmental, social, and governance (" ESG ") matters, both in the U. S. and internationally, including the adoption of new disclosure and regulatory frameworks. To the extent the content we distribute and the manner in which we produce content creates ESG related concerns, our reputation may be harmed. Changes in competitive offerings for video entertainment, including the potential rapid adoption of piracy- based video offerings, could adversely impact our business. The market for video entertainment is intensely competitive and subject to rapid change. Through new and existing distribution channels, consumers have increasing options to access video entertainment. The various economic models underlying these channels include subscription, transactional, ad-supported and piracy- based models. All of these have the potential to capture meaningful segments of the video entertainment market. Piracy, in particular, threatens to damage our business. Piracy' s fundamental proposition to consumers is compelling and difficult to compete against, as virtually all content is free. Further, in light of the compelling consumer proposition, piracy services are subject to rapid global growth. In addition, traditional providers of video entertainment, including broadcasters and cable network operators, as well as internet- based e- commerce or video entertainment providers, are increasing their internet-based video offerings. Several of these competitors have long operating histories, large customer bases, strong brand recognition and significant financial, marketing and other resources. They may secure better terms from suppliers, adopt more aggressive pricing and devote more resources to product development, technology, infrastructure, content acquisitions and marketing. New entrants may enter the market or existing providers may adjust their services with unique offerings or approaches to providing video entertainment. In addition, new technological developments, including the development and use of generative artificial intelligence, are rapidly evolving. If our competitors gain an advantage by using such technologies, our ability to compete effectively and our results of operations could be adversely impacted. Companies also may enter into business combinations or alliances that strengthen their competitive positions. Companies also may enter into business combinations or alliances that strengthen their competitive positions. If we are unable to successfully or profitably compete with current and new competitors, our business will be adversely affected, and we may not be able to increase or maintain market share and revenues or achieve profitability. If government regulations relating to the internet or other areas of our business change, we may need to alter the manner in which we conduct our business or incur greater operating expenses. The adoption or modification of laws or regulations relating to the internet, telecommunications or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business. As our service and others like us gain traction in international markets, governments are increasingly looking to introduce new or extend legacy regulations to these services, in particular those related

to broadcast media, content obligations or restrictions, treatment of intellectual property, net neutrality or payment for transmission and tax. For example, recent changes to European law enable individual member states to impose levies and other financial obligations on media operators located outside their jurisdiction. It is also currently unknown how the military invasion of Ukraine by Russian forces and the economic sanctions imposed by the U. S. and other nations on Russia, Belarus and certain Russian organizations and individuals may affect us in the future. We anticipate that several jurisdictions may, over time, impose greater financial and regulatory obligations on us. In addition, the continued growth and development of the market for online commerce may lead to more stringent consumer protection laws, which may impose additional burdens on us. If we are required to comply with new regulations or legislation or new interpretations of existing regulations or legislation, this compliance could cause us to incur additional expenses or alter our business model. Changes in laws or regulations that adversely affect the growth, popularity or use of the internet, including laws impacting net neutrality or requiring payment of network access fees, could decrease the demand for our service and increase our cost of doing business. Certain laws intended to prevent network operators from discriminating against the legal traffic that traverse their networks have been implemented in many countries, including across the EU. In others, the laws may be nascent or non-existent. Furthermore, favorable laws may change, including for example, in the U. S. where net neutrality regulations were somewhat recently repealed. Given uncertainty around these rules, including changing interpretations, amendments or repeal, coupled with potentially significant political and economic power of local network operators, we could experience discriminatory or anti-competitive practices that could impede our growth, cause us to incur additional expense or otherwise negatively affect our business. Changes in how we market our service, or increases in our advertising rates, could adversely affect our marketing expenses and user levels may be adversely affected. We utilize a broad mix of marketing and public relations programs, including social media sites, to promote our service to potential new users. We may limit or discontinue use or support of certain marketing sources or activities if advertising rates increase or if we become concerned that users or potential users deem certain marketing practices intrusive or damaging to our brand. If the available marketing channels are curtailed, our ability to attract new users may be adversely affected. Companies that promote our service and / or host our advertisements may decide that we negatively impact their business or may make business decisions that in turn negatively impact us. For example, if they decide that they want to compete more directly with us, enter a similar business or exclusively support our competitors, we may no longer have access to their marketing channels or they may charge us higher advertising rates, preventing us from advertising at competitive and / or reasonable rates. We also acquire a number of users who rejoin our service after having previously cancelled their subscription. If we are unable to maintain or replace our sources of subscriptions with similarly effective sources, or if the cost of our existing subscription increases, our subscription levels and marketing expenses may be adversely affected. We utilize marketing to promote our content and drive viewing by our users. To the extent we promote our content inefficiently or ineffectively, we may not obtain the expected acquisition and retention benefits and our business may be adversely affected. Emerging industry trends in digital advertising may pose challenges for our ability to forecast or optimize our advertising inventory, which may adversely impact our ability to capture advertising spend. The digital advertising industry is introducing new ways to measure and price advertising inventory. For example, a significant portion of advertisers are in the process of moving from purchasing advertisement impressions based on the number of advertisements served by the applicable ad server to a new “viewable” impression standard (based on number of pixels in view and duration) for select products. In the absence of a uniform industry standard, agencies and advertisers have adopted several different measurement methodologies and standards. In addition, measurement services may require technological integrations, which are still being evaluated by the advertising industry without an agreed-upon industry standard metric. As these trends in the industry continue to evolve, our sponsorship and advertising fees may be adversely affected by the availability, accuracy and utility of the available analytics and measurement technologies as well as our ability to successfully implement and operationalize such technologies and standards. Our user metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may seriously harm and negatively affect our reputation and our business. We regularly review key metrics related to the operation of our business, including, but not limited to monthly active users (“MAUs”) and user churn, to evaluate growth trends, measure our performance, and make strategic decisions. These metrics are calculated using internal company data and have not been validated by an independent third party. While these numbers are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our service is used across populations globally. Errors or inaccuracies in our metrics or data could result in incorrect business decisions and inefficiencies. For instance, if a significant understatement of churn or overstatement of MAUs were to occur, we may expend resources to implement unnecessary business measures or fail to take required actions to attract a sufficient number of users to satisfy our growth strategies. Some of our demographic data also may be incomplete or inaccurate because users self-report their personal information. Consequently, the personal data we have may differ from our users’ actual information. If sponsors, advertisers, partners or investors do not perceive our user, geographic or other demographic metrics to be accurate representations of our user base, or if we discover material inaccuracies in our user, geographic, or other demographic metrics, our reputation may be seriously harmed. See “We are at risk of attempts at unauthorized access to our service through cyberattacks, and failure to effectively prevent and remediate such attempts could have an adverse impact on our business, operating results and financial condition.” We rely on subscription data provided by our third-party distributors and platform partners that has not been independently verified, and inaccuracies in that data may seriously harm and adversely affect our reputation and our business. Our calculation of total paying subscribers includes the subscribers who are accessing our service via a third-party distributor or platform partner. We rely on these third-party distributors and platform partners to provide us with subscriber data. This data may be based on verbal, unpublished or confidential reports and may not have been validated by us or an independent third party. We use this data, among other things, to evaluate growth trends, measure our performance and make strategic decisions. Reliance on such unconfirmed or unpublished data could lead us to make incorrect calculations or business decisions or incur

inefficiencies, particularly if these third parties provide inaccurate or incomplete data. If any of the foregoing were to occur, our reputation and business could be seriously harmed or adversely affected. Our business emphasizes rapid innovation and prioritizes long- term user engagement over short- term financial condition or results of operations, which strategy could have an adverse impact on our business, operating results and financial condition. Our business is evolving and has become more complex, and our success depends on our ability to quickly develop and launch new and innovative services. We believe our culture fosters this goal. Our focus on complexity and quick reactions could result in unintended outcomes or decisions that are poorly received by our users, advertisers, sponsors or partners. Our culture also prioritizes our long- term user engagement over short- term financial condition or results of operations. We also regularly run promotions discounting our service plans from their published prices. No assurance can be provided that such price reductions will produce an increase in subscribers to a level adequate to support sponsorship sales or generate revenue in an amount required to maintain business operations. These decisions may not produce the long- term benefits that we expect, in which case, our user growth and engagement, our relationships with advertisers, sponsors and partners, as well as our business, operating results and financial condition could be seriously harmed. We may incur non- cash impairment charges for our content assets, goodwill ~~and~~ other intangible assets and equity method investments which would negatively impact our business, financial condition and operating results. It is possible that we may never realize the full value of our intangible assets. We regularly review our long- lived assets, including our content assets, goodwill and other finite- lived intangible assets for impairment. Goodwill is subject to impairment review on an annual basis and whenever potential impairment indicators are present. Other long- lived assets, including our content assets, and finite- lived intangible assets are reviewed when there is an indication that an impairment may have occurred. We test goodwill for impairment at least annually, or more frequently if indicators of impairment exist, and other finite- lived intangible assets whenever events or changes in circumstances indicate that the varying value of the assets may not be recoverable. Impairment may result from, among other indicators, a decline in the share price of the Common Stock or market capitalization and negative industry or economic trends. As a result of a sustained decrease in our share price during the second quarter of 2022, we concluded that a triggering event had occurred, conducted impairment testing of our goodwill balance and recognized an impairment charge to goodwill. Also during the second quarter of 2022, we determined that impairment indicators existed with respect to certain of our finite- lived intangible assets. As a result, we performed an impairment test by comparing the carrying values of the intangible assets to their respective fair values, which were determined based on forecasted future cash flows. As a result of this impairment test, we recorded an impairment charge to those finite- lived intangible assets during the second quarter of 2022. We also regularly review our investments in equity method investees for impairment, including when the carrying value of an investment exceeds its related market or fair value. If we determine that an investment has sustained an “ other- than- temporary ” decline in value, the investment is written- down to its fair value. The factors we consider in making this determination include, but are not limited to, (i) the determined market value of the investee in relation to its cost basis, (ii) the financial condition and operating performance of the investee, and (iii) our intent and ability to retain the investment for a sufficient period of time to allow for recovery in the market value of the investment. Accordingly, we recognized impairments to our equity method investments in the Spiegel Venture and Nebula in the second and third quarters of 2023, respectively. In addition, companies in the streaming industry experienced a decline in market valuations during 2023, and the market price of our common shares declined significantly through the third quarter. Reflecting this market trend and due to the continued adverse macro and microeconomic conditions, including the competitive environment and its impact on our subscriber growth, we revised our forecasted subscriber growth and cash flow assumptions. Given these factors, as well as our continuing operating losses, we identified an indicator of impairment related to our content asset group and performed an analysis of content assets to assess if the fair value was less than unamortized cost. As a result of this impairment analysis of content assets, we recorded an impairment during the third quarter of 2023. If ~~the~~ ~~there was a future~~ decline in our share price ~~continues in 2024~~, we ~~would~~ ~~may~~ be required to further test our content assets, finite- lived intangible assets, and equity method investments, which may result in an impairment. The impairment of all or part of our content assets, finite- lived intangible assets or equity method investments may have a material adverse effect on our business, financial condition or results of operations. The amount of impairment determined reduces the carrying value of the asset and is expensed in that period as a charge to our results of operations. The fair value determinations underlying the quantitative aspect of our impairment testing require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. Estimating the fair value of our reporting unit and intangible assets requires us to make assumptions and estimates regarding our future plans, as well as industry, economic and regulatory conditions. If current expectations are not met, or if market factors outside of our control change significantly, then our reporting unit or intangible assets might become impaired in the future, adversely affecting our operating results and financial position. The carrying amounts of our content assets and finite- lived intangible assets are susceptible to impairment risk if there are unfavorable changes in such assumptions, estimates and market factors. To the extent that business conditions deteriorate or key assumptions and estimates differ significantly from our management’ s expectations, it may be necessary to recognize additional impairment charges in the future.

**RISKS RELATED TO INTELLECTUAL PROPERTY** If content providers or other rights holders refuse to license streaming content or other rights upon terms acceptable to us, our business could be adversely affected. Our ability to provide our users with content they enjoy depends on content providers and other rights holders’ licensing rights to distribute such content and certain related elements thereof, such as the public performance of music contained within the content we distribute, upon terms acceptable to us. While the license periods and the terms and conditions of such licenses vary, a significant portion of our content is subject to license for a given period. ~~As~~ ~~For example, as~~ of December 31, ~~2023-2024~~, approximately ~~81-73~~ % of ~~the titles on~~ our ~~CuriosityStream~~ SVOD titles ~~service~~ were subject to licenses, approximately ~~39-49~~ % of which expire in ~~2024-2025~~ and approximately ~~46-13~~ % of which expire in ~~2025-2026~~. Of the titles that expire in ~~2024 and 2025~~ ~~and 2026~~, some may be renewed for a one- or two- year term at our unilateral option. If the content providers and other rights holders are not or are no longer willing or able to license us

content upon terms acceptable to us, our ability to deliver particular items of content to our **SVOD** subscribers will be adversely affected and / or our costs could increase. Certain licenses for content provide for the content providers to withdraw content from our service relatively quickly, and such content providers could decide that we negatively impact their business or may make business decisions that in turn negatively impact us. For example, certain content providers could decide that they want to compete more directly with us, enter a similar business or exclusively support our competitors, and in such event we may no longer have access to their content at all or only at higher rates. Because of these provisions as well as other actions we may take, content available through our service can be withdrawn on short notice. As competition increases, we may see the cost of programming increase. As we seek to differentiate our service, we are increasingly focused on securing certain exclusive rights when obtaining content, including original content. We are also focused on programming an overall mix of content appealing to our users in a cost- efficient manner. Within this context, we are selective about the titles we add and renew to our service. If we do not maintain a compelling mix of content, our user acquisition and retention may be adversely affected. Music and certain authors' performances contained within content we distribute may require us to obtain licenses for such distribution. In this regard, we engage in negotiations with collection management organizations (" CMOs ") that hold certain rights to music and / or other interests in connection with streaming content into various territories. If we are unable to reach mutually acceptable terms with these organizations, we could become involved in litigation and / or could be enjoined from distributing certain content, which could adversely impact our business. Additionally, pending and ongoing litigation, as well as negotiations between certain CMOs and other third parties in various territories, could adversely impact our negotiations with CMOs, or result in music publishers represented by certain CMOs unilaterally withdrawing rights, thereby adversely impacting our ability to negotiate licensing agreements reasonably acceptable to us. Failure to negotiate such licensing agreements could expose us to potential liability for copyright infringement or otherwise increase our costs. Additionally, as the market for the digital distribution of content grows, a broader role for CMOs in the remuneration of authors, performers and other beneficiaries of neighboring rights is likely to expose us to greater distribution expenses in certain markets. If our trademarks and other proprietary rights are not adequately protected to prevent use or appropriation by our competitors, the value of our brand and other intangible assets may be diminished and our business may be adversely affected. We rely and expect to continue to rely on a combination of confidentiality and license agreements with our employees, consultants and third parties with whom we have relationships, as well as trademark and copyright laws, to protect our proprietary rights. We may also seek to enforce our proprietary rights through court proceedings or other legal actions. We have filed and we expect to file from time to time for trademark applications. Nevertheless, these applications may not be approved, third parties may challenge any copyrights or trademarks issued to or held by us, third parties may knowingly or unknowingly infringe our intellectual property rights, and we may not be able to prevent infringement or misappropriation without substantial expense to us. If the protection of our intellectual property rights is inadequate to prevent use or misappropriation by third parties, the value of our brand and other intangible assets may be diminished, competitors may be able to more effectively mimic our service and methods of operations, the perception of our business and service to users and potential users may become confused in the marketplace, and our ability to attract users may be adversely affected. In addition, the use or adoption of new and emerging technologies may increase our exposure to intellectual property claims, and the availability of copyright and other intellectual property protection for artificial intelligence- generated material is uncertain. Further, new technologies such as generative artificial intelligence and their impact on our intellectual property rights remain uncertain, and development of the law in this area could impact our ability to protect against infringing uses or result in infringement claims against us. We currently hold various domain names relating to our brand, including [www. curiositystream. com](http://www.curiositystream.com). Failure to protect our domain names could adversely affect our reputation and brand and make it more difficult for users to find our website and our service. We may be unable, without significant cost or at all, to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of our trademarks and other proprietary rights. Intellectual property claims against us could be costly and result in the loss of significant rights related to, among other things, our website, streaming technology, our recommendation and promotion capabilities, title selection processes and marketing activities. Trademark, copyright and other intellectual property rights are important to us and other companies. Our intellectual property rights extend to our technology, business processes and the content we produce and distribute through our website. We use the intellectual property of third parties in creating some of our content and marketing our service through contractual and other rights. From time to time, third parties may allege that we have violated their intellectual property rights. If we are unable to obtain sufficient rights, successfully defend our use, or develop non- infringing technology or otherwise alter our business practices on a timely basis in response to claims against us for infringement, misappropriation, misuse or other violation of third- party intellectual property rights, our business and competitive position may be adversely affected. Many companies are devoting significant resources to developing patents that could potentially affect many aspects of our business. There are numerous patents that broadly claim means and methods of conducting business on the internet. We have not searched patents relative to our technology. Defending ourselves against intellectual property claims, whether they are with or without merit or are determined in our favor, could result in significant costs to our business and diversion of technical and management personnel. It also may result in our inability to use our current website, streaming technology, our recommendation and promotion capability or inability to market our service. We may also have to remove content from our service. As a result of a dispute, we may have to develop non- infringing technology, enter into royalty or licensing agreements, adjust our content, marketing activities or take other actions to resolve the claims. These actions, if required, may be costly or unavailable on terms acceptable to us.

**RISKS RELATED TO LIQUIDITY** We may find it difficult to successfully compete without significant capital investment or loans beyond what is available to us in current and future capital raising efforts. Competing in the global media marketplace requires considerable financial resources, especially in the direct- to- consumer SVOD business sector, which requires substantial advertising and marketing expenditures to build widespread brand awareness to a level that produces subscribers and continuous investment in our content offerings. In a global

media marketplace with competitors spending greater amounts on programming and marketing and / or content than we do, we may find it difficult to successfully compete without significant capital investment or loans beyond what is available to us in current and future capital raising efforts. No assurance can be provided that we will be able to successfully maintain the amount of capital resources required to successfully compete and survive as a business. We may not be able to generate sufficient cash to service our obligations and any debt we may incur in the future. Our ability to make payments on our obligations and any debt we incur in the future will depend on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. **Since inception, our** **While historically we have experienced negative operating** cash flows, **in 2024 we achieved positive net cash flow** from operating activities ~~have been negative~~. **We** **However, we** may be unable to ~~attain~~ **sustain** a level of cash flows from operating activities or maintain the level of liquidity sufficient to permit us to pay our obligations, including amounts due under our streaming content obligations, and the principal, premium, if any, and interest on any debt we incur. We may or may not be able to accurately predict the ultimate impact on our levels of liquidity from our cash flows and such predictions are subject to change. If we are unable to service our obligations, including any debt we may incur in the future, from cash flows, we may need to refinance or restructure all or a portion of such obligations prior to maturity. Our ability to refinance or restructure obligations, including any debt we may incur in the future, will depend upon the condition of the capital markets and our financial condition at such time. If the financial markets become difficult or costly to access, including due to higher interest rates, fluctuations in foreign currency exchange rates or other changes in economic conditions, our ability to raise additional capital may be negatively impacted, and any refinancing or restructuring could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. If our cash flows are insufficient to service our then- existing debt and other obligations, we may not be able to refinance or restructure any of these obligations on commercially reasonable terms or at all and any refinancing or restructuring could have a material adverse effect on our business, results of operations or financial condition. If our cash flows are insufficient to service our obligations, including any debt we may incur in the future, and we are unable to refinance or restructure these obligations, we could face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures or to sell material assets or operations to meet our then- existing debt and other obligations. We cannot assure you that we would be able to implement any of these alternative measures on satisfactory terms or at all or that the proceeds from such alternatives would be adequate to meet any debt or other obligations then due. If we were required to implement any of these alternative measures, our business, results of operations or financial condition could be materially and adversely affected. Our cash and cash equivalents could be adversely affected if the financial institutions in which we hold our cash and cash equivalents fail. Actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems. If we were unable to access all or a significant portion of the amounts we have deposited at financial institutions for any extended period of time, we may not be able to pay our operational expenses or make other payments until we are able to move our funds to accounts at one or more other financial institutions, which process could cause a temporary delay in making payments to our vendors and employees and cause other operational challenges. We have a substantial amount of obligations, including streaming content obligations, which, together with any debt we may incur in the future, could adversely affect our financial position, and we may not be able to generate sufficient cash to service our obligations. We have ~~a substantial amount of~~ obligations, including streaming content obligations. Moreover, we may incur substantial indebtedness in the future and expect to incur other obligations, including additional streaming content obligations. As of December 31, ~~2023~~ **2024**, we had \$ 0. ~~4~~ **3** million of total content liabilities as reflected in our consolidated balance sheet. Such amount did not include content commitments that did not meet the criteria for liability recognition. For more information on our content obligations, including those not in our balance sheet, see Note ~~14~~ **13** - Commitments and Contingencies in the Notes to Consolidated Financial Statements. Our obligations, including content obligations, may: • make it difficult for us to satisfy our other financial obligations; • limit our ability to use our cash flow, borrow additional funds or obtain other additional financing for future working capital, capital expenditures, acquisitions or other general business purposes; • require us to use a substantial portion of our cash flow from operations to make debt service payments and pay our other obligations when due; • limit our flexibility to plan for, or react to, changes in our business and industry; • place us at a competitive disadvantage compared to our less leveraged competitors; and • increase our vulnerability to the impact of adverse economic and industry conditions. The long- term and fixed cost nature of our content commitments may limit our operating flexibility and could adversely affect our liquidity and results of operations. In connection with licensing content, we typically enter into multi- year commitments with content providers. We also enter into multi- year commitments for content that we produce, either directly or through third parties, including elements associated with these productions such as non- cancellable commitments under talent agreements. The payment terms of these agreements are not tied to usage or the size of our user base but may be determined by costs of production or tied to such factors as titles licensed. Such commitments, to the extent estimable under accounting standards, are included in Note ~~14~~ **13** - Commitments and Contingencies in the Notes to Consolidated Financial Statements. Given the multi- year duration and largely fixed- cost nature of our content commitments, if user acquisition and retention do not meet our expectations, our margins may be adversely impacted. Payment terms for certain content commitments, such as content we directly produce, will typically require more up- front cash payments than other content licenses or arrangements where we do not fund the production of such content. To the extent user and / or revenue growth do not meet our expectations, our liquidity and results of operations could be adversely affected as a result of content commitments and accelerated payment requirements of certain agreements. In addition, the long- term and largely fixed- cost nature of our content commitments may limit our flexibility in planning for or reacting to changes in our business and the markets in which we operate. If we license and / or

produce content that is not favorably received by consumers in a territory, or is unable to be shown in a territory, acquisition and retention may be adversely impacted, and given the long- term and fixed- cost nature of our content commitments, we may not be able to adjust our content offerings quickly, and our results of operations may be adversely impacted.

#### RISKS RELATED TO INFORMATION TECHNOLOGY

Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber- attacks, could result in a loss or degradation of service, unauthorized access, harm to our reputation, disclosure or destruction of data, including user and corporate information, or theft of intellectual property, including digital content assets, which could adversely impact our business. Our reputation and ability to attract, retain and serve our users is dependent upon the reliable performance and security of our computer systems, mobile and other user applications, and those of third parties that we utilize in our operations. These systems may be subject to cyber incident, damage or interruption from earthquakes, adverse weather conditions, lack of maintenance due to human error or oversight, natural disasters, public health issues such as pandemics or endemics, terrorist attacks, power loss, telecommunications failures, cybersecurity risks and incidents, and other interruptions beyond our control. Interruptions in, destruction or manipulation of these systems, or with the internet in general, could make our service unavailable or degraded or otherwise hinder our ability to deliver streaming content. Service interruptions, errors in our software or the unavailability of computer systems or data used in our operations, delivery or user interface could diminish the overall attractiveness of our user service to existing and potential users. Our computer systems, mobile and other applications and systems of third parties we use in our operations are vulnerable to constantly evolving cybersecurity risks, including cyber-attacks and loss of confidentiality, integrity or availability, both from state- sponsored and individual activity, such as hacks, unauthorized access, computer viruses, denial of service attacks, physical or electronic break- ins, malware, ransomware, insider threats, and misconfigurations in information systems, networks, software or hardware, errors and similar disruptions and destruction. Such systems have previously and may continue to periodically experience directed attacks intended to lead to interruptions and delays in our service and operations as well as loss, misuse or theft of data or intellectual property. Any attempt by hackers to obtain our data (including user and corporate information) or intellectual property (including digital content assets), disrupt our service, or otherwise access our systems, or those of third parties we use, if successful, could harm our business, be expensive to remedy, expose us to potential liability and damage our reputation. We have implemented certain systems and processes to thwart hackers and protect our data and systems. From time to time, we have experienced an unauthorized release of certain digital content assets, however, to date these unauthorized releases have not had a material impact on our service or systems. There is no assurance that cyber incidents may not have a material impact on our service or systems in the future. Our insurance may not cover expenses related to such disruptions, losses or unauthorized access. Efforts to prevent hackers from disrupting our service or otherwise accessing our systems are expensive to implement and may limit the functionality of or otherwise negatively impact our service offering and systems. Any significant disruption to our service or access to our systems could result in a loss of users, liability and adversely affect our business and results of operations. We utilize our own communications and computer hardware systems located either in our facilities or in those of a third- party web hosting provider. In addition, we utilize third- party “ cloud ” computing services in connection with our business operations. We also utilize our own and third- party content delivery networks to help us stream factual entertainment in high volume to CuriosityStream users over the internet. Problems faced by us or our third- party Web hosting, “ cloud ” computing, or other network providers, including technological or business- related disruptions, as well as cybersecurity threats, could adversely impact the experience of our users, resulting in a loss of users, which could adversely affect our business and results of operations. If the technology we use in operating our business fails, is unavailable, or does not operate to expectations, our business and results of operations could be adversely impacted. We utilize a combination of proprietary and third- party technology to operate our business. This includes the technology that we have developed to recommend and promote content to our consumers as well as enable fast and efficient delivery of content to our users and their various consumer electronic devices. If our recommendation and promotion capabilities do not enable us to predict and recommend titles that our users will enjoy, our ability to attract and retain users may be adversely affected. We also utilize third- party technology to help market our service, process payments and otherwise manage the daily operations of our business. If our technology or that of third parties we utilize in our operations fails or otherwise operates improperly, including as a result of “ bugs ” in our development and deployment of software, our ability to operate our service, retain existing users and add new users may be impaired. In addition, any harm to our users’ personal computers or other devices caused by software used in our operations could have an adverse effect on our business, results of operations and financial condition. We rely upon Amazon Web Services (“ AWS ”) to operate certain aspects of our service, and any disruption of or interference with our use of AWS would impact our operations and our business would be adversely affected. AWS provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a “ cloud ” computing service. We have architected our software and computer systems so as to utilize data processing, storage capabilities and other services provided by AWS. Currently, we run the vast majority of our computing on AWS. In addition, Amazon. com’ s retail division competes with us for users, and Amazon. com could use, or restrict our use of, AWS to gain a competitive advantage against us. Because we rely heavily on AWS for computing infrastructure and we cannot easily switch our AWS operations to another cloud provider, any disruption of or interference with our use of AWS would impact our operations and our business would be adversely affected. Interruptions or delays in service arising from our own systems or from our third- party vendors could impair the delivery of our service and harm our business. We rely on systems housed at our own premises and at those of third- party vendors, including network service providers and data center facilities, to enable viewers to stream our content in a dependable and efficient manner. We have experienced, and expect to continue to experience, periodic service interruptions and delays involving our own systems and those of our third- party vendors. We do not currently maintain live fail- over capability that would allow us to instantaneously switch our streaming operations from AWS to another cloud provider in the event of a service outage at AWS. We house the original or primary copy

of our library database at our principal operational offices. We update copies of our content on a weekly basis and house these copies offsite. Both our own facilities and those of our third- party vendors are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. They also are subject to break- ins, hacking, denial of service attacks, sabotage, intentional acts of vandalism, terrorist acts, natural disasters, human error, the financial insolvency of our third- party vendors and other unanticipated problems or events. The occurrence of any of these events could result in interruptions in our service and the unauthorized access to, or alteration of, the content and data contained on our systems and that these third- party vendors store and deliver on our behalf. We do not exercise complete control over our third- party vendors, which makes us vulnerable to any errors, interruptions, or delays in their operations. Any disruption in the services provided by these vendors could have a significant adverse impact on our business reputation, customer relations and operating results. Upon expiration or termination of any of our agreements with third party vendors, we may not be able to replace the services provided to us in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us, and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete. Some of our services and technologies may use open- source software, which may restrict how we use or distribute our service or require that we release the source code of certain services subject to those licenses. Some of our services and technologies may incorporate software licensed under open- source licenses. Such open- source licenses often require that source code subject to the license be made available to the public and that any modifications or derivative works to open- source software continue to be licensed under open- source licenses. Few courts have interpreted open- source licenses, and the manner in which these licenses may be interpreted and enforced is therefore subject to some uncertainty. We rely on multiple employee and non- employee software programmers to design our proprietary technologies, and since we may not be able to exercise complete control over the development efforts of all such programmers we cannot be certain that they have not incorporated open- source software into our products and services without our knowledge, or that they will not do so in the future. In the event that portions of our proprietary technology are determined to be subject to certain open source licenses, we may be required to publicly release the affected portions of our source code, be forced to re- engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce the value of our services and technologies and materially and adversely affect our ability to sustain and grow our business. Changes in how network operators handle and charge for access to data that travel across their networks could adversely impact our business. We rely upon the ability of consumers to access our service through the internet. If network operators block, restrict or otherwise impair access to our service over their networks, our service and business could be negatively affected. To the extent that network operators implement usage- based pricing, including meaningful bandwidth caps, or otherwise try to monetize access to their networks by data providers, we could incur greater operating expenses and our user acquisition and retention could be negatively impacted. Furthermore, to the extent network operators create tiers of internet access service and either charge us for or prohibit us from having our content available through these tiers, our business could be negatively impacted. Most network operators that provide consumers with access to the internet also provide these consumers with multichannel video programming. As such, many network operators have an incentive to use their network infrastructure in a manner adverse to our continued growth and success. To the extent that network operators are able to provide preferential treatment to their data as opposed to ours or otherwise implement discriminatory network management practices, our business could be negatively impacted. We are at risk of attempts at unauthorized access to our service through cyberattacks, and failure to effectively prevent and remediate such attempts could have an adverse impact on our business, operating results and financial condition. We may be impacted by attempts of third parties to manipulate and exploit our software for the purpose of gaining unauthorized access to our service. If in the future we fail to successfully detect and address such issues, it may have artificial effects on our key performance indicators, such as advertising reach. Since unauthorized access to our service may in the future happen through exploitation of software vulnerabilities, once a new method of doing so is developed by third parties, the level of unauthorized access (and attendant negative financial impact described above, if at all) may increase over time as third parties share the method until we find a way to prevent the unauthorized access, assuming we are able to do so at all. Additionally, individuals using unauthorized versions of our application are unlikely to subscribe to our paid CuriosityStream service. Moreover, once we detect and correct such unauthorized access and any key performance indicators it affects, investor confidence in the integrity of our key performance indicators could be undermined. All of the above consequences of unauthorized access to our service could have material and adverse effects on our business, operating results and financial condition.

**RISKS RELATED TO INTERNATIONAL OPERATIONS** We could be subject to economic, political, regulatory and other risks arising from our international operations. Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic and political risks that may be different from or incremental to those in the U. S. In addition to the risks that we face in the U. S., our international operations involve risks that could adversely affect our business, including:

- new and different sources of competition;
- different and more stringent user protection, data protection, privacy and other laws, including data localization requirements;
- adverse tax consequences such as those related to changes in tax laws or tax rates or their interpretations, and the related application of judgment in determining our global provision for income taxes, deferred tax assets or liabilities or other tax liabilities given the ultimate tax determination is uncertain;
- different or more onerous or costly rights society collection royalties and charges;
- the need to adapt our content and user interfaces for specific cultural and language differences, including in- licensing a certain portion of our content assets before we have developed a full appreciation for its performance within a given territory;
- difficulties in complying with territorial licenses;
- difficulties and costs associated with staffing and managing foreign operations;
- management distraction;
- political or social unrest, global hostilities and economic instability, including the Israel- Hamas war, as well as the military invasion of Ukraine by Russian forces and the economic sanctions imposed by the U. S. and other nations on Russia, Belarus and certain Russian organizations and individuals;
- compliance with U. S. laws such as the Foreign Corrupt Practices Act,

export controls and economic sanctions, and local laws prohibiting corrupt payments to government officials; • difficulties in understanding and complying with local laws, regulations and customs in foreign jurisdictions; • regulatory requirements or government action against our service, whether in response to enforcement of actual or purported legal and regulatory requirements or otherwise, that results in disruption or non-availability of our service or particular content in the applicable jurisdiction; • foreign intellectual property laws, such as the EU copyright directive, or changes to such laws, which may be less favorable than U. S. law and, among other issues, may impact the economics of creating or distributing content, anti-piracy efforts, or our ability to protect or exploit intellectual property rights; • fluctuations in currency exchange rates, which have and may continue to impact revenues and expenses of our international operations and expose us to foreign currency exchange rate risk, which we do not currently hedge against but may do so in the future; • profit repatriation and other restrictions on the transfer of funds; • differing payment processing systems as well as consumer use and acceptance of electronic payment methods, such as payment cards; • censorship requirements that cause us to remove or edit content or make other accommodations that lead to consumer disappointment or dissatisfaction with our service; • low usage and / or penetration of internet-connected consumer electronic devices; • availability of reliable broadband connectivity and wide area networks in targeted areas for expansion; • integration and operational challenges as well as potential unknown liabilities in connection with companies we may acquire or control; • differing, and often more lenient, laws and consumer understanding / attitudes regarding the illegality of piracy; • negative impacts from trade disputes; and • implementation of regulations designed to stimulate the local production of film and television series in order to promote and preserve local culture and economic activity, including local content quotas, investment obligations, and levies to support local film funds. For example, the EU recently revised its Audio Visual Media Services Directive to require that European works comprise at least thirty (30) percent of media service providers' catalogs, and to require prominence of those works. These and other factors may cause us to adjust our business plans, including expanding or ceasing certain operations in certain countries, and the execution of our strategies. Our failure to manage any of these risks successfully could harm our international operations and could have an adverse effect on our overall business and results of operations. We are potentially subject to taxation related risks in multiple jurisdictions, and changes in U. S. and non-U. S. tax laws could have a material adverse effect on our business, cash flow, results of operations or financial condition. We are a U. S.-based company potentially subject to tax in multiple U. S. and non-U. S. tax jurisdictions. Significant judgment will be required in determining our global provision for income taxes, deferred tax assets or liabilities and in evaluating our tax positions on a worldwide basis. While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible that these positions may be overturned by jurisdictional tax authorities, which may have a significant impact on our global provision for income taxes. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Proposals to reform U. S. tax laws could significantly impact how U. S. companies are taxed and may increase our U. S. corporate effective tax rate. Although we cannot predict whether or in what form any such proposals will pass, certain proposals under consideration, if enacted into law, could have an adverse impact on our effective tax rate, income tax expense, and cash flows. In addition, governmental tax authorities are increasingly scrutinizing the tax positions of companies. Many countries in the EU, as well as a number of other countries and organizations such as the Organization for Economic Cooperation and Development, are actively considering changes to existing tax laws that, if enacted, could increase our tax obligations in countries where we do business. If U. S. or non-U. S. tax authorities change applicable tax laws, our overall taxes could increase, and our business, financial condition or results of operations may be adversely impacted. In particular, taxing authorities in many jurisdictions have targeted online platforms as a means to collect indirect taxes in connection with transactions taking place over the internet. An increasing number of jurisdictions are considering or have adopted new tax measures, such as digital services taxes or online sales taxes, targeting online commerce. Such taxes generally are imposed on digital transactions executed by a non-resident entity with a local end-user or local end-consumer. If enacted and applicable, such taxes may increase our worldwide effective tax rate, create tax and compliance obligations in jurisdictions in which we previously had none and adversely affect our financial position. Proliferation of these or similar unilateral tax measures may continue unless broader international tax reform is implemented.

**RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK NASDAQ** may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions. Our Common Stock and Warrants are listed on NASDAQ. We cannot assure you that our securities will continue to be listed on NASDAQ in the future. In order to continue listing our securities on NASDAQ, we must maintain certain financial, distribution and stock price levels. Generally, we must maintain a minimum amount in stockholders' equity (generally \$ 2, 500, 000 for companies trading on NASDAQ), a minimum number of holders of our securities (generally 300 public holders) and a \$ 1. 00 minimum share price. On September 19, 2023, we received written notice from the Nasdaq Stock Market, LLC ("Nasdaq") indicating that we were not in compliance with the \$ 1. 00 minimum bid price requirement for the continued listing on the Nasdaq Capital Market **(the "Bid Price Rule")**. On March 19, 2024, we received written notification from the Listing Qualifications Department of Nasdaq, granting our request for a 180-day extension to regain compliance with the minimum bid price rule. **On April 19** We now have until September 16, 2024 to meet, **we received a letter from Nasdaq notifying us that it had determined that for the requirement. To regain compliance 10 consecutive business day period from April 5, 2024, to April 18, 2024**, the closing bid price of our **the Company's** Common Stock **had been at must meet or exceed** \$ 1. 00 per share **for or greater and that, accordingly,** a minimum of ten consecutive business days during this 180-day period. If we **had fail to regain regained** compliance during the second compliance period, then Nasdaq will notify us of its determination to delist our Common Stock, at which point we would have an option to appeal the delisting determination to a Nasdaq hearings panel. We intend to actively monitor the closing bid price of our Common Stock and may, if appropriate, consider implementing available strategies to regain compliance with the **Bid minimum bid price Price requirement under Rule and that the matter was closed. We cannot assure you that we will continue to satisfy** Nasdaq 's continued Listing listing Rules requirements.

If NASDAQ delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Common Stock is a “ penny stock ” which will require brokers trading in our Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as “ covered securities. ” Since our Common Stock and Warrants are listed on NASDAQ, they are covered securities. Although the states are preempted from regulating the sale of covered securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. If we were to be no longer listed on NASDAQ, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities.

~~Our stock price may change significantly and you could lose all or part of your investment as a result. The trading price of our Common Stock is likely to be volatile. The stock market has experienced extreme volatility at times since the COVID-19 pandemic. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. You may not be able to resell your shares at an attractive price due to a number of factors such as those listed in Risks Relating to the Company’s Business and the following:~~

- ~~• results of operations that vary from the expectations of securities analysts and investors;~~
- ~~• results of operations that vary from those of our competitors;~~
- ~~• changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors;~~
- ~~• declines in the market prices of stocks generally;~~
- ~~• strategic actions by us or our competitors;~~
- ~~• announcements by us or our competitors of significant contracts, acquisitions, joint ventures, other strategic relationships or capital commitments;~~
- ~~• any significant change in our management;~~
- ~~• changes in general economic or market conditions or trends in our industry or markets;~~
- ~~• changes in business or regulatory conditions, including new laws or regulations or new interpretations of existing laws or regulations applicable to our business;~~
- ~~• future sales of our Common Stock or other securities;~~
- ~~• investor perceptions or the investment opportunity associated with our Common Stock relative to other investment alternatives;~~
- ~~• the public’s response to press releases or other public announcements by us or third parties, including our filings with the SEC;~~
- ~~• litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;~~
- ~~• guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;~~
- ~~• the development and sustainability of an active trading market for our Common Stock;~~
- ~~• actions by institutional or activist stockholders;~~
- ~~• changes in accounting standards, policies, guidelines, interpretations or principles; and~~
- ~~• other events or factors, including those resulting from natural disasters, war, acts of terrorism or responses to these events. These broad market and industry fluctuations may adversely affect the market price of our Common Stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our Common Stock is low. Declines in the market price of our Common Stock or failure of the market price to increase could also harm our ability to retain key employees, reduce our access to capital, cause us to incur impairment charges and otherwise harm our business. During the year ended December 31, 2023, there was a decline in the Company’s market capitalization, based upon the Company’s publicly quoted share price, below the Company’s carrying or book value. As a result of the sustained decline in our share price, we were required to perform impairment testing of our content assets, definite-lived intangible assets, and other long-lived assets, which resulted in impairment charges being recorded in the period related to our content assets, which is discussed in further detail under Note 2- Summary of Significant Accounting Policies in the Notes to Consolidated Financial Statements. In the past, following periods of market volatility, stockholders of other companies have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation. If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline. The trading market for our Common Stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. In addition, some financial analysts may have limited expertise with our model and operations. Furthermore, if one or more of the analysts who do cover us downgrade our stock or industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline. There can be no assurance that we will continue to declare cash dividends. On March 13, 2024, we announced the initiation of our first-ever quarterly cash dividend. The payment of any cash dividends in the future is subject to financial condition, results of operations, capital requirements, restrictions contained in current or future financing instruments, provisions of applicable law, and other factors our Board deems relevant, and our Board continuing to determine that the declaration of dividends are in the best interests of our stockholders. We may be unable to maintain a level of cash flow from operating activities sufficient to permit us to pay dividends. If our cash flow and capital resources are insufficient, payment of declared dividends could be left unpaid. The declaration and payment of any dividend may be discontinued or reduced at any time, and there can be no assurance that we will declare cash dividends in the future in any particular amounts, or at all. To the extent that expectations by market participants regarding the potential payment, or amount, of any regular dividend prove to be incorrect, the price of our common stock may be materially and negatively affected, and investors that bought shares of our common stock based on those expectations may suffer a loss on their investment. There can be no assurance that the declaration and payment of dividends will be fully consummated or that it will enhance long-term stockholder value. Future sales, or the perception of future sales, by us or our stockholders in the public market could cause the market price for our Common Stock to decline. The mass sale of shares~~

of our Common Stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Common Stock. These sales, or the possibility that these sales may occur, also might impede our ability to sell equity securities in the future at a time and at a price that it deems appropriate. In particular, the shares of our Common Stock reserved for future issuance under our Omnibus Incentive Plan will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements, lock-up agreements (if any) and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable, and the general availability of Rule 144 to such affiliates. A total of 7,725,000 shares of our Common Stock were reserved for issuance under our Omnibus Incentive Plan at inception. In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our Common Stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of Common Stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to our stockholders. Certain of our stockholders may engage in business activities that compete with us or otherwise conflict with our interests. Certain of our stockholders are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Our Charter provides that none of the stockholder parties, any of their respective affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. The stockholder parties also may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. We are an “emerging growth company,” and the reduced disclosure requirements applicable to emerging growth companies may make our Common Stock less attractive to investors. We are an “emerging growth company,” as defined in the JOBS Act, and may remain an emerging growth company **for up to five years until December 31, 2025, which is the last day of the fiscal year** following **the fifth anniversary of** our initial public offering. For so long as we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include not being required to comply with the auditor attestation requirements of the Sarbanes-Oxley Act Section 404, not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, reduced disclosure obligations regarding executive compensation, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, the information we provide to stockholders will be different than the information that is available with respect to other public companies. For example, in the proxy statement for the **2024-2025** Annual Meeting, we will not include all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our Common Stock less attractive if we rely on these exemptions. If some investors find our Common Stock less attractive as a result, there may be a less active trading market for our Common Stock, and our stock price may be more volatile. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (a) following the fifth anniversary of the completion of the IPO, or (b) in which we have total annual gross revenue of at least \$1.235 billion, (ii) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period and (iii) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards. An active, liquid trading market for our Common Stock may not be sustained, which may make selling the Common Stock you purchased more difficult. We cannot predict the extent to which investor interest in us will sustain a trading market or how active and liquid that market would remain. If an active and liquid trading market is not sustained, you may have difficulty selling any shares of our Common Stock that you purchase at a price above the price you purchased it or at all. The failure of an active and liquid trading market to continue would likely have a material adverse effect on the value of our Common Stock. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration. Anti-takeover provisions in our organizational documents could delay or prevent a change of control. Certain provisions of our Charter and Bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions provide for, among other things: • the ability of our Board to issue one or more series of preferred stock; • advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; • certain limitations on convening special stockholder meetings; • limiting the ability of stockholders to act by written consent; • providing that our Board is expressly authorized to make, alter or repeal our Bylaws; • the removal of directors only for cause and only upon the affirmative vote of holders of at least a majority of the shares of Common Stock entitled to vote generally in the election of directors; and • that certain provisions may be amended only by the affirmative vote of at least 66.7% of the shares of Common Stock entitled to vote generally in the election of directors. These anti-takeover provisions could make it more difficult for a third-party to acquire us, even if the third-party’s offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. Our Charter designates the Court of

Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders. Our Charter provides that, subject to limited exceptions, any (i) derivative action or proceeding brought on our behalf, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer, stockholder or employee to us or our stockholders, (iii) action asserting a claim arising pursuant to any provision of the DGCL or our Charter or Bylaws, or (iv) action asserting a claim governed by the internal affairs doctrine shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, another state or federal court located within the State of Delaware. Our Charter provides that the federal district courts of the U. S. shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, the exclusive forum provision shall not apply to claims seeking to enforce any liability or duty created by the Exchange Act. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our Charter described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our Charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

**RISKS RELATED TO PRIVACY** Privacy concerns could limit our ability to collect and leverage our user data and disclosure of user data could adversely impact our business and reputation. In the ordinary course of business and in particular in connection with content acquisition and merchandising our service to our users, we collect and utilize personal data supplied by or obtained from our users. We are subject to laws, rules and regulations in the United States and in other jurisdictions relating to the privacy and security of personal information, including, but not limited to, the EU's General Data Protection Regulation or the "GDPR," the United Kingdom's GDPR, the U. S. Video Privacy Protection Act ("VPPA"), the U. S. Children's Online Privacy Protection Act ("COPPA"), the California Consumer Privacy Act ("CCPA") (as amended by the California Privacy Rights Act ("CPRA")) and other state laws designed primarily to protect consumer's personal data as collected online. Credit card networks may also require us to employ certain security and privacy controls, and failure to comply with these obligations may lead to significant liabilities. The GDPR imposes strict requirements for processing personal data of individuals within the European Economic Area ("EEA"). Companies subject to the GDPR have substantial data protection obligations and face significant risk, including potential fines for noncompliance. In addition, the transfer of personal data from the EU and the UK to countries such as the United States, which have not been granted "adequacy" status for EU or UK GDPR purposes, are impermissible absent commitments by the receiving party to protect the data on terms substantially equivalent to those prescribed by the GDPR, generally made in contracts between the data transferring entity in the EU / UK and the data recipient in the "inadequate" jurisdiction. Given our receipt of personal data in United States, these requirements complicate our operations and make them more expensive to implement. Within the United States, we and several of our competitors have been sued and / or threatened with arbitration under the VPPA, a statute enacted in 1988 to prohibit video rental stores from disclosing customers' video rental records without the customers' consent. We cannot reliably predict the courts' or arbitrators' views of the theories asserted in the cases brought against online streaming services under the VPPA, and thus we cannot predict the likely outcome of the claims against ourselves and other streaming services that are defendants in these cases. The plaintiffs in these cases are seeking damages for class members, including statutory damages of up to \$ 2, 500 per violation, as well as other potential relief. The U. S. Federal Trade Commission (the "FTC") has in recent years increased its focus on data privacy and security and used its broad authority under Section 5 of the Federal Trade Commission Act to sue companies for allegedly unfair and / or deceptive practices involving personally identifiable data. Among other claims, the FTC has asserted that the sharing of website and mobile application users' IP addresses or browsing history without user consent constitutes an unfair and / or deceptive practice. The FTC has imposed consent orders on defendants in such cases that include prohibitions on sharing any personal information with third parties for advertising purposes, and as part of one recent consent order, obtained a fine from the defendant for \$ 7. 8 million. With respect to state law in the United States, the CCPA's amendment by the CPRA has resulted in significant new compliance obligations for companies that collect personal information about California residents. The CCPA provides for civil penalties for violations, as well as a private right of action with statutory damages for certain data security breaches, which may increase the frequency and likelihood of data breach litigation. The statute is now enforceable by a new California data protection agency, the California Privacy Protection Agency, which has issued detailed implementing regulations and signaled intent to use its enforcement authority aggressively. The Agency's latest set of regulations are detailed and complex, and create significant administrative and operational burdens for our Company. Since the enactment of the CCPA in 2018, more than a dozen other U. S. states have enacted similar laws to protect consumers' personal information. Although these laws have common objectives, they also have many differences and apply based on specific, state- by- state, jurisdictional parameters. Compliance with these various laws is and will continue to be a challenge, which will be exacerbated as additional states adopt their own data privacy laws and regulations. Both within and outside of the United States, the data protection regulatory landscape is rapidly evolving. Given the rapid expansion of state, federal and foreign laws, requirements and regulations governing the collection, use, disclosure, retention, and security of personal data, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. We cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. Among the possible impacts could be: limitations on our ability to operate in certain jurisdictions; restrictions on our practices that involve collecting and using personal information, contractual requirements, liability exposure, and the need for investments in data protection measures.. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future. Any actual or

perceived failure to comply with data privacy laws or regulations, or related contractual or other obligations, or any perceived privacy rights violation, could lead to investigations, claims, and proceedings by governmental entities and private parties, damages for contract breach, and other significant costs, penalties, and other liabilities, as well as harm to our reputation and market position. Other businesses have been criticized by privacy groups and governmental bodies for attempts to link personal identities and other information to data collected on the internet regarding users' browsing and other habits. Increased regulation of data utilization practices, including new and evolving laws globally, self-regulation, or findings under existing laws that limit our ability to collect, transfer and use information and other data, could have an adverse effect on our business. In addition, if we were to disclose information and other data about our users in a manner that was objectionable to them, our business reputation could be adversely affected, and we could face potential legal claims, reputational loss, or enforcement actions that could impact our operating results. Internationally, we may become subject to additional and / or more stringent legal obligations concerning our treatment of customer and other personal information, and data generally, such as laws regarding data localization and / or restrictions on data export. Failure to comply with these obligations could subject us to liability, and to the extent that we need to alter our business model or practices to adapt to these obligations, we could incur additional expenses. Our reputation and relationships with users would be harmed if our user data, particularly billing data, were to be accessed by unauthorized persons. We maintain personal data regarding our users, including names and email addresses. This data is maintained on our own systems as well as that of third parties we use in our operations. With respect to billing data, such as credit card numbers, we and our subscribers rely on third parties to collect and secure such information. We take measures to protect against unauthorized intrusion into our users' data. Despite these measures we, our payment processing services or other third-party services we use such as AWS, Stripe or PayPal, could experience an unauthorized intrusion into our users' data. We also may be required to notify regulators about any actual or perceived data breach (including the EU Lead Data Protection Authority) as well as the individuals who are affected by the incident within strict time periods. In the event of such a breach, current and potential users may become unwilling to provide the information to us necessary for them to become users. Additionally, we could face legal claims or regulatory fines or penalties for such a breach. The costs relating to any data breach could be material, even though we currently carry insurance against the risk of a data breach. We also maintain employment and personal information concerning our employees. Should an unauthorized intrusion into our users' or employees' data occur, our business could be adversely affected and our broader reputation with respect to data protection could be negatively impacted. See Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized access, harm to our reputation, disclosure or destruction of data, including user and corporate information, or theft of intellectual property, including digital content assets, which could adversely impact our business.

**RISKS RELATED TO HUMAN RESOURCES** We may lose key employees or may be unable to hire qualified employees, and the failure to maintain and improve our company culture may adversely affect our business. We rely on the continued service of our senior management and other key individuals, our Chairman and the founder of our predecessor CuriosityStream LLC, John Hendricks, and our President and Chief Executive Officer, Clint Stinchcomb, members of our executive team and other key employees and the hiring of new qualified employees. In our industry, there is substantial and continuous competition for highly skilled business, product development, technical and other personnel. We may not be successful in recruiting new personnel and in retaining and motivating existing personnel, which may be disruptive to our operations. Our effort to retain and develop personnel may also result in significant additional expenses, which could affect our profitability. In addition, there may be changes in our management team that may be disruptive to our business. ~~In 2022, we experienced the turnover of our Chief Financial Officer and Chief Strategy Officer. If our management team, including any new hires we make, fails to work together effectively and to execute our plans and strategies on a timely basis, our business could be harmed. If we experience high executive turnover, fail to adapt our business practices to industry expectations, fail to implement succession plans for key employees, encounter difficulties associated with the transition of members of our management team, are not successful in recruiting new personnel or in retaining and motivating existing personnel, in instilling our culture in new employees, or maintaining and improving our culture as we grow, our operations may be disrupted, which could adversely affect our results of operations. During 2023, we initiated a plan to eliminate 20 full-time positions or about 30% of our December 31, 2022, workforce. These reductions may negatively affect our culture or create uncertainty regarding our future operations or employment needs, and may therefore limit our ability to retain or hire qualified personnel or may contribute to the unplanned loss of highly skilled employees through attrition.~~

**GENERAL RISK FACTORS** Our Private Placement Warrants are accounted for as liabilities and the changes in value of our Private Placement Warrants could have a material effect on our financial results. Accounting Standards Codification ("ASC") Topic 815-40, Derivatives and Hedging, Contracts in Entity's Own Equity, provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in earnings in the consolidated statements of operations. As a result of the recurring fair value measurement, our consolidated financial statements and results of operations may fluctuate quarterly, based on factors which are outside of our control. Due to the recurring fair value measurement, we recognize the non-cash gains or losses on our Private Placement Warrants each reporting period, and the amount of such gains or losses could be material. From time to time, we may be engaged in legal proceedings that could cause us to incur unforeseen expenses and could occupy a significant amount of our management's time and attention. From time to time, we may be subject to litigation or claims that could negatively affect our business operations and financial position. As we have grown, we have seen a rise in the number of litigation matters brought against us. These matters have included or could in the future include patent infringements, copyright infringement and other claims related to our content, use of music, employment claims, claims about our platform's compliance with disability accommodation, data collection and privacy law, as well as consumer and securities class actions, each of which are typically expensive to defend. Litigation disputes could cause us to incur unforeseen expenses, result in content unavailability, service

disruptions and otherwise occupy a significant amount of our management's time and attention, any of which could negatively affect our business operations and financial position. We incur significant costs as a result of operating as a public company. We are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act, the Dodd- Frank Act, NASDAQ's listing requirements and other applicable securities laws and regulations, and, as a result, we incur significant legal, accounting and other expenses that we did not incur prior to becoming a public company. The expenses incurred by public companies for reporting and corporate governance purposes have generally been increasing. We expect these rules and regulations to continue to increase our legal and financial compliance costs and to make some activities more difficult, time- consuming and costly. The demands associated with being a public company may disrupt regular operations of our business by diverting the attention of some of our senior management team away from revenue producing activities to management and administrative oversight, adversely affecting our ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing our businesses. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our Common Stock, fines, sanctions and other regulatory action and potentially civil litigation. Any of these effects could harm our business, financial condition, and results of operations. Compliance obligations under the Sarbanes- Oxley Act require substantial financial and management resources. Section 404 of the Sarbanes- Oxley Act requires that we evaluate and report on our system of internal controls. For as long as we remain an emerging growth company, we will not be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. However, in the event we are deemed to be an accelerated filer or a large accelerated filer or otherwise no longer qualify as an emerging growth company, we will be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. The maintenance of the internal control system to achieve compliance with the Sarbanes- Oxley Act may impose obligations on us and require substantial additional financial and management resources. Further, a material weakness in our disclosure controls and internal control over financial reporting has been discovered in the past and may be discovered in the future. We cannot assure you that there will not be additional material weaknesses in our internal control over financial reporting now or in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines that we have a material weakness in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our securities could decline, and we could be subject to sanctions or investigations by NASDAQ, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.