

Risk Factors Comparison 2025-03-27 to 2024-04-01 Form: 10-K

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

Risks Related to our Business and Industry We have a history of annual net losses, expect future losses, and cannot assure you that we will achieve profitability. We have incurred significant net losses and negative cash flow from operations for most periods since our inception, which has resulted in a total accumulated deficit of \$ ~~85-104~~ **43** million as of December 31, ~~2023~~ **2024**. For the twelve months ended December 31, ~~2023~~ **2024**, we had a comprehensive loss of \$ ~~6-18~~ **8-7** million, including a \$ ~~9-19~~ **9-5** million loss from operations. We have not achieved profitability and cannot be certain that we will be able to realize sufficient revenue to achieve profitability. If we achieve profitability, we may not be able to sustain it. Therefore, we may need to raise capital through new financings, which could include equity financing, such as additional issuances of common stock under our “ at the market offering ” program, which may be dilutive to stockholders, or debt financing, which would likely restrict our ability to borrow from other sources. In addition, securities we issue may contain rights, preferences, or privileges senior to those of the rights of our current stockholders. There can be no assurance that additional funds will be available on terms attractive to us ~~;~~ or at all. If adequate funds are unavailable, we may be required to curtail or reduce our operations or be forced to sell or dispose of our rights or assets. An inability to raise adequate funds on commercially reasonable terms would have a material adverse effect on our business, results of operation, and financial condition, including the possibility that a lack of funds could cause our business to fail and liquidate with little or no return to investors. A few of our customers account for a significant portion of our gross billings and accounts receivable, and the loss of, or reduced purchases from, these or other customers could have a material adverse effect on our operating results. A significant portion of our gross billings and accounts receivable are attributable to a small number of customers. During the twelve months ended December 31, ~~2023~~ **2024**, one customer accounted for more than 10 % of gross billings, and ~~one customer accounted for more than 10 % of total accounts receivable~~. ~~During the three months ended December 31, 2022, two customers each accounted for more than 10 % of gross billings total accounts receivable as of December 31, and 2024. During three--~~ **the twelve months ended December 31, 2023, one customer--** ~~customer each~~ **customer each** accounted for more than 10 % of **gross billings, and one customer accounted for more than 10 % of** accounts receivable. ~~In January 2023, we announced that we began the process of parting ways with the customer accounting for a large portion of our gross billings and accounts receivable for the years ended December 31, 2023 and 2022.~~ The concentration of our sales with a relatively small number of customers makes us particularly dependent on **positive and negative** factors, ~~both positive and negative,~~ affecting those customers. If demand for our services from these customers increases, our results ~~are~~ **may be** favorably impacted, while if their demand for our services decreases, they may reduce their purchases of ~~;~~ or stop purchasing ~~;~~ our services, and our operating results ~~would~~ **might** suffer. The Company does not typically engage in contracts that are longer than one year, ~~and~~ so most of our customers can reduce or cease business with us on a relatively short basis. The loss of a large customer and failure to add new customers to replace lost revenue would have a material adverse effect on our business, financial condition, and results of operations. We ~~have recently engaged, and may in the future engage ;~~ in acquisitions that could be difficult to integrate, divert the attention of key personnel, cause dilution to our shareholders and harm our financial condition and operating results. ~~From time to time, we may acquire businesses, and the successful integration of such acquisitions is critical to our success. On December 1, 2023, we completed our acquisition of Hoozu, an influencer marketing agency with its base of operations in Australia, and on December 1, 2023, acquired Zuberance, an advocate marketing software platform. Our integration of the Hoozu and Zuberance businesses into our operations is a complex and time-consuming process that may not be successful. The primary areas of focus for successfully combining the Hoozu business, and other businesses we may acquire, with our operations may include, among others: retaining and integrating talent and key employees; integrating information, communications and other systems; and managing the growth of the overall company.~~ We may ~~in the future~~ make ~~additional~~ acquisitions of, or investments in, companies that we believe have products or capabilities that are a strategic or commercial fit with our current business or otherwise offer opportunities for our ~~company~~ **Company**. In connection with these acquisitions or investments, we may issue common stock or other forms of equity that would dilute our existing shareholders’ percentage of ownership, incur debt and assume liabilities, and incur amortization expenses related to intangible assets or incur **associated large and immediate** write-offs. We may not be able to complete acquisitions on favorable terms ~~;~~ or at all. Even if we successfully integrate an acquired business ~~;~~ such as Hoozu or Zuberance, into our operations, there can be no assurance that we will realize the anticipated benefits. ~~In~~ ~~We acquired Hoozu, and may in the future~~ **, we may** seek to acquire other businesses, with the expectation that the acquisition would result in various benefits for the combined ~~company~~ **Company**, including, among others, business and growth opportunities and significant synergies from increased efficiency in client conversion and corporate support. Increased competition and / or deterioration in business conditions may limit our ability to expand the acquired business. As such, we may not ~~be able to~~ realize the synergies, goodwill, business opportunities, ~~and~~ growth prospects anticipated ~~in connection~~ with any acquisition. Acquisitions may also have unanticipated tax, legal, regulatory, ~~and~~ accounting ramifications, including recording goodwill and non- amortizable intangible assets ~~that are~~ subject to impairment testing ~~on a regular basis~~ and potential periodic impairment charges and incurring amortization expenses related to certain intangible assets. **For instance, if the acquired company has significant customer relationships or proprietary technology, these assets may be recorded as intangible assets and amortized over their estimated useful lives. Additionally, if the purchase price exceeds the fair value of the net assets acquired, the excess amount is recorded as goodwill, which must be tested for impairment at least annually. Unexpected changes in market conditions, financial performance, or synergies from the acquisition not materializing as expected could lead to**

impairment charges, impacting financial results. See Part II, Note 2 of Notes to Consolidated Financial Statements, Business Acquisitions and Divestitures for a related discussion of our acquisition and subsequent divestiture of Hoozu Holdings PTY, Ltd. We are a remote workforce, which subjects us to certain operational challenges, costs, risks, and potential harm to our business. As a result of the COVID-19 pandemic, in 2020, our workforce shifted from in-person to remote work, and we **have since maintained this operating structure. We are therefore** subject to the challenges, costs, and risks of having a remote workforce. For example, certain security systems in homes or other remote workplaces may be less secure than those previously used in our offices, which may subject us to increased security risks, including cybersecurity-related events, and expose us to data or financial loss risks associated with disruptions to our business operations. Members of our workforce who access ~~company~~ **Company** data and systems remotely may not have access to robust technology, which could cause the networks, information systems, applications, and other tools available to those workers to be more limited or less reliable. We may also be exposed to risks associated with the locations of remote workers, including compliance with local laws and regulations or exposure to compromised internet infrastructure. **Pursuant to various state laws, we are required to reimburse reasonable connectivity expenses for certain remote workers. Additionally,** ~~Allowing~~ **allowing** members of our workforce to work remotely may create intellectual property risk if employees create intellectual property on our behalf while residing in a jurisdiction with unenforced or uncertain intellectual property laws. Further, if employees fail to inform us of changes in their work location, we may be exposed to additional risks without our knowledge. Remote working may also subject us to other operational challenges and risks. For example, remote working may adversely affect our ability to recruit and retain personnel who prefer an in-person work environment. ~~Operating our business remotely could have a negative impact on our corporate culture, decrease the ability of our workforce to collaborate and communicate effectively, decrease innovation and productivity, or negatively affect workforce morale.~~ If we **cannot** are unable to effectively maintain a fully **an entirely** remote workforce, manage the cybersecurity and other risks of remote work, and maintain our corporate culture and workforce morale, our business could be harmed or otherwise negatively impacted. ~~We may experience losses or issues relating to transacting in and holding digital assets. The use of digital assets to buy and sell goods and services is part of a new and rapidly evolving way of doing business. Growth in the adoption and use of digital assets is subject to a high degree of uncertainty. IZEA is prepared to transact in digital assets at the request of vendors, employees, and clients, but has yet to do so. Market valuation of digital assets is highly volatile and could result in losses. Currently, digital assets are treated as an intangible asset and must be impaired if a triggering event occurs. The assets are impaired if the fair market value falls below the carrying value. Governmental regulations could also impose tighter restrictions on transacting in digital assets, such as anti-money laundering compliance.~~ We make numerous estimates or judgments relating to our critical accounting policies and these estimates create complexity in our accounting. If our accounting is erroneous or based on assumptions that change or prove to be incorrect, our operating results could change from investor expectations, which could cause our stock price to fall. We are required to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes in conformity with generally accepted accounting principles (“GAAP”) in the U. S. Such estimates and assumptions include, but are not limited to, judgments related to revenue recognition, stock-based compensation, credit risk, and values surrounding software development, intangible assets and goodwill, and their economic useful lives. Various factors contribute to **the** complexity ~~in~~ **of** our accounting. For example, the recognition of our revenue is governed by certain criteria that determine whether we report revenue either on a gross basis, as a principal, or **on a** net basis, as an agent, depending upon the nature of the sales transaction. Changes in how we control and manage our platforms, ~~our~~ contractual terms, our business practices, or other changes in accounting standards or interpretations, may change the reporting of our revenue on a gross ~~-to-~~ net or net ~~-to-~~ gross basis. As a result, we may experience significant fluctuations in our revenue depending on the nature of our sales and our reporting of such revenue and related accounting treatment, without any change in our underlying business or net income. Our guidance or estimates about the combination of gross or net revenue are based upon the volumes and characteristics **of that we believe will** be the **revenue** mix of revenue during the period. Those estimates and assumptions may be inaccurate when made or **may be** rendered ~~inaccurate~~ **incorrect** by subsequent changes in circumstances, such as changing the characteristics of our offerings or particular transactions in response to client demands, market developments, regulatory pressures, acquisitions, and other factors. In addition, we may incorrectly extrapolate from **the** revenue recognition treatment of prior transactions to future transactions that we believe are similar, but that ultimately are determined to have different characteristics that dictate different revenue reporting treatment. These factors may make our financial reporting more complex and ~~difficult~~ **challenging** for investors to understand, may make a comparison of our results of operations to prior periods or other companies more difficult, may make it more difficult for us to give accurate guidance, and could increase the potential for reporting errors. Further, our acquisitions have imposed purchase accounting requirements, required us to integrate accounting personnel, systems, and processes, necessitated various consolidation and elimination adjustments, and imposed additional filing and audit requirements. **An Our business's** ongoing evolution of our business, changes in underlying GAAP **changes**, and any future acquisitions will compound these complexities. Our operating results may be adversely affected if we make accounting errors or our judgments prove to be wrong, assumptions change, or actual circumstances differ from those in our assumptions, which could cause our operating results to fall below investor expectations or guidance we may have provided, resulting in a decline in our stock price and potential legal claims. If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired. If we fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations or prevent fraud, which may adversely affect investor confidence in us and, as a result, the value of our common stock. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis. We cannot assure you that any existing material

weaknesses have been identified, or that we will not ~~in the future~~ identify material weaknesses ~~in the future~~. Any failure to maintain ~~effective~~ ~~adequate~~ disclosure controls and internal control over financial reporting could ~~have an adverse~~ ~~adversely~~ ~~effect~~ ~~affect~~ on our business and results of operations and could ~~adversely~~ impact our business, operating results, and financial condition. If we are unable to assert that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC. Furthermore, investor perceptions of our ~~company~~ **Company** may suffer if, in the future, material weaknesses are found, and this could cause the price of our common stock to decline. Historically, we have not relied upon patents to protect our proprietary technology, and our competitors may be able to offer similar products and services, which would harm our competitive position. Our success depends upon our proprietary technology. We do not have registered patents on any of our current platforms because we have determined that the costs of patent prosecution outweigh the benefits given the alternative of reliance upon copyright law to protect our computer code and other proprietary technology and properties. In addition to copyright laws, we rely upon service mark and trade secret laws, confidentiality procedures, and contractual provisions to establish and protect our proprietary rights. ~~We~~ ~~As part of our~~ ~~confidentiality procedures,~~ we enter into non-disclosure agreements with our employees and consultants ~~as part of our~~ **confidentiality procedures**. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or to obtain and use information that ~~consider~~ ~~we regard as~~ proprietary or develop similar technology independently. Policing unauthorized use of our products is ~~complex,~~ ~~difficult,~~ ~~and~~ ~~while~~ ~~While~~ we ~~cannot~~ ~~are unable to~~ determine the extent to which piracy of our software products exists, software piracy can be expected to be a persistent problem. In addition, the laws of some foreign countries do not protect proprietary rights to as great an extent as do the laws of the U. S., and effective copyright, trademark, trade secret, and patent protection may not be available in those jurisdictions. Our means of protecting our proprietary rights may not be adequate to protect us from the infringement or misappropriation of such rights by others, and we cannot assure you that our competitors will not independently develop similar technology, duplicate our products and services, or design around any intellectual property rights we hold. We cannot provide any assurance that our proprietary rights with respect to our products or services will be viable or have value in the future since the validity, enforceability, and type of protection of proprietary rights in Internet-related industries are uncertain and still evolving. If third parties claim that we infringe their intellectual property rights, it may result in costly litigation. We cannot assure you that third parties will not claim our current or future products or services infringe on their intellectual property rights. Any such claims, with or without merit, could cause costly litigation that could consume significant management time. As the number of product and services offerings in our market increases and functionalities increasingly overlap, companies such as ours may become increasingly subject to infringement claims. These claims, even if not meritorious, could be expensive to defend and could divert management's attention from operating our business. These claims also might require us to enter into royalty or license agreements. If required, we may not be able to obtain such royalty or license agreements or obtain them on terms acceptable to us. Further, in recent years, there has been significant litigation in the U. S. involving patents and other intellectual property rights, particularly in the software and Internet-related industries. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay a substantial award of damages and ~~to develop non-~~ ~~infringing~~ technology, obtain a license or cease selling the products that contain the infringing intellectual property. We may ~~not~~ ~~be~~ ~~unable~~ ~~--~~ ~~able~~ to develop non-infringing technology or obtain a license, ~~on commercially reasonable terms,~~ ~~if at all.~~ Intense competition in our target markets could impair our ability to grow and to achieve profitability. The market for influencer and content marketing is highly competitive. We expect this competition to continue to increase, ~~in part~~ **partly** because there are no significant barriers to entry to our industry for ~~those that operate~~ **operating** in a Managed Services or an agency-type model. Increased competition may result in reduced pricing for managed campaigns, reduced margins, and reduced revenue ~~due to~~ ~~as a~~ ~~result of~~ lost market share. Our principal competitors include other companies that provide marketers with Internet advertising solutions and companies that offer pay-per-click search services. Within the enterprise software unit of IZEA's business ("SaaS Services"), while there is a higher technological barrier to entry, IZEA is vulnerable to new entrants with access to fresh capital and the ability to capitalize upon previous research and development investments made by us. This is particularly challenging given the minimal opportunity to protect our internet-based software via patents. We also compete with traditional advertising media, such as direct mail, television, radio, cable, and print, for a share of marketers' total advertising budgets. Many current and potential competitors enjoy competitive advantages over us, such as longer operating histories, greater name recognition, larger customer bases, greater access to advertising space on high-traffic websites, and significantly greater financial, technical, sales, and marketing resources. As a result, we may be unable to compete successfully. If we fail to compete successfully, we could lose customers, and our revenue and results of operations could decline. In addition, as we continue our efforts to expand the scope of our services, we may compete with a greater number of other media companies across an increasing range of different services, including in vertical markets where competitors may have advantages in expertise, brand recognition, and other areas. If existing or future competitors develop or offer products or services that provide significant performance, price, creative or other advantages over those offered by us, our business, prospects, results of operations, and financial condition could be negatively affected. Our Flex and Marketplace platforms may not achieve sufficient market acceptance to be commercially viable for open marketplace or SaaS services. In October 2022, we launched Marketplace on IZEA.com, replacing Shake with significantly upgraded functionality. In January 2023, we launched Flex, which replaced our legacy IZEAx platform, both for self-serve marketers to manage their influencer campaigns and for IZEA's Managed Services business. If our marketers and creators do not perceive these platforms to be of high value and quality, we may not be able to retain them or acquire new marketers and creators. Our new platform license plans, which are materially lower than our previous platform license costs, require a larger number of customers to generate significant revenues, which we may be unable to achieve. We must continue to attract and retain software customers to increase software related revenue and achieve

profitability. If existing or future competitors develop or offer products or services that provide significant performance, price, creative or other advantages over this platform, demand for our platforms may decrease. In addition, we may experience attrition in our customers in the ordinary course of business resulting from several factors, including losses to competitors, mergers, closures, or bankruptcies. If we are unable to attract new customers in numbers sufficient to grow our business, or if too many customers are unwilling to offer products or services with compelling terms to our creators through our platforms, or if creators stop offering their services through our platform, our operating results will be adversely affected. Our total number of user accounts may be higher than the number of our actual individual marketers or creators and may not be representative of the number of persons who are active users. Our total number of user accounts ~~in on~~ our platforms may be higher than the number of our actual individual marketers and creators because some may have created multiple accounts for different purposes, including ~~different other~~ user connections. We define a user connection as a social account or blog ~~that has been~~ added to our platforms under a user account. One user can add as many user connections as they like, and it is common for talent managers and large publishers to add several connections under a single account. Given the ~~inherent~~ challenges ~~inherent~~ in identifying these creators, we do not have a reliable system to accurately ~~identify~~ ~~determine~~ the number of actual individual creators, ~~and thus~~. ~~Thus~~, we rely on the number of total user connections and user accounts ~~to as our~~ measure of the size of our user base. In addition, the number of user accounts includes the total number of individuals ~~that who~~ have completed registration through a specific date, minus those ~~individuals~~ who have unsubscribed, and should not be considered ~~as~~ representative of the number of persons who continue ~~to actively~~ create to fulfill the sponsorships offered through our platforms ~~actively~~. Many users may create an account but ~~may~~ not actively participate in marketplace activities. Delays in releasing enhanced versions of our products and services could adversely affect our competitive position. As part of our strategy, we expect to periodically release enhanced versions of our platforms and related services. Even if our new versions contain the features and functionality our customers want, in the event we are unable to timely introduce these new product releases, our competitive position may be harmed. We cannot assure you that we will be able to complete the development of currently planned or future products in a timely and efficient manner. Due to the complexity of these products, internal quality assurance testing and customer testing of pre-commercial releases may reveal product performance issues, undesirable feature enhancements, or additional desirable feature enhancements that could lead us to postpone the release of these new versions. In addition, the reallocation of resources associated with any postponement would likely cause delays in the development and release of other future products or enhancements to our currently available products. Any delay in releasing other future products or enhancements of our products could ~~cause~~ ~~adversely impact~~ our financial results ~~to be adversely impacted~~. We rely on third-party social media platforms to provide the mechanism necessary to deliver influencer marketing, and any change in the platform terms, costs, availability, or access to these technologies could adversely affect our business. We rely on third-party social media platforms such as Facebook / **Instagram (collectively known as Meta)**, TikTok ~~, Instagram~~, X (formerly Twitter), and YouTube for core aspects of influencer data. These platforms include technologies that provide some of the functionality required to operate the influencer marketing portion of our platform, as well as functionalities such as user traffic reporting, ad-serving, content delivery services, discovering services, and metrics. There can be no assurance that these providers will continue to make all or any of their technologies available to us on reasonable terms, or at all. Many of the social platforms offer their own competing marketplaces or services. Third-party social media platforms may start charging fees or otherwise change their business models in a manner that impedes our ability to use their technologies. In any event, we have no control over these companies or their decision-making for granting us access to their social media platforms or providing us with analytical data, and any material change in the current terms, costs, availability, or use of their social media platforms or analytical data could adversely affect our business. **On April 24, 2024, President Joe Biden signed the Protecting Americans from Foreign Adversary Controlled Applications Act, legislation that would ban TikTok in the United States if ByteDance, TikTok's Chinese owner, did not sell the platform to a non-Chinese owner within nine months. Although TikTok challenged the legality of this bill in court, the Supreme Court upheld the law. On January 20, 2025, President Donald Trump signed an executive order granting TikTok a 75-day extension to comply with the law requiring a sale or ban of the platform in the United States. The negative impact of a TikTok ban could be material, impacting advertising and e-commerce. Given the ubiquitous use of TikTok by many influencers and the desire of brands to market on that platform, a ban could negatively impact the market for our services and social media marketing generally.** Our business depends on continued and unimpeded access to the Internet by us and by our customers and their end-users. Internet access providers or distributors may be able to block, degrade or charge for access to our content, which could lead to additional expenses to us and our customers and the loss of end-users and advertisers. Products and services such as ours depend on our ability and the ability of our customers' users to access the Internet. Currently, this access is provided by companies that have, or ~~may have~~ in the future ~~may have~~, significant market power in the broadband and Internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies, and government-owned service providers. Some of these providers may take or have stated that they may take ~~measures~~ that could degrade, disrupt, or increase the cost of user access to products or services such as ours by restricting or prohibiting the use of their infrastructure to support or facilitate product or service offerings such as ours, or by charging increased fees to businesses such as ours to provide content or to have users access that content. In 2015, the Federal Communications Commission ("FCC") released an order, commonly referred to as net neutrality, that, among other things, prohibited (i) the impairment or degradation of lawful Internet traffic based on content, application, or service and (ii) the practice of favoring some Internet traffic over other Internet traffic based on the payment of higher fees. In December 2017, the FCC voted to overturn the net neutrality regulations imposed by the 2015 order. **In April 2024, the FCC voted to reinstate the net neutrality regulations, but the reinstated rules were temporarily blocked by the Sixth Circuit U. S. Court of Appeals in August 2024 pending the resolution of legal challenges brought by Internet internet service providers in the U. S. This area S. may now be able to impair or degrade the use of or increase the cost** ~~law remains uncertain, and we cannot predict the~~

final outcome of using our products or services **the challenges to legal protections of net neutrality at the state and federal level**. Such interference **In this regulatory environment, we** could **experience discriminatory or anti-competitive practices that result in a loss of existing viewers, subscribers, and advertisers, and increased costs, and could impair** **impede** our ability to attract new viewers, subscribers, and advertisers, thereby harming our revenues and growth, **cause us to incur additional expense or otherwise negatively affect our business**. Fluctuations in foreign currency exchange rates could result in unanticipated losses that could adversely affect our results of operations and financial position. We are exposed to foreign currency exchange rate fluctuations because a portion of our sales, expenses, assets, and liabilities are denominated in foreign currencies. Changes in the value of foreign currencies, particularly the Canadian and Australian dollars, affect our results of operations and financial position. With respect to international sales initially priced using U. S. dollars as a cost basis, a decrease in the value of foreign currencies relative to the U. S. dollar would make our products less price competitive. Once the product is sold at a fixed foreign currency price, we could experience foreign currency gains or losses that could have a material effect on our operating results. New tax treatment of companies engaged in Internet commerce may adversely affect the commercial use of our services and our financial results. Due to the global nature of social media and our services, various states or foreign countries might attempt to regulate our transmissions or levy sales, income, or other taxes relating to our activities. Tax authorities at the international, federal, state, and local levels are **currently** reviewing the appropriate treatment of companies engaged in Internet commerce. New or revised international, federal, state, or local tax regulations may subject us or our creators to additional sales, income, and other taxes. We cannot predict the effect of current attempts to impose sales, income, or other taxes on commerce over social media. New or revised taxes **and, specifically in particular,** sales taxes, VAT, and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of advertising and selling goods and services over social media. New taxes could also **create significant increases** **increase in the** internal costs necessary to capture data and collect and remit taxes. Any of these events could have an adverse effect on our business and the results of operations. We may become subject to government regulation and legal uncertainties that could reduce demand for our products and services or increase the cost of doing business, thereby adversely affecting our financial results. As described in the section “Business- Government Regulation,” we are subject to laws and regulations applicable to businesses generally and certain laws or regulations directly applicable to service providers for advertising and marketing Internet commerce. Due to the increasing popularity and use of social media, it is possible that some laws and regulations may become applicable to us or social media platforms on which we are dependent, or may be adopted in the future concerning social media covering issues such as: • truth- in- advertising; • user privacy; • taxation; • right to access personal information; • copyrights; • distribution; and • characteristics and quality of services. The applicability of **existing** laws governing **issues such as** property ownership, copyrights, and other intellectual property, encryption, taxation, libel, and export or import matters to social media platforms is uncertain. **Most** **The vast majority** of these laws were adopted before the broad commercial use of social media platforms and related technologies. As a result, they do not contemplate or address the unique issues of social media and **related-associated** technologies. Changes to these laws intended to address these issues, including **some** recently proposed changes, could create uncertainty in the social media marketplace. Such uncertainty could reduce demand for our services or increase the cost of doing business due to increased **costs of** litigation or **increased** service delivery costs. Our influencer marketing business is subject to the risks associated with word- of- mouth advertising and endorsements, such as violations of “truth- in- advertising” laws, the FTC Endorsement Guide, and other similar global regulatory requirements and, more generally, loss of consumer confidence. As **the practice of** targeted advertising is increasingly scrutinized by **both** regulators and the industry alike, a greater emphasis has been placed on educating consumers about their privacy choices on the Internet and providing them with the right to opt **in** or **opt** out of targeted advertising. The common thread throughout both targeted advertising and the FTC requirements described in detail in the section “Business- Government Regulation” is the increased importance placed on transparency between the marketer and the consumer to ensure that consumers know the difference between “information” and “advertising” on the Internet and are allowed to decide how their personal information will be used in the manner to which they are marketed. There is a risk regarding negative consumer perception of the practice of “undisclosed compensation” of social media users to endorse specific products. As described in the section “Business- Government Regulation,” we undertake various measures through controls across our platforms and by monitoring and enforcing our code of ethics to ensure that marketers and creators comply with the FTC’ s Endorsement Guide (and analogous laws and guidance in other countries) when utilizing our websites, but if competitors and other companies do not, it could create a negative overall perception for the industry. Not only will readers stop relying on social media and blogs for useful, timely, and insightful information that **enrich enriches** their lives by having access to up- to- the- minute information that often bears different perspectives and philosophies, but a lack of compliance will almost inevitably result in greater governmental oversight and involvement in an already- highly regulated marketplace. A pervasive overall negative perception caused by a failure of our preventative measures or by others not complying with the FTC’ s Endorsement Guide (among the FTC’ s other acts, regulations, and policies, and **among** analogous laws and guidance in **other different** countries) could result in reduced revenue and results of operations and higher compliance costs for us. Failure to comply with federal, state, and international privacy laws and regulations, or the expansion of current or the enactment of new privacy laws or regulations, could adversely affect our business. A variety of federal, state, and international laws and regulations govern the collection, use, retention, sharing, and security of personal information (“ Privacy Laws ”), as described in the section “Business- Government Regulation.” Privacy Laws are evolving and subject to potentially differing interpretations. The EU **adopted the’ s** GDPR, which went into effect in May 2018 and requires companies to satisfy stricter requirements regarding the handling of personal and sensitive data, including its collection, use, protection, and the ability of persons whose data is stored to correct or delete such data about themselves. **EU Member States also are enacting national GDPR- implementing laws that are in some cases stricter or different from GDPR. In 2018, Brazil enacted a law similar to GDPR and other** **Other** countries **have or** are expanding or considering their Privacy Laws to follow suit, **such as India’ s**

Digital Personal Data Protection Act and China's Personal Information Protection Law. Complying with these new and expanded Privacy Laws will cause us to incur substantial operational costs or may require us to change our business practices. For example, noncompliance with the GDPR could result in proceedings against us by governmental entities or others and, fines up to the greater of € 20 million or 4 % of annual global revenues, and as well as damage to our reputation and brand. We also may find it necessary to establish systems to effectuate cross-border personal data transfers of personal information originating from the European Economic Area, Australia, Japan, and other non-U.S. jurisdictions, which may involve substantial expense and distraction from other aspects of our business. We have made certain public statements about our privacy practices concerning the collection, collecting, use, using, and disclosing disclosure of creators' personal information on our websites and platforms. Several Internet companies have incurred penalties for failing to abide by the representations made in their public-facing privacy notices. In addition, several states have adopted legislation that requires businesses to implement and maintain reasonable security procedures and practices to protect sensitive personal information and to provide notice to consumers in the event of a security breach. Any failure, or perceived failure, by us to comply with our public-facing privacy notices, FTC requirements or orders, or other federal, state, or international privacy or consumer protection-related laws, regulations, or industry self-regulatory principles could result in claims, proceedings, or actions against us by governmental or other entities or the incurring by us of other liabilities, which could adversely affect our business. In addition, a failure or perceived failure to comply with industry standards or with our privacy policies and practices could result in losing a loss of creators or marketers and adversely affect our business. Federal, state, and international governmental authorities continue to evaluate the privacy implications of targeted advertising, such as the use of cookies and other tracking technology. The regulation of these cookies and other current online advertising practices could adversely affect our business. Our business depends on a strong brand, and if we are not able to maintain and enhance our brand, or if we receive unfavorable media coverage, our ability to expand our base of creators and marketers will be impaired and our business and operating results will be harmed. **The** We believe that the brand identity that we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the "IZEA" brand is critical to expanding our base of creators and marketers. Maintaining and enhancing our brand may require us to make substantial investments, and these investments may not be successful. If we fail to promote, maintain, and protect the "IZEA" brand, or if we incur excessive expenses in this effort, our business, prospects, operating results, and financial condition will be materially and adversely affected. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly **difficult complex** and expensive. Unfavorable publicity or consumer perception of our platforms, applications, practices or service offerings, or the offerings of our marketers, could adversely affect our reputation, resulting in difficulties in recruiting, decreased revenue, and a negative impact on the number of marketers and the size of our creator base, the loyalty of our creators and the number and variety of sponsorships we offer each day. As a result, our business, prospects, results of operation, and financial condition could be materially and adversely affected. Our business depends on our ability to maintain and scale the network infrastructure necessary to operate our platforms and applications, and any significant disruption in service on our platforms and applications could result in a loss of creators or marketers. Creators and marketers access our services through our platforms and applications. Our reputation and ability to acquire, retain, and serve our creators and marketers are dependent --- **depend upon on** the reliable performance of our platforms and applications and the underlying network infrastructure. If our creator base continues to grow, we will need an increasing amount of network capacity and computing power. We have spent and **will expect** to continue to spend substantial amounts for cloud storage and computing power to handle the traffic on our platforms and data processing capabilities of our applications. The operation of these systems is expensive and complex and could result in operational failures. If our creator base or the amount of traffic on our platforms and applications grows more quickly than anticipated, we may be required to incur significant additional costs. Interruptions in these systems, whether due to system failures, computer viruses, or physical or electronic break-ins, could affect the security or availability of our platforms and applications, and prevent our creators and marketers from accessing our services. **Our Third-party providers host our** entire network infrastructure **is hosted by third-party providers**. Any disruption in these services or any failure of these providers to handle existing or increased traffic could significantly harm our business. Any financial or other difficulties these providers face may adversely affect our business, and we exercise little control over these providers, which increases our vulnerability to problems with the services they provide. If we do not maintain or expand our network infrastructure successfully or if we experience operational failures, we could lose current and potential creators and marketers or transactions between the two groups, which could harm our operating results and financial condition. If our security measures are breached, or if our services are subject to attacks that degrade or deny the ability of users to access our platforms, our platforms and applications may be perceived as not being secure, marketers and creators may curtail or stop using our services, and we may incur significant legal and financial exposure. Our platforms and applications and the network infrastructure that **is hosted by third-party providers host** involve the storage and transmission of marketer and creator proprietary information, and security breaches could expose us to a risk of loss of this information, litigation, and potential liability. Our security measures may be breached due to the actions of outside parties, employee error, malfeasance, security flaws in the third-party hosting service that we rely upon, or any number of other reasons, and, as a result, an unauthorized party may obtain access to our data or our marketers' or creators' data. Additionally, outside parties may attempt to fraudulently induce employees, marketers, or creators to disclose sensitive information to gain access to our data or our marketers' or creators' data. Although we do have security measures in place, we have had instances where some customers have used fraudulent credit cards to pay for our services. While these breaches of our security did not result in material harm to our business, any future breach or unauthorized access could result in significant legal and financial exposure, damage to our reputation, and a loss of confidence in the security of our platforms and applications that could potentially **hurt** have an adverse effect on our business. Because the techniques used to obtain and use unauthorized credit cards, obtain unauthorized access, disable, or degrade service, or sabotage systems change frequently and often are not

recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures on a timely basis. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, and we could lose marketers, creators, and vendors and have difficulty obtaining merchant processors or insurance coverage essential for our operations. If our technology platforms contain defects, we may need to suspend their availability and our business and reputation would be harmed. Platforms as complex as ours often contain unknown and undetected defects or performance problems. Many serious defects are frequently found during the period immediately following the introduction and initial release of new platforms or enhancements to existing platforms. Although we attempt to resolve all defects that we **our customers** believe would be considered serious **by our customers** before making our platforms available to them, our products are not defect-free. We may **not be able unable** to detect and correct defects before releasing our product commercially. We cannot ensure that undetected defects or performance problems in our existing or future products will not be discovered in the future or that known defects, considered minor by us, will not result in serious issues for our customers. Any such defects or performance problems may be considered serious by our customers, resulting in a decrease in our revenues. Some aspects of our business processes include open-source software, which poses risks that could have a material and adverse effect on our business, financial condition, and results of operations. In addition, any failure to comply with the terms of one or more of these open-source licenses, or lawsuits enjoining the use of such licensed software, could negatively affect our business. We incorporate open-source software into processes supporting our business and anticipate using open-source software in the future. Such open-source software may include software covered by licenses like the GNU General Public License, CreativeML, and Open RAIL- M. Certain aspects of various open-source licenses to which we are subject, as well as third-party services that **make use of** these licenses, have not been interpreted by U. S. courts, and **there** **There** is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to operate certain features of our systems, limits our use of the software, inhibits certain aspects of our systems, and negatively affects our business operations. Some open-source licenses contain requirements that we make source code modifications or derivative works we create publicly available or **make them** available on unfavorable terms or at no cost, based upon the type of open-source software we use. While we monitor our use of open-source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open-source license, such use could inadvertently occur, or could be claimed to have occurred, in part because open-source license terms are often ambiguous. We may face claims from third parties claiming ownership of, or demanding the release or license of, modifications or derivative works that we have developed using such open-source software (which could include our proprietary source code or models), or otherwise seeking to enforce the terms of the applicable open-source license. These claims could result in litigation, and if portions of our proprietary AI models or software are determined to be subject to an open-source license, or if the license terms for the open-source software that we incorporate change, we could be required to publicly release all or affected portions of our source code, purchase a costly license, cease offering the implicated products or services unless and until we can re-engineer such source code in a manner that avoids infringement, discontinue or delay the provision of our offerings if re-engineering could not be accomplished on a timely basis or change our business activities, any of which could negatively affect our business operations and potentially our intellectual property rights. In addition, the re-engineering process could require us to expend significant additional research and development resources, and we may not be able to complete the re-engineering process successfully. If we were required to **publicly** disclose any portion of our proprietary models **publicly**, **it is possible** we could lose the benefit of trade secret protection for our models. In addition to risks related to license requirements, the use of certain open-source software can lead to **greater more significant** risks than the use of third-party commercial software, as open-source licensors generally do not provide support, warranties, indemnification, controls, or other contractual protections regarding infringement claims or the quality of the origin of the software. There is little legal precedent in this area, and any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of contract could harm our business and could help third parties, including our competitors, develop products and services **that are** similar to or better than ours. **Use** **The use** of open-source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to breach our website and systems that rely on open-source software. Any of these risks associated with the use of open-source software could be **difficult challenging** to eliminate or manage, and, if not addressed, could materially and adversely affect our business, financial condition, and results of operations. We may be subject to lawsuits for information published on our websites or by our marketers or creators, which may adversely affect our business. Laws relating to the liability of providers of online services for the activities of their marketers or their social media creators and the content of their marketers' listings are currently unsettled. It is unclear whether we could be subject to claims for defamation, negligence, copyright or trademark infringement, or claims based on other theories relating to the information we publish on our websites, or the information published across our platforms. These **types of** claims have been brought, sometimes successfully, against online services and print publications **in the past**. We may not successfully avoid civil or criminal liability for unlawful activities carried out by our marketers or our creators. Our potential liability for **unlawful illegal** activities of our marketers or our creators or the content of our marketers' listings could require us to implement measures to reduce our exposure to such liability, which may require us, among other things, to spend substantial resources or to discontinue certain service offerings. Our insurance may not adequately protect us against these types of claims, and the defense of such claims may divert **the our management's** attention **of our management** from our operations. If we are subject to such lawsuits, it may adversely affect our business. If we fail to detect click-fraud or other invalid clicks, we could lose the confidence of our marketers and advertising partners as a result of lost revenue to marketers or misappropriation of proprietary and confidential information, thereby causing our business to suffer. "Click-fraud" is a form of online fraud when a person or computer program imitates a legitimate user by intentionally clicking on an advertisement to generate a charge per click without having actual interest in the target of the advertisement's link. We are

exposed to the risk of fraudulent or illegitimate clicks on our sponsored listings. The security measures we have in place, which are designed to reduce the likelihood of click- fraud, detect click- fraud from **occasionally time to time**. Although we do not charge customers on a cost -per -click basis, and the instances of click- fraud that we have detected to date have not had a material effect on our business, click- fraud could result in a marketer experiencing a reduced return on their investment in our advertising programs because the fraudulent clicks will not lead to revenue for the marketers. As a result, our marketers and advertising partners may become dissatisfied with our advertising programs, **leading which could lead to losing the loss of** marketers, advertising partners, and revenue. In addition, anyone who can circumvent our security measures could misappropriate proprietary and confidential information or **could** cause interruptions in our operations. We may be required to expend significant capital and other resources to protect against such security breaches or to address problems caused by such breaches. Concerns over the security of the Internet and other online transactions and **the users' privacy of users** may also deter people from using the Internet to conduct transactions that involve transmitting confidential information. The influencer and content marketing industry is subject to rapid technological change and, to compete, we must continually enhance our products and services. We must continue to enhance **enhancing** and improve **improving the our products and services'** performance, functionality, and reliability **of our products and services**. The influencer and content marketing industry is characterized by rapid technological change, changes in user requirements and preferences, frequent new product and service introductions embodying new technologies, and the emergence of new industry standards and practices that could render our products and services obsolete. In the past, we **have** discovered that some of our customers **desire desired** additional performance and functionality not currently offered by our products. Our success will depend, in part, on our ability to develop new products and services that address **the our customers'** increasingly sophisticated and varied needs **of our customers** and respond to technological advances and emerging industry standards and practices on a cost- effective and timely basis. **Developing** **The development of** our technology and other proprietary technology involves significant technical and business risks. We may fail to use new technologies effectively or to adapt our proprietary technology and systems to customer requirements or emerging industry standards. If we **cannot are unable to** adapt to changing market conditions, customer requirements, or emerging industry standards, we may not be able to increase our revenue and expand our business. **The transition in certain of our leadership positions will be critical to our success, and our business could be negatively impacted if we do not successfully manage these transitions. In September 2024, Edward Murphy resigned as the Company' s Chief Executive Officer and as the Chairman of the Board, and Ryan Schram resigned as the Company' s President, Chief Operating Officer, and a member of the Board. The departure and transition of key leadership personnel can take significant knowledge and experience from our company. While this loss of knowledge and experience can be mitigated through a successful transition, there can be no assurance that we will be successful in such efforts. Further, if our new Chief Executive Officer formulates different or changed views, the future strategy and plans of our company may differ materially from those of the past. If we lose key personnel do not successfully manage senior leadership transitions, it could be viewed negatively by or our customers, employees, or investors and could have an adverse impact on our business and strategic direction. If we** are unable to attract and retain additional-qualified personnel, we may not be able to successfully manage our business and achieve our objectives. **We believe our future success will depend upon our ability to retain our key management, including Edward H. Murphy, our Chief Executive Officer, and Ryan S. Schram, our President and Chief Operating Officer. Mr. Murphy, who is our founder, has unique knowledge regarding the influencer marketing space, business contacts, system design, and development expertise regarding our platforms that would be difficult to replace. Mr. Schram has sales, marketing, and business development expertise that our other officers do not possess. Even though we have employment agreements in place with each of them, if Messrs. Murphy and Schram were to become unavailable to us, our operations would be adversely affected. Although we maintain "key - man " life insurance for our benefit on the lives of Mr. Murphy and Mr. Schram, this insurance may be inadequate to compensate us for the loss of our executive officers. Our future success and our ability to expand our operations will also depend depends** in large part on our ability to attract and retain additional-qualified engineers, sales and marketing, and senior management personnel. Competition for these types of employees is intense due to the limited number of qualified professionals and the high demand for them. We have in the past experienced difficulty in recruiting qualified personnel. **In addition, current or future immigration laws may make it more difficult to hire or retain qualified engineers, further limiting the pool of available talent.** Failure to attract, assimilate and retain personnel, including key management, technical, sales, and marketing personnel, would have a material adverse effect on our business and potential growth . **Provisions in our charter, Nevada law and our Rights Agreement may discourage potential acquirers of the Company. Our charter documents contain provisions that may have the effect of making it more difficult for a third party to acquire or attempt to acquire control of the Company, including enabling the Board to issue preferred stock with voting, conversion and exchange rights that may negatively affect the voting power or other rights of our common stockholders. In addition, we are subject to certain provisions of Nevada law that limit, in some cases, our ability to engage in certain business combinations with significant shareholders. In addition, on May 28, 2024, the Board declared a dividend to the holders of the Company' s common stock of one preferred share purchase right (a " Right ") per share of common stock. Each Right initially entitles the registered holder to purchase from the Company one one- thousandth of a share of Series A Junior Participating Preferred Stock, par value \$ 0. 001 per share, of the Company (the " Preferred Shares ") at a price of \$ 8. 25 per one one- thousandth of a Preferred Share, subject to adjustment. The Board declared the dividend and adopted the rights agreement containing the description and terms of the Rights, to protect stockholders from coercive or otherwise unfair takeover tactics; however, the Rights may have the effect of delaying or discouraging a merger, tender offer, or assumption of control of the Company not approved by the Board. As a result, whether due to the Rights or provisions in our charter and under Nevada law, acquisitions of us that our shareholders may consider in their best interests may not occur**. Risks Relating to our Common Stock Our common

stock may be delisted if we fail to maintain compliance with the requirements for continued listing on the Nasdaq Capital Market, and the price of our common stock and our ability to access the capital markets could be negatively impacted. Our common stock is listed for trading on the Nasdaq Capital Market (“Nasdaq”) under the symbol “IZEA.” To maintain this listing, we must satisfy Nasdaq’s continued listing requirements, including, among other things, a minimum closing bid price requirement of \$ 1.00 per share for continued inclusion on the Nasdaq Capital Market under Nasdaq Listing Rule 5550 (a) (2) (the “Bid Price Rule”). ~~In~~ ~~On July 6, 2022,~~ ~~we fell out~~ ~~the Company received a notification letter from the Listing Qualifications Department of Nasdaq stating that the Company was not in compliance with the Bid Price Rule.~~ ~~The notification letter stated that the Company would be afforded 180 calendar days (until January 2, 2023) to regain compliance. In order to regain compliance, the Company’s closing bid price must remain at \$ 1.00 or more for a minimum of ten consecutive business days. On January 5, 2023, the Company received notice from Nasdaq informing the Company that it had been granted an~~ ~~and~~ ~~additional 180-day period, or until July 3, 2023, to regain compliance with the minimum bid price requirement. On June 14, 2023, the Company enacted a reverse split of its issued and outstanding common shares at a ratio of 1-for-4, designed to regain compliance with the Bid Price Rule. On July 6, 2023, the Company received notification from Nasdaq that it had regained compliance~~ ~~in 2023 by enacting~~ ~~with the Bid Price Rule after effecting a reverse stock split,~~ ~~following which the closing bid price of our IZEA’s common stock was at \$ a ratio of 4 for 1~~ ~~1.00 per share or greater for the prior 10 consecutive business days.~~ Although we are currently in compliance with the Bid Price Rule, if we fail to meet this or any of the other continued listing requirements in the future, our common stock may be delisted from Nasdaq, which could reduce the liquidity of our common stock materially and result in a corresponding material reduction in the price of our common stock. In addition, delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, ~~or at all,~~ and may result in the potential loss of confidence by investors, employees, and business development opportunities. Such a delisting likely would impair your ability to sell or purchase our common stock when you wish to do so. Further, if we were to be delisted from Nasdaq, our common stock may no longer be recognized as a “covered security,” ~~and~~ we would be subject to regulation in each state in which we offer our securities. Thus, delisting from Nasdaq could adversely affect our ability to raise additional financing through the public or private sale of equity securities, ~~would~~ significantly impact the ability of investors to trade our securities, and ~~would~~ negatively impact the value and liquidity of our common stock. We have raised and may raise in the future, additional capital to meet our business requirements and such capital raising may be costly or difficult to obtain and could dilute current stockholders’ ownership interests. We have incurred losses since inception and expect to continue to incur losses until we can significantly grow our revenues. Therefore, we may need additional financing to maintain and expand our business. The terms of any securities issued by us in future capital transactions may be more favorable to new investors and may include preferences, superior voting rights, and the issuance of warrants or other derivative securities, which may have a further dilutive effect on the holders of any of our securities then outstanding. In addition, we may incur substantial costs in pursuing future capital financing, including investment banking ~~fees~~, legal ~~fees~~, accounting ~~fees~~, securities law compliance fees, printing and distribution expenses, and other costs. We may be required to bear the costs even if we are unable to complete any such capital financing. We may also be required to recognize non-cash expenses in connection with certain securities we issue, such as convertible promissory notes and warrants, which may adversely impact our financial results. Exercises of stock options, warrants, and other securities will dilute your percentage of ownership and could cause our stock price to fall. As of March 25, 2024 ~~2025~~, we had 16,264 ~~914~~, 416 ~~522~~ shares of our common stock issued and outstanding, which ~~included~~ ~~excludes~~ outstanding stock options to purchase 343 ~~31~~, 570 ~~147~~ shares of our common stock at an average exercise price of \$ 9 ~~18~~. 53 ~~01~~ per share ~~and~~ unvested restricted stock units of 1, 375 ~~252~~, 720 ~~861~~ shares with an intrinsic value of \$ 2. ~~7 million~~, 750, 070. We also have reserved 1, 154 ~~310~~, 911 ~~817~~ shares of common stock under our May 2011 Equity Incentive Plan for issuing stock options, restricted stock, or other awards to purchase or receive, and 80 ~~74~~, 978 ~~521~~ shares of common stock ~~available for~~ ~~issuance~~ under our 2014 Employee Stock Purchase Plan. On November 30, 2023, the IZEA Board of Directors adopted the IZEA Worldwide, Inc. 2023 Inducement Plan (the “Inducement Plan”) to accommodate equity grants to new employees hired by IZEA or its subsidiaries, including employment inducements in connection with acquisition transactions. Under the Inducement Plan, IZEA may grant restricted stock units (“RSUs”), including performance-based and time-based RSUs, with respect to up to a total of 1,800,000 shares of IZEA common stock. As permitted by Rule 5635 (c) (4) of the Nasdaq Listing Rules, the Inducement Plan was adopted without stockholder approval. As of March 25 ~~24~~, 2024 ~~2025~~, an aggregate of 338 ~~50~~, 354 ~~000~~ RSUs ~~have been issued~~, ~~net of forfeitures are outstanding~~ under the Inducement Plan. In the future, we may grant these additional shares or issue new securities ~~per~~ terms defined in employment agreements or as part of additional incentive programs. The exercise, conversion, or exchange by holders of stock options, ~~RSUs~~ ~~restricted stock units~~, or warrants for shares of common stock, or the issuance of new shares of common stock for additional compensation will dilute the percentage ownership of our stockholders. Issuance of a substantial number of shares of our common stock could cause the price of our common stock to fall and could impair our ability to raise capital by selling additional securities. If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they adversely change their recommendations regarding our stock, our stock price and trading volume could decline. The trading market for our common stock is influenced by the research and reports that securities or industry analysts may publish about us, our business, our market, or our competitors. No person is under any obligation to publish research or reports on us, and any person publishing research or reports on us may discontinue doing so at any time without notice. If adequate research coverage is not maintained on our ~~company~~ ~~Company~~ or if any of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business or provide relatively more favorable recommendations about our competitors, our stock price would likely decline. If any analysts who cover us were to cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which ~~in turn~~ could cause our stock price or trading volume to decline. Our earnings are subject to substantial quarterly and annual fluctuations and to market downturns. Our revenues and earnings may

fluctuate significantly in the future. General economic or other political conditions may cause a downturn in the market for our products or services. A future downturn in the market for our products or services could adversely affect our operating results and increase the risk of substantial quarterly and annual fluctuations in our earnings. Our future operating results may be affected by many factors, including, but not limited to, our ability to retain existing or secure anticipated marketers and creators; our ability to develop, introduce, and market new products and services on a timely basis; changes in the mix of products developed, produced, and sold; disputes with our marketers and creators; and general economic conditions causing a reduction in spending by our customers. These factors affecting our future earnings are difficult to forecast and could harm our quarterly and / or annual operating results. The change in our earnings or general economic conditions may cause the market price of our common stock to fluctuate. The price of our common stock in the public markets has experienced, and may in the future experience, extreme volatility due to a variety of factors, many of which are beyond our control. Since our common stock started trading on the Nasdaq Capital Market, it has been relatively thinly traded, and at times, been subject to price volatility. Recently, from January 1, 2023-2024, to December 31, 2023-2024, the closing price of our common stock ranged from a low of \$ 2.10-91 on December 29-February 21, 2023-2024, to a high of \$ 3.21-42 on June 7-May 14, 2023-2024. During the twelve months ended December 31, 2023-2024, the closing price of our common stock averaged \$ 2.43-75 with an average daily trading volume of 39-47, 041-548 shares. In addition to shares of our common stock, the stock market in general, and the stock prices of technology-based companies in particular, have experienced volatility that often has been unrelated to the operating performance of any specific public company. The market price of our common stock has historically experienced and may continue to experience significant volatility. As a result, the market price could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following: • changes in our industry; • competitive pricing pressures; • our ability to obtain working capital financing; • additions or departures of key personnel; • limited “ public float ” in the hands of a small number of persons whose sales or lack of sales could result in positive or negative pricing pressure on the market prices of our common stock; • speculative trading practices of certain market participants; • actual or purported “ short squeeze ” trading activity; • expiration of any Rule 144 holding periods or registration of unregistered securities issued by us; • sales of our common stock; • our ability to execute our business plan; • operating results that fall below expectations; • loss of any strategic relationship or significant customer; • regulatory developments; and • economic and other external factors. These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. Further, on some occasions, our stock price may be, or may be purported to be, subject to “ short squeeze ” activity. A “ short squeeze ” is a technical market condition that occurs when the price of a stock increases substantially, forcing market participants who had taken a position that its price would fall (i. e., who had sold the stock “ short, ”) to buy it, which in turn may create significant, short- term demand for the stock not for fundamental reasons, but rather due to the need for such market participants to acquire the stock to forestall the risk of even greater more significant losses. A “ short squeeze ” condition in the market for a stock can lead to short- term conditions involving very high volatility and trading that may or may not track fundamental valuation models. In addition, in the past, class action litigation has often been instituted against companies whose securities have experienced periods of volatility in market price. Securities litigation brought against us following volatility in our stock price, regardless of the merit or ultimate results of such litigation, could result in substantial costs, which would hurt our financial condition and operating results and divert management’s attention and resources from our business. General Risks Adverse macroeconomic or market conditions may harm our business. Adverse macroeconomic conditions, including inflation, slower growth or recession, new or increased tariffs and other barriers to trade, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment, and currency fluctuations, can materially adversely affect demand for the Company’s services. In addition, consumer confidence and spending can be adversely affected in response to financial market volatility, negative financial news, declines in income or asset values, changes to labor and healthcare costs, and other economic factors. A downturn in the economic environment can also lead to increased credit and collectability risk on the Company’s trade receivables and declines in the fair value of the Company’s financial instruments. These and other economic factors can materially adversely affect the Company’s business, results of operations, and financial condition. Geopolitical instability, including the wars in Ukraine and the Middle East, could have a significant adverse effect on our business, results of operations, financial condition, and cash flow in the future. Geopolitical crises raise a host of potential threats and risk factors to consider, even though we do not conduct business directly in Ukraine or Russia, and only conduct limited business connected to Israel. Geopolitical instability may lead to sanctions brought against aggressor countries that will impact the import, export, sale, and supply of goods and services with companies located in the U. S. and other regions. Many companies have ceased all operations in certain warring countries, with near- and short- term losses expected in the millions. This will have a negative impact on the global economy and affect economic and capital markets. A downturn in the economy could drive our customers to cancel or reduce existing bookings, which will result in a reduction in revenue. In light of the dramatic sanctions imposed against Russia, the U. S. Cybersecurity and Infrastructure Security Agency (“ CISA ”) warned issued a warning of the risk of Russian cyber- attacks on U. S. networks and critical infrastructure. While we do not think we are a likely target of a cyber- attack, we must need to be diligent in our IT controls over IT and ensuring the protection protect of our companies company’s, employees- employee’s, vendors- vendor’s, and customers’ data. If we do fall victim to such an attack, it could have an adverse effect on our business operations. Public company compliance may make it more difficult to attract and retain officers and directors. The Sarbanes- Oxley Act and new rules subsequently implemented by the SEC have required changes in the corporate governance practices of public companies. As a public company, we expect these rules and regulations to increase our compliance costs and to make certain activities more time- consuming and costly. As a public company, we also expect that these rules and regulations may make it more difficult and expensive for us to obtain director and officer liability insurance and we may be required to accept

reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more ~~difficult~~ **complex** and costly for us to attract and retain qualified persons to serve on our Board of Directors or as executive officers.