

Risk Factors Comparison 2024-07-01 to 2023-06-29 Form: 10-K

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You should carefully consider the risks described below, together with all of the other information included in this Annual Report, before deciding whether to invest in our common stock. The occurrence of any of the risks described below could have a material adverse effect on our business, financial condition, results of operations and future growth prospects. In these circumstances, the market price of our common stock could decline, and you may lose all or part of your investment. Many of the following risks and uncertainties are, and will be, exacerbated by **Russia's invasion of Ukraine**, the ~~COVID-19~~ **Israel - 19 pandemic-Hamas War** and any worsening of the global business and economic environment as a result. RISK FACTORS SUMMARY The risks contained in this Risk Factors Summary are not exhaustive and it is not possible for us to predict all risks that could cause our actual results to differ materially. The risks speak only as of the date hereof, and new risks may emerge or changes to the foregoing risks may occur that could impact our business. Some of the material risk include, but are not limited to, the following: Risks Related to Our Business and Industry • We rely on one key customer for a substantial percentage of our revenue. The loss of our largest customer or the significant reduction of business or growth of business from our largest customer could significantly adversely affect our business, financial condition and results of operations. • We have incurred significant operating and net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future. • We may require additional capital, including to fund our current debt obligations and to fund potential acquisitions and capital expenditures, which may not be available on terms acceptable to us or at all and which depends on many factors beyond our control. • Our failure to meet the continued listing requirements of Nasdaq could result in a de-listing of our ordinary shares and penny stock trading. • **There is substantial doubt about our ability to continue as a going concern.** • Our business is partially dependent on our ability to secure music streaming rights from Content Providers and to stream their live music and music-related video content on our platform, and we may not be able to secure such content on commercially reasonable terms or at all. • We may be unable to fund any significant up-front and / or guaranteed payment cash requirements associated with our live music streaming rights, which could result in the inability to secure and retain such streaming rights and may limit our operating flexibility, which may adversely affect our business, operating results and financial condition. • We face intense competition from competitors, and we may not be able to increase our revenues, which could adversely impact our business, financial condition and results of operations. Risks Related to Our Company • For the years ended March 31, **2024 and 2023 and 2022**, our management concluded that our disclosure controls and procedures and our internal control over financial reporting were not effective due to the existence of material weaknesses in our internal control over financial reporting during such periods. If we are unable to establish and maintain effective disclosure controls and internal control over financial reporting, our ability to produce accurate financial statements on a timely basis or prevent fraud could be impaired, and the market price of our securities may be negatively affected. • We heavily depend on relationships with our Content Providers and other Industry Stakeholders and adverse changes in these relationships, could adversely affect our business, financial condition and results of operations. • We rely on key members of management, particularly our Chairman and Chief Executive Officer, Mr. Robert Ellin, and our ~~Interim~~ Chief Financial Officer, ~~Vice President, Controller, Interim Treasurer and Interim Secretary~~, Aaron Sullivan, and the loss of their services or investor confidence in them could adversely affect our success, development and financial condition. • Unfavorable outcomes in legal proceedings may adversely affect our business, financial conditions and results of operations. • Our debt agreements contain restrictive and financial covenants that may limit our operating flexibility and our substantial indebtedness may limit cash flow available to invest in the ongoing needs of our business. • We may not have the ability to repay the amounts then due ~~to under~~ **our senior secured lender ABL Credit Facility and / or Capchase Loan (each as defined below) at maturity and / or to the holders of our Series A Preferred Stock, which would have a material adverse effect on our business, operating results and financial condition.** • If we do not comply with the provisions of the senior credit facility, our lender may terminate its obligations to us and require us to repay all outstanding amounts owed thereunder. • We may incur substantially more debt or take other actions that would intensify the risks related to our indebtedness. Risks Related to Our Acquisition Strategy • We can give no assurances as to when we will consummate any future acquisitions or whether we will consummate any of them at all. Risks Related to Technology and Intellectual Property • We rely heavily on technology to stream content and manage other aspects of our operations and on our Content Management System. The failure of any of this technology to operate effectively could adversely affect our business. Risks Related to Our ~~Intended Spin-Out of PodcastOne as a Separate Public Company and Special Dividend of PodcastOne's Common Stock and the Slacker Proposed Business Combination~~ • **We may be unable to complete the Spin-Out and the Special Dividend and / or the Slacker Proposed Business Combination, and we may be unable to achieve some or all of the benefits that we expect to achieve from such transactions.** • ~~Our debt agreements contain certain provisions requiring the consent of our senior lender and certain conditions to be satisfied in order for us to complete each of the Spin-Out and the Special Dividend and / or the Slacker Proposed Business Combination.~~ Risks Related to Our PodcastOne Business • **We PodcastOne generate generates** a substantial portion of ~~our~~ **its** revenues from ~~our~~ **its** podcast and advertising sales. If ~~we~~ **PodcastOne fail fails** to maintain or grow podcasting and advertising and e-commerce merchandise revenue, our financial results may be adversely affected. • **We PodcastOne face faces** and will continue to face competition for listeners and listener listening time. • **Our PodcastOne's** business is dependent upon the performance of the podcasts and their talent. • If ~~we~~ **PodcastOne fail fails** to increase the number of listeners consuming ~~our~~ **its** podcast content, our business, financial condition and results of operations may be adversely affected. • ~~Our~~ **PodcastOne's** podcasting revenue and operating results are highly dependent on the overall demand

for advertising. • We rely on integrations with advertising platforms, demand- side platforms (“ DSPs ”), proprietary platforms and ad servers, over which we exercise very little control. Risks Related to Our E- commerce Merchandising Business • Our business is affected by seasonality, which could result in fluctuations in our operating results. • We are subject to data security and privacy risks that could negatively affect our results, operations or reputation. • Changes in tax treatment of companies engaged in e- commerce may adversely affect the commercial use of our sites and our financial results. Risks Related to our **PPVOne Business** • **We may be unable to complete or we may abandon the proposed spin-out of PPVOne as a separate public company, and we may be unable to achieve some or all of the benefits that we expect to achieve from such transaction.** Risks Related to our **Digital Festival and Events Business** • Our success relies, in part, on the strength of our **online live in person** festivals and events, as well as our **online businesses**, and if any of them were to become less popular, our business could suffer. • **If we are forced to cancel We must match the innovation of or our competitors postpone all or part of a scheduled festival or event, our business may be adversely impacted, and our reputation may be harmed.** • **There is the risk of personal injuries and accidents occurring at our live music events, which could subject us to personal injury or other claims, increase our expenses and damage our brands.** Risks Related to the Ownership of Our Common Stock • The market price of our common stock may be highly volatile. • We cannot guarantee that our stock repurchase program will be consummated, fully or all, or that it will enhance long- term shareholder value. Stock repurchases could also increase the volatility of the trading price of our stock and could diminish our cash reserves. • Our Chairman and Chief Executive Officer and stockholders affiliated with him own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval. • Sales of a substantial number of shares of our common stock in the public market by certain of our stockholders could cause our stock price to fall. • We do not intend to pay dividends on our common stock so any returns will be limited to the value of our stock. • Provisions in our Certificate of Incorporation and Bylaws and provisions under Delaware law could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders, and may prevent or frustrate attempts by our stockholders to replace or remove our current management. Our business is dependent, and we believe that it will continue to depend, on our customer relationship with Tesla, which accounted for **44-51 %** of our consolidated revenue for the year ended March 31, **2023-2024**, and **28-44 %** of our consolidated revenue for the year ended March 31, **2022-2023**. Our existing agreement with Tesla governs our music services to its car user base in North America, including our audio music streaming services. If we fail to maintain certain minimum service level requirements related to our service with Tesla or other obligations related to our technology or services, Tesla may terminate our agreement to provide them with such service. Tesla may also terminate our agreement for convenience at any time. If Tesla terminates our agreement, requires us to renegotiate the terms of our existing agreement or we are unable to renew such agreement on mutually agreeable terms, no longer makes our music services available to Tesla’ s car user base, becomes a native music service provider, replaces our music services with one or more of our competitors and / or we experience a significant reduction of business from Tesla, our business, financial condition and results of operations would be materially adversely affected. In addition, a significant amount of the membership revenue we generate from Tesla is indirectly subsidized by Tesla to its customers, which Tesla is not committed to carry indefinitely, including the ability to terminate and / or change our music services for convenience at any time. Should our membership revenue services no longer be subsidized by and / or made available by Tesla to its customers or if Tesla reclassifies or renegotiates with us the definition of a paid member or demands credit for past members that no longer meet such requirement, there can be no assurance that we will continue to maintain the same number of paid members or receive the same levels of membership service revenue and membership revenue may substantially fluctuate accordingly. There is no assurance that we would be able to replace Tesla or lost business with Tesla with one or more customers that generate comparable revenue. Furthermore, there could be no assurance that our revenue from Tesla continues to grow at the same rate or at all. Any revenue growth will depend on our success in growing such customer’ s revenues on our platform and expanding our customer base to include additional customers. Tesla has also integrated Spotify Premium to the car’ s in- dash touchscreen for its Model S, Model X and Model 3 vehicles. Tesla owners now have access to our music streaming services, Spotify and TuneIn natively. There is no assurance that our music streaming services will be available in every current and / or future Tesla model. Furthermore, our current and future competitors like Spotify, Apple Music, Tesla (if it becomes a native music service provider) and others may have more well-established brand recognition, more established relationships with, and superior access to **festivals, clubs, events, concerts, artists, promoters, venues, music labels and publishers, podcast talent and podcast creators (collectively, “ content Content providers Providers ”)** and other **industry Industry stakeholders Stakeholders**, greater financial, technical and other resources, more sophisticated technologies or more experience in the markets in which we compete. If we are unable to compete successfully for users against our competitors by maintaining and increasing our presence and visibility, the number of users of our network may fail to increase as expected or decline and our advertising sales, membership fees and other revenue streams will suffer. In addition, we have derived, and we believe that we will continue to derive, a substantial portion of our revenues from a limited number of other customers. Any revenue growth will depend on our success in growing our customers’ revenues on our platform and expanding our customer base to include additional customers. If we were to lose one or more of our key customers, there is no assurance that we would be able to replace such customers or lost business with new customers that generate comparable revenue, which would significantly adversely affect our business, financial condition and results of operations. As reflected in our consolidated financial statements included elsewhere herein, we have a history of losses, incurred significant operating and net losses in each year since our inception, including net losses of \$ **13.3 million and \$ 10.0 million and \$ 43.9 million** for the fiscal years ended March 31, **2024 and 2023 and 2022**, respectively, and provided cash and used cash in operating activities of \$ **3.6 . 8 million and \$ 9.3 . 18 million** for the fiscal years ended March 31, **2024 and 2023 and 2022**, respectively. As of March 31, **2023-2024**, we had an accumulated deficit of \$ **224-238 . 73 million and net liabilities of \$ 1.0 million**. We expect to continue to incur substantial and increased expenses as we continue to execute our business approach,

including expanding and developing our content and platform and potentially making other accretive acquisitions, until such time that we can generate significant increases to our revenues, and / or reduce our operating costs and losses. To date, we have financed our operations exclusively through **our senior secured credit facility and** the sale of equity and / or debt securities (including convertible securities). The size of our future net losses will depend, in part, on the rate of future expenditures and our ability to significantly grow our business and increase our revenues. We also expect a continued increase in our expenses associated with our operations as a publicly traded company. We may incur significant losses in the future for a number of other reasons, including unsuccessful acquisitions, costs of integrating new businesses, expenses, difficulties, complications, delays and other unknown events. As a result of the foregoing, we expect to continue to incur significant losses for the foreseeable future and we may not be able to achieve or sustain profitability. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a growing company, the difficulties that may be encountered with integrating acquired companies and the highly competitive environment in which we operate. For example, while several companies have been successful in the digital music streaming industry and the online video streaming industry, companies have had no or limited success in operating a premium Internet network devoted to live music and music-related video content. We cannot assure you that our business will be profitable or that we will ever generate sufficient revenue to fully meet our expenses and support our anticipated activities. Our ability to meet our total liabilities, as reported in the accompanying consolidated balance sheets, and to continue as a going concern, is dependent on our ability to increase revenue, reduce costs, achieve a satisfactory level of profitable operations, obtain additional sources of suitable and adequate financing and further develop and execute on our business plan. We may never achieve profitability, and even if we do, we may not be able to sustain being profitable. As a result of the going concern uncertainty, there is an increased risk that you could lose the entire amount of your investment in our company, which assumes the realization of our assets and the satisfaction of our liabilities and commitments in the normal course of business. Historically, we have funded our business operations and capital expenditures primarily through equity and / or debt issuances (including convertible securities). To support our growing business, we must have sufficient capital to continue to make significant investments in our platform and product offerings. If we raise additional funds through the issuance of equity, equity- linked or debt securities, those securities may have rights, preferences or privileges senior to those of our common stock, and our existing stockholders may experience dilution. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital- raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. Any refinancing of our indebtedness could be at significantly higher interest rates, require additional restrictive financial and operational covenants, or require us to incur significant transaction fees, issue warrants or other equity securities, or issue convertible securities. These restrictions and covenants may restrict our ability to finance our operations and engage in, expand, or otherwise pursue our business activities and strategies. Our ability to comply with these covenants and restrictions may be affected by events beyond our control, and breaches of these covenants and restrictions could result in a default and an acceleration of our obligations under a debt agreement. If we raise additional funds through collaborations and licensing arrangements, we might be required to relinquish significant rights to our technologies or our solutions under development, or grant licenses on terms that are not favorable to us, which could lower the economic value of those programs to us. We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans and operating performance and the condition of the capital markets at the time we seek financing and to an extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot be certain that additional financing will be available to us on favorable terms, or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited, and our business, financial condition and results of operations could be adversely affected. **There is substantial doubt about our ability to continue as a going concern Our independent registered public accounting firm has issued an opinion on our audited financial statements included in this Annual Report that contains an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern because we have experienced recurring losses, negative cash flows from operations, and limited capital resources. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on our ability to continue as a going concern. The perception that we may not be able to continue as a going concern may have a material adverse effect on our share price and our ability to raise new capital (whether it is through the issuance of equity or debt securities or otherwise), enter into critical contractual relations with third parties and otherwise execute our business objectives. Until we can generate significant profit from operations and positive cash flow from operations, we expect to satisfy our future cash needs through debt and / or equity financing. We cannot be certain that additional funding will be available to us on acceptable terms, if at all. Our financial statements do not include any adjustments that may result from the outcome of this uncertainty. If we are unable to continue as a going concern, we may have to curtail some or all of our ongoing operations and / or liquidate some or all of our assets, and the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our financial statements**. There can be no assurance that we will be able to continue to meet all of the criteria necessary for Nasdaq to allow us to remain listed. If we fail to satisfy the applicable continued listing requirement and continue to be in non-compliance after notice and the applicable grace period ends, Nasdaq may commence delisting procedures against our Company (during which we may have additional time of up to six months to appeal and correct our non- compliance). If our ordinary shares are ultimately delisted from Nasdaq, our ordinary shares would likely then trade only in the over- the- counter market and the market liquidity of our ordinary shares could be adversely affected and their market price could decrease. If our ordinary shares were to trade on the over- the- counter market, selling our ordinary shares could be more difficult because smaller quantities of shares would likely be bought and sold, transactions could be delayed, and we could face significant material

adverse consequences, including: a limited availability of market quotations for our securities; reduced liquidity with respect to our securities; a determination that our shares are a “ penny stock, ” which will require brokers trading in our securities to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our securities; a reduced amount of news and analyst coverage for our Company; and a decreased ability to issue additional securities or obtain additional financing in the future. These factors could result in lower prices and larger spreads in the bid and ask prices for our ordinary shares and would substantially impair our ability to raise additional funds and could result in a loss of institutional investor interest and fewer development opportunities for us. In addition to the foregoing, if our ordinary shares are ultimately delisted from Nasdaq and they trade on the over- the- counter market, the application of the “ penny stock ” rules could adversely affect the market price of our ordinary shares and increase the transaction costs to sell those shares. The SEC has adopted regulations which generally define a “ penny stock ” as an equity security that has a market price of less than \$ 5. 00 per share, subject to specific exemptions. If our ordinary shares are ultimately delisted from Nasdaq and then trade on the over- the- counter market at a price of less than \$ 5. 00 per share, our ordinary shares would be considered a penny stock. The SEC’ s penny stock rules require a broker- dealer, before a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker- dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker- dealer and the salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer’ s account. In addition, the penny stock rules generally require that before a transaction in a penny stock occurs, the broker- dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’ s agreement to the transaction. If applicable in the future, these rules may restrict the ability of brokers- dealers to sell our ordinary shares and may affect the ability of investors to sell their shares, until our ordinary shares ~~is~~ no longer ~~is~~ considered a penny stock .~~We cannot predict the impact of the COVID-19 pandemic on our customers, suppliers, vendors, and other business partners, and the full effects of the COVID-19 pandemic are highly uncertain and cannot be predicted. The COVID-19 pandemic is partially affecting our revenue, sponsorship and advertiser partners, vendors and other business partners, and we are not able to assess the full extent of the current impact nor predict the ultimate consequences that will result therefrom. For example, Tesla was ordered to keep its main U. S. factory closed for a substantial amount of time in 2020 calendar year. In addition, as a result of COVID-19, certain of our advertising and sponsor partners have been forced to reduce their marketing budgets. If our revenue and / or sales channels are substantially impaired for an extended period of time, our revenues will be materially reduced. We are continuously monitoring our own operations and intend to take appropriate actions to mitigate the risks arising from the COVID-19 pandemic to the best of our abilities, but there can be no assurances that we will be successful in doing so. To the extent we are able to obtain information about and maintain communications with our revenue, sponsorship and advertiser partners, vendors and other business partners, we will seek to minimize disruptions to our revenue, content and distribution channels, but many circumstances will be beyond our control. Governmental action and / or regional quarantines may further result in labor shortages and work stoppages. All of these factors may have far reaching direct and indirect impacts on our business, operations, and financial results and condition. The ultimate extent of the effects of the COVID-19 pandemic on our Company is highly uncertain and will depend on future developments which cannot be predicted. Even after the COVID-19 outbreak has subsided, we may continue to experience material adverse impact on our business as a result of its global economic impact, including any related recession, as well as lingering impact on demand for our services, our customers, suppliers, vendors and other business partners.~~ Our business is dependent on our ability to secure rights to stream on our platform a variety of popular content from Content Providers. Our licensing, distribution and / or production arrangements with Content Providers may be short- term and do not guarantee the continuation or renewal of these arrangements on commercially reasonable terms, if at all. Additionally, while our agreements with music festivals and other live music events and venues allow us to stream content from such events and venues, we typically require additional permission from the artists performing at such events, other rights holders and venues. While the majority of artists at music festivals and other live music events and venues that we have contracts with have in the past agreed to allow us to stream their performances, there is no guarantee that artists at an event will agree to allow us to stream their performances. Any unwillingness of such partners to supply content to us or lack of availability of popular artists to perform at such venues and events could limit our ability to enhance user experience and deepen user engagement with our platform and therefore reduce our revenue opportunities. If we are unable to secure rights to steam our content, then our business, financial condition and results of operations would be adversely affected. Additionally, to the extent any music festival or other live music event that we have rights to stream is cancelled or delayed, whether as a result of cancellation by a pandemic, artists, weather, terrorism or otherwise, we may receive little or no content from such live event. In the 2019 fiscal year, we also began livestreaming our own digital live events under “ LiveOne Presents ”. In the 2020 fiscal year, we acquired React Presents, a producer, promoter and manager of in person live music festivals and events. In the 2021 fiscal year, we also began livestreaming our own digital festivals and live events under “ Music Lives ” and “ Music Lives ON ”, with “ Music Lives ” returning in March 2021 for its second edition. As we continue to livestream and grow our own live events, we may directly compete with our current and prospective Content Providers. This direct competition with our current and prospective Content Providers could harm our existing and future relationships with our Content Providers, and may result in a decline in the number of live events partnership, license, distribution and / or production opportunities available to us, which could adversely affect our business, financial condition and results of operations. Some Content Providers and distributors, currently or in the future, may also take action to make it more difficult or impossible for us to partner with, license, distribute and / or produce their content, including as a result of them offering a competing product. Other content owners, providers or distributors may seek to limit our access to, increase the cost of, or otherwise restrict or prohibit our use of such content. As a result, we may be unable to offer a wide variety of content at reasonable prices with acceptable usage rules or expand our geographic reach. Additionally, some content

on our platform is currently provided free of digital rights management to prevent the unauthorized redistribution of digital media. If our business model changes, we may have to develop or license digital rights management technology. There is no assurance that we will be able to develop or license such technology at a reasonable cost and in a timely manner. In addition, certain countries have passed or may propose and adopt legislation that would require us to license our digital rights management, if any, which could weaken the protection of content, subject us to piracy and also negatively affect arrangements with our Content Providers. In order to secure event and festival live music streaming rights, we may be required to fund significant up-front and / or minimum guaranteed cash payment requirements to artists or festival or event promoters prior to the event or festival taking place (“MGs”). While some MGs are recoupable by us as a direct cost before we share any revenue with the underlying partners, such future MGs are not tied to a number of users, active users, paid members or the number of times we stream such content on our platform. Accordingly, our ability to achieve and sustain profitability and operating leverage on our services in part depends on our ability to increase our revenues through increased sales of premium services and advertising sales on terms that maintain an adequate gross margin. The duration of our content acquisition agreements that contain MGs is typically between three to seven years, but our paid members may cancel their memberships at any time. If our forecasts for paid members do not meet our expectations or the number of our paid members or advertising sales do not materialize and / or decline significantly during the term of our content acquisition agreements, our margins may be materially and adversely impacted. To the extent our premium service revenue growth or advertising sales do not meet our or our partners’ collective expectations, our business, operating results and financial condition also could be adversely impacted as a result of such MGs. In addition, the fixed cost nature of these MGs may limit our flexibility in planning for, or reacting to, changes in our business and the market segments in which we operate. We rely on estimates of the market share of licensable content controlled by each content provider, as well as our own user growth and forecasted advertising revenue, to forecast whether such MGs could be recouped against our actual content acquisition costs incurred over the duration of each content acquisition agreement. To the extent that this revenue and / or market share estimates underperform relative to our expectations, leading to content acquisition costs that do not exceed such up-front and minimum guarantees, our margins may be materially and adversely impacted. If we do not have sufficient cash on hand or available capacity to advance the necessary cash for any given artist, event or festival, we would not be able to retain the rights for that artist, festival or event, such counter parties may be able to terminate their content acquisition agreements with us, and as a result our business, financial condition and results of operations may be adversely affected. If we fail to increase the number of users consuming our ~~live~~ music and music-related video content on our platform, and / or the number of members to Slacker, our business, financial condition and results of operations may be adversely affected. The size of our user base is critical to our success, and we will need to develop and grow our user base to be successful. We currently generate revenue from Slacker’s operations and expect to generate additional revenue based upon membership, VOD, PPV, advertising and sponsorship, licensing, e-commerce and data, which is dependent on the number of users we retain and attract. For example, if we are unable to retain and attract users, we may be unable to attract users to our network and / or increase the frequency of users’ engagement with our platform. In addition, if users do not perceive our content as original, entertaining or engaging, we may not be able to attract sponsorship opportunities and / or increase the resulting frequency of users’ engagement with our platform and content. If we are unable to retain and attract users, our network and services could also be less attractive to potential new users, as well as to Content Providers and other Industry Stakeholders, which could have a material and adverse impact on our business, financial condition and results of operations. Our ability to attract and retain users **and / or the number of members to Slacker** is highly sensitive to rapidly changing public tastes in music and technology. Our ability to attract and retain users **and / or members to Slacker** is highly sensitive to rapidly changing public tastes in music and technology and is dependent on our ability to maintain the attractiveness of our platform, content, technology and reputation as a place where quality online live music and music-related video content can be accessed and enjoyed. We will rely on the popularity of our Content Providers and the quality of their respective content to retain users **and / or members to Slacker**, secure sponsorships and to facilitate growth in revenue from advertising and e-commerce. Maintaining the popularity of our content will be challenging, and our relationship with music fans could be harmed for many reasons, including the quality and diversity of our online content, quality of the experience with a particular festival, event or club, our competitors developing relationships with more popular festivals, events or clubs or attracting talent from our businesses, adverse occurrences or publicity in connection with a festival, event or club and changes to public tastes that are beyond our control and difficult to anticipate. For example, if users **and / or members to Slacker** do not perceive our platform, **including Slacker Radio**, and **their respective** services to be original, entertaining, engaging, useful, reliable or trustworthy, we may be unable to attract and retain users **and / or members** to our network **or Slacker** and / or increase the frequency of users’ **and Slacker’s members** engagement with our platform. Additionally, any cancellation or delay in **the number of podcasts**, music festivals, concerts or other live music events that we have rights to stream **or broadcast**, or are otherwise associated with, may harm our reputation and make any related content less desirable to our users. A number of consumer-oriented music and / or tech websites that achieved early popularity have since seen their user bases or levels of engagement decline, in some cases precipitously. There is no guarantee that we will not experience a similar erosion of our user **and member** base. If our platform or content become less popular with music fans, our growth strategy would be harmed, which could in turn harm our business and financial results. Our ability to attract and retain users **and / or members to Slacker** depends upon many additional factors both within and beyond our control. In addition to the popularity of our content, we believe that our ability to attract and retain users **and / or members to Slacker** depends upon many factors both within and beyond our control, including: ● the popularity, usefulness, ease of use, performance and reliability of our platform, products and services, including Slacker, our LiveOne App and our PodcastOne application (“PodcastOne App”), compared to those of our competitors; ● the timing and market acceptance of our platform, products and services, including Slacker, LiveOne App and PodcastOne App; ● users’ **and members’** willingness to pay for membership rights to our **and Slacker’s** platform

platforms; • our ability to develop and monetize an effective strategy to attract advertisers and sponsor of our platform; • the frequency and relative prominence of the ads displayed by us or our competitors; • our ability to establish and maintain relationships with our Content Providers to provide new content for our network; • user **and member** concerns related to user privacy and our ability to keep user **and member** data secure; • changes mandated by, or that we elect to make to address, legislation, regulatory authorities or litigation, including settlements and consent decrees, some of which may have a disproportionate effect on us; • our ability to attract, retain and motivate talented employees, particularly engineers, designers and platform and content managers; • fluctuations in costs of content which we may be unwilling or unable to pass through to our users **and members**; • competitors' offerings that may include more favorable terms than we offer in order to obtain agreements for new content or venue, festival or ticketing arrangements; • technological changes and innovations that we are unable to adopt or are late in adopting that offer more attractive entertainment alternatives than we or other live streamed entertainment providers currently offer; • general economic conditions which could cause consumers to reduce discretionary spending; • our ability to develop and monetize an effective strategy to buildout our e-commerce revenue stream; • acquisitions or consolidation within our industry, which may result in more formidable competitors; and • our reputation and the brand strength **and awareness** relative to our competitors. In addition to attracting and retaining users **and members**, we will need to minimize user **and member** churn and attract lapsed users **and members** back to our platform and services, while ensuring that our user **and member** acquisition cost does not exceed user **and member** life-time value. If we are unable to attract and retain users **and members**, minimize user **and member** churn, fail to attract lapsed users and **members and**/ or ensure that our user **and member** acquisition cost does not exceed our user **and member** life-time value, any of these factors could adversely affect our business, financial condition and results of operations. Our ability to increase the number of our listeners **(including members)** depends in part on our ability to establish and maintain relationships with automakers, automotive suppliers and consumer electronics manufacturers with products that integrate our service. A key element of our strategy to expand the reach of our service and increase the number of our users **(including members)** and user **/ member** hours spend on our platform is to establish and maintain relationships with automakers, automotive suppliers and consumer electronics manufacturers that integrate our service into and with their products. Working with certain third-party distribution partners, we currently offer listeners **(including members)** the ability to access our service through a variety of consumer electronics products used in the home and devices connected to or installed in automobiles. We intend to broaden our ability to reach additional listeners **and members**, and increase current listener **(including member)** hours, through other platforms and partners over time, including through direct integration into connected cars. However, product design cycles in consumer products and automotive manufacturing are lengthy, and we may not be able to achieve our goals in our desired timeframe, which could adversely impact our ability to grow our business. Our existing agreements with partners in the automobile and consumer electronics industries generally do not obligate those partners to offer our service in their products. In addition, some automobile manufacturers or their supplier partners may terminate their agreements with us for convenience **with minimal notice**. Our business could be adversely affected if our automobile partners and consumer electronics partners do not continue to provide access to our service or are unwilling to do so on terms acceptable to us. If we are forced to amend the business terms of our distribution agreements as a result of competitive pressure, our ability to maintain and expand the reach of our service and increase listener hours would be adversely affected, which would reduce our revenue and harm our operating results. We are a party to many content acquisition and other license agreements that are complex and impose numerous obligations upon us which may make it difficult to operate our business, and a breach of such agreements could adversely affect our business, operating results and financial condition. Many of our content acquisition and other license agreements are complex and impose numerous obligations on us, including obligations to, among other things: • calculate and make payments based on complex royalty structures, which requires tracking usage of content on our service that may have inaccurate or incomplete metadata necessary for such calculation; • provide periodic reports on the exploitation of the content in specified formats; • represent that we will obtain all necessary publishing licenses and consents and pay all associated fees, royalties, and other amounts due for the licensing of musical compositions; • provide advertising inventory; • comply with certain broadcasting limitations and restrictions; • comply with certain marketing and advertising restrictions; and • comply with certain security and technical specifications. Some of our content acquisition and other license agreements grant the licensor the right to audit our compliance with the terms and conditions of such agreements. In addition, some of our content acquisition and other license agreements require consent to undertake certain business initiatives and without such consent, our ability to undertake new business initiatives may be limited. This could hurt our competitive position. If we materially breach any of these obligations or any other obligations set forth in any of our content acquisition and other license agreements, or if we use content in ways that are found to exceed the scope of such agreements, we could be subject to monetary penalties and our rights under such license agreements could be terminated, either of which could have a material adverse effect on our business, operating results and financial condition. We may enter into settlement agreements in the future requiring us to make substantial payments as a result of claims that we are in breach of certain provisions in, or have exceeded the scope of, our content acquisition and other license agreements. We may be unsuccessful in developing our original content. We currently produce and plan to continue to produce original music-related video content, including LiveZone and One Rising, and our other digital magazine-style news programming and original-concept digital pilots, documentaries and other original content. We believe that a positive reputation with users concerning our original content is important in attracting and retaining users. To the extent our content, in particular, our original programming, is perceived as low quality, offensive or otherwise not compelling to users, our ability to establish and maintain a positive reputation may be adversely impacted. If the original content we produce does not attract new users, we may not be able to cover our expenses to produce such programs, and our business, financial condition and results of operations may be adversely affected. As we continue to develop our original content, we will become responsible for higher production costs and other expenses. We may also take on risks associated with production, such as completion and key talent

risk. To the extent we do not accurately anticipate costs or mitigate risks, 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 face competition for users' attention and time. The market for entertainment video and radio content is intensively competitive and subject to rapid change. We compete against other entertainment video and radio providers, such as (i) interactive on- demand audio content and pre- recorded entertainment, (ii) broadcast radio providers, including terrestrial and Internet radio providers, (iii) cable, satellite and Internet television and movie content providers, (iv) video gaming providers and (v) other sources of entertainment for our users' attention and time. These content and service providers pose a competitive threat to the extent existing or potential users choose to consume their content or use their services rather than our content or our services. The online marketplace for live music and music- related content may rapidly evolve and provide users with a number of alternatives or new access models, which could adversely affect our business, financial condition and results of operations. The music streaming industry is highly competitive. The music streaming industry competes with other forms of entertainment for consumers' discretionary spending, and within this industry we compete with other platforms to secure rights to content. In the markets in which we promote our streaming live music and music- related content, we face competition from other promoters and streaming operators. These competitors may engage in more extensive development efforts, undertake more far- reaching marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to existing and potential artists. Our competitors may also develop services, advertising options or music platforms that are equal or superior to those we provide or that achieve greater market acceptance and brand recognition than we achieve. It is possible that new competitors may emerge and rapidly acquire significant market share. Our current and future competitors may have more well- established brand recognition, more established relationships with, and superior access to, Content Providers and other Industry Stakeholders, greater financial, technical and other resources, more sophisticated technologies or more experience in the markets in which we compete. These competitors may also compete with us for key employees and other individual service providers who have relationships with popular music artists or other Content Providers and that have a history of being able to book such artists or secure the rights to stream their music. If we are unable to compete successfully for users against other providers by maintaining and increasing our presence and visibility, the number of users of our network may fail to increase as expected or decline and our advertising sales, membership fees and other revenue streams will suffer. Our new platform features, services and initiatives, changes to existing features, services and initiatives and our plan to continue to increase the number of live events that we produce could fail to attract users **and members**, content partners, advertisers and platform partners or generate revenue. Our new platform features, services and initiatives and changes to existing features, services and initiatives could fail to attract users **and members**, content partners, advertisers and platform partners or generate revenue. Our industry is subject to rapid and frequent changes in technology, evolving customer needs and the frequent introduction by our competitors of new and enhanced offerings. We must constantly assess the playing field and determine whether we need to improve or re- allocate resources amongst our existing platform features and services or create new products (independently or in conjunction with third parties). Our ability to increase the size and engagement of our user **and member** base, attract content partners, advertisers and platform partners and generate revenue will depend on those decisions. We may introduce significant changes to our existing platform and services or develop and introduce new and unproven products and services, including technologies with which we have little or no prior development or operating experience. If new or enhanced platform features or services fail to engage users **and members**, content partners and advertisers, we may fail to attract or retain users **and members** or to generate sufficient revenue or operating profit to justify our investments, and our business and operating results could be adversely affected. In addition, in the 2021 fiscal year, we started producing ~~and expect to continue to produce~~ live events, including **digital and PPV events, and expect to continue to produce** digital and PPV events, which generated revenue and which we believe will enhance our attractiveness to users, content partners and advertisers. We hope to drive increased advertising to monetize our live events and our platform and services through advertising and sponsorship opportunities associated with live streaming and music- related content. In the future, we may invest in new products, product features, services and initiatives and may produce a greater number of live events to generate revenue, but there is no guarantee these approaches will be successful. We may not be successful in future efforts to generate advertising and / or sponsorship opportunities and generate revenue from or able to monetize our new products or services and live events produced by us. If such strategic initiatives do not enhance our ability to monetize our existing platform and services, enable us to develop new approaches to monetization or meet the expectations of our users or third- party business partners, we may not be able to maintain or grow our revenue or recover any associated development costs and our operating results could be adversely affected. Expansion of our content beyond live events and pre- recorded music, such as podcasts, subjects us to additional business, legal, financial and competitive risks. Expansion of our operations into delivery of content beyond live events and pre- recorded music involves numerous risks and challenges, including increased capital requirements, new competitors and the need to develop new strategic relationships. Growth into these new areas may require changes to our existing business model and cost structure, modifications to our infrastructure and exposure to new regulatory and legal risks, including infringement liability, any of which may require additional expertise that we currently do not have. There is no guarantee that we will be able to generate sufficient revenue from advertising sales associated with podcasts or other non- prerecorded- music content to offset the costs of acquiring this content. Further, we have established a reputation as a live music provider and our ability to gain acceptance and listenership for podcasts or other non- music content, and thus our ability to attract advertisers to this content, is not certain. Failure to obtain or retain rights to podcasts or other non- music content on acceptable terms, or at all, to successfully monetize and generate revenues from such content, or to effectively manage the numerous risks and challenges associated with such expansion could adversely affect our business and financial condition. We face significant competition for advertiser and sponsorship spend. We face significant competition for

advertiser spend. Substantially all of our revenue to date is generated through memberships to our music platform, **as well as sponsorships and ads on our website and mobile app, and advertising sales for PodcastOne's podcasts**. We compete against online and mobile businesses, including those referenced above, **and** traditional media outlets, such as television, radio and print, for advertising budgets, **and established podcast platforms**. We also compete with advertising networks, exchanges, demand side platforms and other platforms, such as Google AdSense, DoubleClick Ad Exchange, Oath advertising platform and Microsoft Media Network, for marketing budgets and in the development of the tools and systems for managing and optimizing advertising campaigns. Slacker competes with platforms, such as Apple's iTunes Music Store and Apple Music, Spotify, SiriusXM Satellite Radio, YouTube, Tidal, Napster and Amazon Prime that provide interactive on-demand audio content and pre-recorded entertainment. **PodcastOne competes with podcast platforms, such as Apple Podcasts, Spotify and Amazon Music that distribute podcasts and other pre-recorded entertainment.** In order to grow our revenues and improve our operating results, we will need to increase our share of spending on advertising relative to our competitors, many of which are larger companies that offer more traditional and widely accepted advertising products. In addition, some of our larger competitors have substantially **larger resources**, broader product **or and** service offerings and leverage their relationships based on other products or services to gain additional share of advertising budgets. If we are not able to compete effectively for users and advertisers spend, our business, financial condition and results of operations would be materially and 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 ad-supported revenue. 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 advertising revenue 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. Further, the digital advertising industry is shifting to data-driven technologies and advertising products, such as automated buying. These data-driven advertising products and automated buying technologies allow publishers and advertisers to use data to target advertising toward specific groups of users who are more likely to be interested in the advertising message delivered to them. These advertising products and programmatic technologies are currently more developed in terms of advertising technology and industry adoption on the web than they are on mobile or on other software applications, and may not integrate with our desktop software version of the ad-supported services. Because the majority of our ad-supported user hours occur on mobile devices, if we are unable to deploy effective solutions to monetize the mobile device usage by our ad-supported user base, our ability to attract advertising spend, and ultimately our advertising revenue, may be adversely affected by this shift. In addition, we rely on third-party advertising technology platforms to participate in automated buying, and if these platforms cease to operate or experience instability in their business models, it also may adversely affect our ability to capture advertising spend. Our services and software are highly technical and may contain undetected software bugs or vulnerabilities, which could manifest in ways that could seriously harm our reputation and our business. Our services and software are highly technical and complex. Our services or any other products we may introduce in the future, may contain undetected software bugs, hardware errors, and other vulnerabilities. These bugs and errors can manifest in any number of ways in our products, including through diminished performance, security vulnerabilities, malfunctions, or even permanently disabled products. We have a practice of regularly updating our products and some errors in our products may be discovered only after a product has been used by users, and may in some cases be detected only under certain circumstances or after extended use. Any errors, bugs or other vulnerabilities discovered in our code or backend after release could damage our reputation, drive away users, allow third parties to manipulate or exploit our software (including, for example, providing mobile device users a means to suppress advertisements without payment and gain access to features only available to the ad-supported service), lower revenue and expose us to claims for damages, any of which could seriously harm our business. Additionally, errors, bugs, or other vulnerabilities may — either directly or if exploited by third parties — affect our ability to make accurate royalty payments. We also could face claims for product liability, tort or breach of warranty. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention and seriously harm our reputation and our business. In addition, if our liability insurance coverage proves inadequate or future coverage is unavailable on acceptable terms or at all, our business could be seriously harmed. Interruptions, delays or discontinuations in service arising from our own systems or from third parties could impair the delivery of our services and harm our business. We rely on systems housed in our own facilities and upon third parties, including bandwidth providers and third-party "cloud" data storage services, to enable our users to receive our content in a dependable, timely, and efficient manner. We have experienced and may in the future experience periodic service interruptions and delays involving our own systems and those of third parties that we work with. Both our own facilities and those of third parties are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures, and similar events. They also are subject to break-ins, sabotage, intentional acts of vandalism, the failure of physical, administrative, technical, and cyber security measures, terrorist acts, natural disasters, human error, the financial insolvency of third parties that we work with, and other unanticipated problems or events. The occurrence of any of these events could result in interruptions in our services and to unauthorized access to, or alteration of, the content and data contained on our systems and that these third parties store and deliver on our behalf. Any disruption in the services provided by these third parties could materially adversely impact our business reputation, customer relations, and operating results. Upon expiration or termination of any of our agreements with third parties, 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, which are favorable to us, and a transition from one third party to another could subject us to operational delays and inefficiencies until the transition is complete. We rely upon the Google Cloud Platform (“GCP”) and Amazon Web Services (“AWS”) to operate certain aspects of our business and to store certain data, and any disruption of or interference with our use of the GCP and AWS could have a material adverse effect on our business, operating results, and financial condition. GCP provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a cloud computing service. We have designed our software and computer systems to utilize data processing, storage capabilities, and other services provided by GCP. Currently, we are in the process of transitioning certain of our data storage (including personal data of users and music data licensed from rights holders) and computing from our own servers to GCP. We cannot easily switch our GCP operations to another cloud provider. In addition, we rely upon the AWS to operate certain aspects of our business and to store certain data. Any disruption of, or interference with, our use of GCP or AWS could have a material adverse effect on our business, operating results, and financial condition. If we fail to accurately predict, recommend, and stream and play music that our users enjoy, we may fail to retain existing users and attract new users in sufficient numbers to meet investor expectations for growth or to operate our business profitably. We believe that a key differentiating factor between our Company and other music Content Providers is our ability to predict music that our users will enjoy. Our system for predicting user content and music preferences and selecting content and music tailored to our users’ individual music tastes is based on advanced data analytics systems and our proprietary algorithms. We have invested, and will continue to invest, significant resources in refining these technologies; however, we cannot assure you that such investments will yield an attractive return or that such refinements will be effective. The effectiveness of our ability to predict user content and music preferences and select content and music tailored to our users’ individual music tastes depends in part on our ability to gather and effectively analyze large amounts of user data. In addition, our ability to offer users content and songs that they have not previously seen or heard and impart a sense of discovery depends on our ability to acquire and appropriately categorize additional content and songs that will appeal to our users’ diverse and changing tastes. While we are continuously increasing our content and have a large catalog of songs available to stream, we must continuously produce, acquire, identify and analyze additional content and songs that our users will enjoy and we may not effectively do so. Our ability to predict and select content and music that our users enjoy is critical to the perceived value of our services among users and failure to make accurate predictions could materially adversely affect our ability to adequately attract and retain users, increase hours our users spend on our platforms and sell advertising to meet investor expectations for growth or to operate the business profitably. If we are unable to increase revenue from our services on mobile devices, such as smartphones, our results of operations may be materially adversely affected. Our business model with respect to monetization of our services on mobile and connected devices is still evolving. As users migrate away from personal computers, there is increasing pressure to monetize mobile. In substantially all markets, we offer our ad-supported services on mobile, from which we generate advertising revenue. However, to date we primarily rely on our premium services to generate revenue on mobile and other connected devices. If we are unable to effectively monetize our services on mobile and connected devices, our business, operating results and financial condition may suffer. Negative media coverage could adversely affect our business. We receive sizable media coverage around the world. Unfavorable publicity regarding, for example, **our brands**, payments to music labels, publishers, artists and other copyright owners, our privacy practices, terms of service, service changes, service quality, litigation or regulatory activity, government surveillance, **the actions of our Content Providers**, the actions of our advertisers, the actions of our developers whose services are integrated with our services, the use of our services for illicit, objectionable or illegal ends, the quality and integrity of content streamed on our services or the actions of other companies that provide similar services to us, could materially adversely affect our reputation. Such negative publicity also could have an adverse effect on the size, engagement and loyalty of our user base and result in decreased revenue, which could materially adversely affect our business, operating results and financial condition. Our business depends on a strong brand, and any failure to maintain, protect and enhance our brand would hurt our ability to retain or expand our base of ad-supported users, paid members and advertisers. We have developed a strong “Slacker” **and “PodcastOne” brand brands** and are developing what we hope to be a strong “LiveOne” brand in the future that we believe contributes and will contribute significantly to the success of our business. Maintaining, protecting and enhancing the “LiveOne”, **“Slacker”** and **“Slacker PodcastOne”** brands is critical to expanding our base of ad-supported users, paid members and advertisers, and will depend largely on our ability to continue to develop and provide an innovative and high-quality experience for our users and to attract advertisers, content owners, mobile device manufacturers, and other consumer electronic product manufacturers to work with us, which we may not do successfully. If we do not successfully maintain a strong brand, our business could be harmed. Our brands may be impaired by a number of other factors, including any failure to keep pace with technological advances on our platform or with our services, slower load times for our services, a decline in the quality or quantity of the content available on our services, a failure to protect our intellectual property rights or any alleged violations of law, regulations, or public policy. Additionally, the actions of our developers, advertisers, and content partners may affect our brand if users do not have a positive experience using third-party applications or websites integrated with us or that make use of our content. Further, if our partners fail to maintain high standards for products that are integrated into our services, fail to display our trademarks on their products in breach of our agreements with them, or use our trademarks incorrectly or in an unauthorized manner, or if we partner with manufacturers of products that our users reject, the strength of our brand could be adversely affected. We have historically been required to spend significant resources to establish and maintain our brands. If we are unable to maintain the growth rate in the number of our ad-supported users and paid members, we may be required to expend greater resources on advertising, marketing and other brand-building efforts to preserve and grow consumer awareness of our brand, which would adversely affect our operating results and may not be effective. Our trademarks, trade dress and other designations of origin are important elements of our brand. We have registered **“LiveOne”, “Slacker” and “PodcastOne”** as a trademark in the United States and certain other jurisdictions around the world. Nevertheless, competitors or other companies may adopt marks similar to ours, or use our

marks and confusingly similar terms as keywords in Internet search engine advertising programs, thereby impeding our ability to build brand identity and possibly leading to confusion among our users. We cannot assure you that our trademark applications, even for key marks, will be approved. We may face opposition from third parties to our applications to register key trademarks in foreign jurisdictions in which we have expanded or may expand our presence. If we are unsuccessful in defending against these oppositions, our trademark applications may be denied. Whether or not our trademark applications are denied, third parties may claim that our trademarks infringe upon their rights. As a result, we could be forced to pay significant settlement costs or cease the use of these trademarks and associated elements of our brand in those or other jurisdictions. Doing so could harm our brand or brand recognition and adversely affect our business, financial condition and results of operation. We are subject to a number of risks related to credit card and debit card payments we accept. We accept payments mainly through credit and debit card transactions. For credit and debit card payments, we pay interchange and other fees, which may increase over time. An increase in those fees would require us to either increase the prices we charge for our premium service, which could cause us to lose paid members and membership revenue, or suffer an increase in our costs without a corresponding increase in the price we charge for our premium service, either of which could harm our business, operating results and financial condition. Additionally, we rely on third- party service providers for payment processing services, including the processing of credit and debit cards. In particular, we rely on one third- party service provider, Cybersource, for all of our payment processing. Our business could be materially disrupted if these third- party service providers become unwilling or unable to provide these services to us. If we or our service providers for payment processing services have problems with our billing software, or the billing software malfunctions, it could have a material adverse effect on our user satisfaction and could cause one or more of the major credit card companies to disallow our continued use of their payment products. In addition, if our billing software fails to work properly and, as a result, we do not automatically charge our paid members' credit cards on a timely basis or at all, our business, financial condition and results of operations could be materially adversely affected. We also are subject to payment card association operating rules, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted to make it more difficult for us to comply. Currently, we are fully compliant with the Payment Card Industry Data Security Standard v3. 2 ("PCI DSS"), a security standard with which companies that collect, store, or transmit certain data regarding credit and debit cards, credit and debit card holders, and credit and debit card transactions are required to comply. This is an annual certification exercise, and if we fail to comply, we may violate payment card association operating rules, U. S. federal and state laws and regulations, and the terms of our contracts with payment processors and merchant banks. Such failure to comply fully also may subject us to fines, penalties, damages, and civil liability, and may result in the loss of our ability to accept credit and debit card payments. Further, there is no guarantee that, even if we are in compliance with PCI DSS, we will maintain PCI DSS compliance or that such compliance will prevent illegal or improper use of our payment systems or the theft, loss, or misuse of data pertaining to credit and debit cards, credit and debit card holders, and credit and debit card transactions. If we fail to adequately control fraudulent credit card transactions, we may face civil liability, diminished public perception of our security measures, and significantly higher credit card- related costs, each of which could adversely affect our business, financial condition, and results of operations. If we are unable to maintain our chargeback rate or refund rates at acceptable levels, credit card and debit card companies may increase our transaction fees or terminate their relationships with us. Any increases in our credit card and debit card fees could adversely affect our results of operations, particularly if we elect not to raise our rates for our premium services to offset the increase. The termination of our ability to process payments on any major credit or debit card would significantly impair our ability to operate our business. We are subject to a number of risks related to other payment solution providers. We accept payments through various payment solution providers, such as telco integrated billings and third-party payment processors. These payment solution providers provide services to us in exchange for a fee, which may be subject to change. Furthermore, we rely on their accurate and timely reports on sales and redemptions. If such accurate and timely reports are not being provided, it will affect the accuracy of our reports to our licensors, and also affect the accuracy of our financial reporting. Our business emphasizes rapid innovation and prioritizes long- term user engagement over short- term financial condition or results of operations. That strategy may yield results that sometimes do not align with the market' s expectations. If that happens, our stock price may be negatively affected. As our business grows and becomes more complex, our success will depend on our ability to quickly develop and launch new and innovative products. 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, or partners. Our culture also prioritizes our long- term user engagement over short- term financial condition or results of operations. We frequently make decisions that may reduce our short- term revenue or profitability if we believe that the decisions benefit the aggregate user experience and will thereby improve our financial performance over the long- term. These decisions may not produce the long- term benefits that we expect, in which case, our user growth and engagement, our relationships with advertisers and partners, as well as our business, operating results, and financial condition could be seriously harmed. Streaming depends on effectively working with third- party platforms, operating systems, online platforms, hardware, networks, regulations, and standards we do not control. Changes in our services or those operating systems, hardware, networks, regulations, or standards, and our limitations on our ability to access those platforms, operating systems, hardware or networks may seriously harm our business. Our services require high- bandwidth data capabilities. If the costs of data usage increase or access to data networks is limited, our business may be seriously harmed. Additionally, to deliver high- quality audio, video, and other content over networks, our services must work well with a range of technologies, systems, networks, regulations and standards that we do not control. In addition, the adoption of any laws or regulations that adversely affect the growth, popularity, or use of the Internet, including laws governing Internet neutrality, could decrease the demand for our Service and increase our cost of doing business. Previously, Federal Communications Commission (the "FCC") "open Internet rules" prohibited mobile providers in the United States from impeding access to most content, or otherwise unfairly discriminating against Content Providers like us. These rules also prohibited mobile providers

from entering into arrangements with specific Content Providers for faster or better access over their data networks. However, on December 14, 2017, the FCC voted to repeal the “ open Internet rules ” and as a result, broadband services are now subject to less U. S. federal regulation. A number of parties have already stated they would appeal this order, and it is possible United States Congress may adopt legislation restoring some of the “ open Internet rules. ” If, as a result of the repeal of “ open Internet rules, ” broadband providers in the United States decrease access to certain content, start entering into arrangements with specific Content Providers for faster or better access over their data networks, or otherwise unfairly discriminate against Content Providers like us, this could increase our cost of doing business and put us at a competitive disadvantage relative to larger competitors. Additionally, mobile providers may be able to limit our users’ ability to access our platforms or make them a less attractive alternative to our competitors’ applications. If that occurs, our business, operating results and financial condition would be seriously harmed. The European Union (the “ EU ”) currently requires equal access to Internet content. Additionally, as part of its Digital Single Market initiative, the EU may impose network security, disability access, or 911- like obligations on “ over- the- top ” services such as those provided by us, which could increase our costs. If the EU or the courts modify these open Internet rules, mobile providers may be able to limit our users’ ability to access our platforms or make them a less attractive alternative to our competitors’ applications. If that occurs, our business, operating results and financial condition would be seriously harmed. We rely on a variety of operating systems, online platforms, hardware, and networks to reach our customers. These platforms range from desktop and mobile operating systems and application stores to wearables and intelligent voice assistants. The owners or operators of these platforms may not share our interests and may restrict our access to them or place conditions on access that would materially affect our ability to access those platforms. In particular, where the owner of a platform is also our direct competitor, the platform may attempt to use this position to affect our access to customers and ability to compete. For example, an online platform might arbitrarily remove our services from its platform, deprive us of access to business- critical data, or engage in other harmful practices. Online platforms also may unilaterally impose certain requirements that negatively affect our ability to convert users to the premium service, such as conditions that limit our freedom to communicate promotions and offers to our users. Similarly, online platforms may force us to use the platform’ s payment processing systems which may be inferior to and more costly than other payment processing services available in the market. Online platforms frequently change the rules and requirements for services like ours to access the platform, and such changes may adversely affect the success or desirability of our services. Online platforms may limit our access to information about users, limiting our ability to convert and retain them. Online platforms also may deny access to application programming interfaces (“ API ”) or documentation, limiting functionality of our services on the platform. There can be no assurance that we will be able to comply with the requirements of those operating systems, online platforms, hardware, networks, regulations and standards on which our services depend, and failure to do so could result in serious harm to our business. If our security systems are breached, we may face civil liability, and public perception of our security measures could be diminished, either of which would negatively affect our ability to attract and retain paid members, ad- supported users, advertisers, Content Providers and other business partners. Techniques used to gain unauthorized access to data and software are constantly evolving, and we may be unable to anticipate or prevent unauthorized access to data pertaining to our users, including credit card and debit card information and other personal data about our Users, business partners, and employees. Like all Internet services, our services, which are supported by our own systems and those of third parties that we work with, is vulnerable to software bugs, computer viruses, Internet worms, break- ins, phishing attacks, attempts to overload servers with denial- of- service, or other attacks and similar disruptions from unauthorized use of our and third- party computer systems, any of which could lead to system interruptions, delays, or shutdowns, causing loss of critical data or the unauthorized access to personal data. Computer malware, viruses, and computer hacking and phishing attacks have become more prevalent in our industry, have occurred on our systems in the past, and may occur on our systems in the future. As our business and brand reputation grow, we may become a particularly attractive target for such attacks. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security, and availability of our products and technical infrastructure to the satisfaction of our users may harm our reputation and our ability to retain existing users and attract new users. Although we have developed systems and processes that are designed to protect our data and user data, to prevent data loss, to disable undesirable accounts and activities on our platform, and to prevent or detect security breaches, we cannot assure you that such measures will provide absolute security, and we may incur significant costs in protecting against or remediating cyber- attacks. In addition, if an actual or perceived breach of security occurs to our systems or a third party’ s systems, we may face regulatory or civil liability and public perception of our security measures could be diminished, either of which would negatively affect our ability to attract and retain Users, which in turn would harm our efforts to attract and retain advertisers, Content Providers and other business partners. We also would be required to expend significant resources to mitigate the breach of security and to address matters related to any such breach. We also may be required to notify regulators about any actual or perceived personal data breach (including the EU Lead Data Protection Authority) as well as the individuals who are affected by the incident within strict time periods. Any failure, or perceived failure, by us to maintain the security of data relating to our users, to comply with our posted privacy policy, laws and regulations, rules of self- regulatory organizations, industry standards, and contractual provisions to which we may be bound, could result in the loss of confidence in us, or result in actions against us by governmental entities or others, all of which could result in litigation and financial losses, and could potentially cause us to lose Users, advertisers, and revenues. In Europe, European Data Protection Authorities could impose fines and penalties of up to 4 % of annual global turnover or € 20 million, whichever is higher, for a personal data breach. We are at risk of attempts at unauthorized access to our services, and failure to effectively prevent and remediate such attempts could have an adverse impact on our business, operating results, and financial condition. Unauthorized access to our services may cause us to misstate key performance indicators, which once discovered, corrected, and disclosed, could undermine investor confidence in the integrity of our key performance indicators and could cause our stock price to drop significantly. We

have in the past been, and continue to be, impacted by attempts by third parties to manipulate and exploit our software for the purpose of gaining unauthorized access to our service. For example, we have detected instances of third parties seeking to provide mobile device users a means to suppress advertisements without payment and gain access to features only available to the ad-supported services. 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 content hours, content hours per monthly active user (“ MAU ”), and MAUs, which underlie, among other things, our contractual obligations with advertisers, as well as harm our relationship with them. This may impact our results of operations, particularly with respect to margins on our ad-supported segment, by increasing our ad-supported cost of revenue without a corresponding increase to our ad-supported revenue, which could seriously harm our business. Additionally, unlike our ad-supported users, individuals using unauthorized versions of our application are unlikely to convert to paid members. 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. These could have a material adverse impact on our business, operating results and financial condition. We are at risk of artificial manipulation of stream counts and failure to effectively manage and remediate such fraudulent streams could have an adverse impact on our business, operating results and financial condition. Fraudulent streams and potentially associated fraudulent user accounts or artists may cause us to overstate key performance indicators, which once discovered, corrected and disclosed, could undermine investor confidence in the integrity of our key performance indicators and could cause our stock price to drop significantly. We have in the past been, and continue to be, impacted by attempts by third parties to artificially manipulate stream counts. Such attempts may, for example, be designed to influence placement of content on Slacker-created playlists or industry music charts. These potentially fraudulent streams also may involve the creation of non-bona fide user accounts or artists. For example, an individual might generate fake users to stream songs repeatedly, thereby generating revenue each time the song is streamed, or might utilize fake users to stream specific content to increase its visibility on our or third-party charts. We use a combination of algorithms and manual review by employees to detect fraudulent streams. However, we may not be successful in detecting, removing and addressing all fraudulent streams (and any related user accounts). If in the future we fail to successfully detect, remove and address fraudulent streams and associated user accounts, it may result in the manipulation of our data, including the key performance indicators which underlie, among other things, our contractual obligations with advertisers (which could expose us to the risk of litigation), as well as harm our relationships with advertisers and rights holders. In addition, once we detect, correct and disclose fraudulent streams and associated user accounts and the key performance indicators they affect, investor confidence in the integrity of our key performance indicators could be undermined. These could have a material adverse impact on our business, operating results and financial condition. 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, our ad-supported MAUs, content hours, content hours per MAU, MAUs and paid members, 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 services are used across large populations globally. For example, we believe that there are individuals who have multiple Slacker accounts, which can result in an overstatement of ad-supported MAUs and MAUs. Errors or inaccuracies in our metrics or data could result in incorrect business decisions and inefficiencies. For instance, if a significant understatement or overstatement of ad-supported MAUs and 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. In addition, advertisers generally rely on third-party measurement services to calculate our metrics, and these third-party measurement services may not reflect our true audience. Some of our demographic data also may be incomplete or inaccurate because Users self-report their names and dates of birth. Consequently, the personal data we have may differ from our users’ actual names and ages. If 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, which could have an adverse impact on our business, operating results, and financial condition. Our business is subject to a variety of laws around the world. Government regulation of the Internet is evolving and any changes in government regulations relating to the Internet or other areas of our business or other unfavorable developments may adversely affect our business, operating result, and financial condition. We are a U. S.- based company that is registered under the laws of the State of Delaware, and with operations in certain countries and territories around the world. As a result of the scope of our operations, we are subject to a variety of laws in different countries. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting. It is likely that if our business grows and evolves and our solutions are used more globally, we will become subject to laws and regulations in additional jurisdictions. It is difficult to predict how existing laws will be applied to our business and the new laws to which we may become subject. We are subject to general business regulations and laws, as well as regulations and laws specific to the Internet. Such laws and regulations include, but are not limited to, labor, advertising and marketing, real estate, taxation, user privacy, data collection and protection, intellectual property, anti-corruption, anti-money laundering, foreign exchange controls, antitrust and competition, electronic contracts, telecommunications, sales procedures, automatic membership renewals, credit card processing procedures, consumer protections, broadband Internet access and content restrictions. We cannot guarantee that we have been or will be fully compliant in every jurisdiction in which we are subject to regulation, as existing laws and regulations governing issues such as intellectual property, privacy, taxation, and consumer protection, among others, are constantly changing. The adoption or modification of laws or regulations relating to the Internet or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business. For example, certain jurisdictions have implemented or are

contemplating implementing laws which may negatively impact our automatic renewal structure or our free or discounted trial incentives. Further, compliance with laws, regulations, and other requirements imposed upon our business may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance and doing business. Moreover, as Internet commerce continues to evolve, increasing regulation by U. S. federal and state agencies and other international regulators becomes more likely and may lead to more stringent consumer protection laws, which may impose additional burdens on us. The adoption of any laws or regulations that adversely affect the popularity or growth in use of the Internet, including laws limiting Internet neutrality, could decrease user demand for our services and increase our cost of doing business. Future regulations, or changes in laws and regulations or their existing interpretations or applications, also could hinder our operational flexibility, raise compliance costs, and result in additional historical or future liabilities for us, resulting in material adverse impacts on our business, operating results and financial condition. We plan to expand into international markets in the ~~future 2024 fiscal year~~, which would subject us to risks associated with the legislative, judicial, accounting, regulatory, foreign exchange, political and economic risks and conditions specific to such markets, which could adversely affect our business, financial condition and results of operations. We intend to expand the international presence of our platform into various jurisdictions abroad by offering our platform directly to international users, as well as through joint ventures and partnerships. Accordingly, we expect to face additional risks in the case of our future international operations, including: ● political instability, adverse changes in diplomatic relations and unfavorable economic and business conditions in the markets in which we plan to have international operations or into which we may expand, particularly in the case of emerging markets; ● more restrictive or otherwise unfavorable government regulation of the live streaming entertainment industries, which could result in increased compliance costs and / or otherwise restrict the manner in which we provide services and the amount of related fees charged for such services; ● limitations on the enforcement of our intellectual property rights; ● limitations on the ability of our foreign subsidiaries to repatriate profits or otherwise remit earnings; ● foreign exchange risk; ● adverse tax consequences due both to the complexity of operating across multiple tax regimes as well as changes in, or new interpretations of, international tax treaties and structures; ● expropriations of property and risks of renegotiation or modification of existing agreements with governmental authorities; ● diminished ability to legally enforce our contractual rights in foreign countries; ● limitations on technology infrastructure, which could limit our ability to migrate international operations to a common platform; ● lower levels of internet usage, credit card usage and consumer spending in comparison to those in the United States; and ● difficulties in managing operations and adapting to consumer desires due to distance, language and cultural differences, including issues associated with (i) business practices and customs that are common in certain foreign countries but might be prohibited by United States law and our internal policies and procedures, and (ii) management and operational systems and infrastructures, including internal financial control and reporting systems and functions, staffing and managing of foreign operations, which we might not be able to do effectively or cost- efficiently. As we hope to expand into new markets these risks will be intensified and will have the potential to impact a greater percentage of our business and operating results. Our ability to expand our operations into new international jurisdictions will depend, in significant part, on our ability to identify potential acquisition candidates, joint venture or other partners, and enter into arrangements with these parties on favorable terms, as well as our ability to make continued investments to maintain and grow existing international operations. If the revenue generated by international operations is insufficient to offset expenses incurred in connection with the maintenance and growth of these operations, our business, financial condition and results of operations could be materially and adversely affected. In addition, in an effort to make international operations in one or more given jurisdictions profitable over the long term, significant additional investments that are not profitable over the short term could be required over a prolonged period. In foreign countries in which we operate, a risk exists that our employees, contractors or agents could, in contravention of our policies, engage in business practices prohibited by applicable United States laws and regulations, such as the United States Foreign Corrupt Practices Act, as well as the laws and regulations of other countries prohibiting corrupt payments to government officials such as the United Kingdom Bribery Act 2010. We maintain policies prohibiting such business practices. Nevertheless, the risk remains that one or more of our employees, contractors or agents, including those based in or from countries where practices that violate such United States laws and regulations or the laws and regulations of other countries may be customary, as well as those associated with newly- acquired businesses, will engage in business practices that are prohibited by our policies, circumvent our compliance programs and, by doing so, violate such laws and regulations. Any such violations, even if prohibited by our internal policies, could result in fines, criminal sanctions against us and / or our employees, prohibitions on the conduct of our business and damage to our reputation, which could adversely affect our business, financial condition and results of operations. Taxing authorities may successfully assert that we should have collected, or in the future should collect sales and use or similar taxes, and we could be subject to liability with respect to past or future tax, which could adversely affect our business, financial condition and results of operations. In general, we have not historically collected state or local sales, use or other similar taxes in any jurisdictions in which we do not have a tax nexus, in reliance on court decisions or applicable exemptions that restrict or preclude the imposition of obligations to collect such taxes with respect to online sales of our products. In addition, we have not historically collected state or local sales, use or other similar taxes in certain jurisdictions in which we do have a physical presence, in reliance on applicable exemptions. On June 21, 2018, the U. S. Supreme Court decided, in *South Dakota v. Wayfair, Inc.*, that state and local jurisdictions may, at least in certain circumstances, enforce a sales and use tax collection obligation on remote vendors that have no physical presence in such jurisdiction. A number of states have already begun, or have positioned themselves to begin, requiring sales and use tax collection by remote vendors and / or by online marketplaces. The details and effective dates of these collection requirements vary from state to state. We are in the process of determining how and when our collection practices will need to change in the relevant jurisdictions. It is possible that one or more jurisdictions may assert that we have liability for periods for which we have not collected sales, use or other similar taxes, and if such an assertion or assertions were successful it could result in substantial tax liabilities, including for past sales taxes and

penalties and interest, which could materially adversely affect our business, financial condition and operating results. Our success depends, in significant part, on discretionary consumer and corporate spending on entertainment and factors adversely affecting such spending could have a material adverse effect on our business, financial condition and results of operations. Our business depends on discretionary consumer and corporate spending. Many factors related to discretionary consumer and corporate spending, including economic conditions affecting disposable consumer income such as employment, interest and tax rates and inflation can significantly impact our operating results. Business conditions, as well as various industry conditions, including corporate marketing and promotional spending and interest levels, can also significantly impact our operating results. These factors can affect user membership sales, advertising sales, sponsorship and e-commerce spending, as well as the financial results of sponsors of our venues, events, festivals and other Content Providers and the industry as a whole. Negative factors such as challenging economic conditions, public concerns over terrorism and security incidents, particularly when combined, can impact corporate and consumer spending, and one negative factor can impact our results more than another. There can be no assurance that consumer and corporate spending will not be adversely impacted by current economic conditions, or by any further or future deterioration in economic conditions, thereby possibly impacting our operating results and growth. During past economic slowdowns and recessions, many consumers reduced their discretionary spending and advertisers reduced their advertising expenditures. In addition, a decline in attendance at or reduction in the number of live entertainment and leisure events may have an adverse effect on our revenue and operating income. The impact of economic slowdowns on our business is difficult to predict, but they may result in reductions in sponsorship, advertising, ticketing and e-commerce opportunities and our ability to generate revenue. The risks associated with our businesses may become more acute in periods of a slowing economy or recession, which may be accompanied by a decrease in attendance at live entertainment and leisure events. We are subject to governmental regulation, which may change from time to time, and our failure to comply with these regulations could adversely affect our business, financial condition and results of operations. Our operations are subject to federal, state and local laws, statutes, rules, regulations, policies and procedures, both domestically and internationally, which may change from time to time. Our failure to comply with these laws and regulations could result in fines and proceedings against us by governmental agencies and consumers, which if material, could adversely affect our business, financial condition and results of operations. In addition, the promulgation of new laws, rules and regulations could restrict or unfavorably impact our business, which could decrease demand for services, reduce revenue, increase costs and subject us to additional liabilities. From time to time, federal, state and local authorities and consumers commence investigations, inquiries or litigation with respect to our compliance with applicable consumer protection, advertising, unfair business practice, antitrust (and similar or related laws) and other laws. We may be required to incur significant legal expenses in connection with the defense of future governmental investigations and litigation. Changes in laws or regulations that adversely affect the growth, popularity or use of the Internet, including regulations or decisions by the FCC impacting net neutrality, could decrease the demand for our service and increase our cost of doing business. See “ — Changes in how network operators handle and charge for access to data that travel across their networks could adversely impact our business ” below. Certain laws intended to prevent network operators from discriminating against the legal traffic that traverse their networks have been implemented in many countries, including the United States and the EU. In others, the laws may be nascent or non-existent. 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. For the years ended March 31, 2024 and 2023 and 2022, our management concluded that our disclosure controls and procedures and our internal control over financial reporting were not effective due to the existence of material weaknesses in our internal control over financial reporting during such periods. If we are unable to establish and maintain effective disclosure controls and internal controls over financial reporting, our ability to produce accurate financial statements on a timely basis or prevent fraud could be impaired, and the market price of our securities may be negatively affected. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes- Oxley Act of 2002 (the “ Sarbanes- Oxley Act ”), or the subsequent testing by our independent registered public accounting firm, if and when required, may reveal additional deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement. For our fiscal years ended March 31, 2024 and 2023 and 2022, our management conducted an assessment of our disclosure controls and procedures and our internal control over financial reporting and concluded that they were ineffective for each of such periods, due to the existence of certain material weaknesses in our internal control over financial reporting. See Item 9A. Controls and Procedures. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected and corrected on a timely basis. In connection with the preparation of our consolidated financial statements for the year ended March 31, 2023-2024, management identified material weaknesses in the following: (i) our controls relating to proper evaluation and accounting of certain features embedded in complex debt and equity instruments. Specifically, we did not have sufficient technical resources to appropriately identify and evaluate certain features that require instruments or features to be accounted for as liabilities remeasured at fair value were not adequately designed at a sufficient level of precision, which could have resulted in a material misstatement. In connection with the preparation of our consolidated financial statements for the year ended March 31, 2023, management identified material weakness in the following: (i) our controls related to the preparation of the financial statements were not adequately designed to ensure the accuracy and completeness of amounts and disclosures

and the classification between current and noncurrent liabilities, resulting in errors; (ii) our controls relating to proper evaluation and accounting of certain features embedded in complex debt and equity instruments. Specifically, we did not have sufficient technical resources to appropriately identify and evaluate certain features that require instruments or features to be accounted for as liabilities remeasured at fair value; **(ii-iii)** our controls were not adequately designed to allow management to identify errors in the accounting for business combinations; **specifically, these deficiencies resulted in errors related to the determination of purchase consideration, the classification of earnouts, and identification of income tax assets and liabilities resulting from business combinations;** and **(ii-iv)** our **automated application controls and manual** controls relating to **revenue and the calculation of our inventory obsolescence reserve of CPS, including the posting of these transactions, sales returns, inventory overhead allocations, and inventory cutoff** were not adequately designed at a sufficient level of precision, which could have resulted in a material misstatement. ~~In connection with the preparation of our consolidated financial statements for the year ended March 31, 2022, management identified material weaknesses in the following: (i) management's identification of and accounting for significant and unusual transactions; specifically over measurement period adjustments related to business combinations and the accounting for modifications of complex debt instruments, including review of valuation reports and key underlying assumptions; and (ii) revenue recognition and accounting for royalties, including the identification and testing of certain application controls within its information systems around the provisioning of accounts and tracking of related revenue and royalty expense, as well as the completeness and accuracy of key revenue and royalty reports used in the operation of certain control activities.~~ For the fiscal year ended March 31, ~~2023-2024~~ we failed to remediate all of the material weaknesses identified during the fiscal year ended March 31, ~~2023 and 2022 and 2021~~, see Item 9A. Controls and Procedures. We may need to expend significant financial resources to remediate these material weaknesses. Beyond fiscal year ended March 31, ~~2023-2024~~, we may not be able to remediate any current or future material weaknesses. If we are unable to establish and maintain proper and effective disclosure controls and procedures and internal control over financial reporting, we may not be able to produce timely and accurate financial statements. If in the future we identify new material weaknesses in our internal control over financial reporting, including at some of our acquired companies, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if and when applicable, our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are then listed, the SEC, or other regulatory authorities, which could require additional financial and management resources. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock. We will continue to incur significant increased costs as a result of operating as a public company. As a public company, we will continue to incur significant legal, accounting and other expenses. Following the Public Offering, we will be subject to mandatory reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which require, among other things, that we continue to file with the SEC annual, quarterly and current reports with respect to our business and financial condition, that we were not required to file as a voluntary reporting company (though we did file such reports with the SEC on a voluntary basis). We have incurred and will continue to incur costs associated with the preparation and filing of these SEC reports. Furthermore, we are subject to additional corporate governance and other compliance requirements as a result of our shares of common stock being listed on The Nasdaq Capital Market ("Nasdaq"). In addition, the Sarbanes- Oxley Act, as well as rules subsequently implemented by the SEC, the Dodd- Frank Wall Street Reform and Consumer Protection Act and Nasdaq have imposed various other requirements on public companies. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact (in ways we cannot currently anticipate) the manner in which we operate our business. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have and will continue to increase our legal and financial compliance costs and will make some activities more time- consuming and costly. For example, we will incur additional expense to increase our director and officer liability insurance. We are required to furnish a report on internal control over financial reporting issued by management. Such report is provided as part of the consolidated financial statements included in this Annual Report. In addition, if and when we cease to be a smaller reporting company and become subject to Section 404 (b) of the Sarbanes- Oxley Act, we will be required to furnish an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To remain in compliance with Section 404, we will continue to be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to dedicate substantially greater internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that our independent registered public accounting firm, when required, will not be able to conclude within the prescribed timeframe that our internal control over financial reporting is effective as required by Section 404. This could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. Our business is particularly dependent upon personal relationships, as executives within entertainment companies such as ours leverage their network of relationships with Content Providers and other Industry Stakeholders to secure the rights to their content and develop other partnerships that are critical to our success. Due to the importance of those industry contacts, the loss of any of these relationships, and adverse changes in these relationships could adversely affect our business, financial condition and results of operations. We can give no assurance that all or any of these Content Providers or other

Industry Stakeholders will retain their associations with us or our executives, directors, employees or other individual service providers. Additionally, to the extent the decision makers of our music partners are replaced with individuals with whom our executives, directors or other key personnel do not have relationships, our competitive position and financial condition could be harmed. **We rely on key members of management, particularly our Chairman and Chief Executive Officer, Mr. Robert Ellin, and our Chief Financial Officer, Vice President, Treasurer and Secretary, Aaron Sullivan, and the loss of their services or investor confidence in them could adversely affect our success, development and financial condition.** Our success depends, to a large degree, upon certain key members of our management, particularly our Chairman and Chief Executive Officer, Robert Ellin, and our ~~Interim~~ Chief Financial Officer, Vice President, ~~Controller, Interim~~ Treasurer and ~~Interim~~ Secretary, Aaron Sullivan. Each of Messrs. Ellin and Sullivan have extensive knowledge about our business and our operations, and the loss of either of them or any other key member of our senior management (including senior management of Slacker and PodcastOne) would likely have a material adverse effect on our business and operations. We do not currently maintain a key-person insurance policy for either of Messrs. Ellin or Sullivan or any other member of our management. Our executive team's expertise and experience in acquiring, integrating and growing businesses, particularly those focused on live music and events, have been and will continue to be a significant factor in our growth and ability to execute our business strategy. The loss of any of our executive officers could slow the growth of our business or have a material adverse effect on our business, results of operations and financial condition. Rising inflation may adversely affect us by increasing costs of labor, equipment and other costs beyond what we can recover through price increases. Inflation can adversely affect us by increasing the costs of labor, technology, equipment and other costs required to operate and grow our business. The United States is experiencing high levels of inflation, which may depress consumer demand for our services and reduce our profitability if we are unable to raise prices enough to keep up with increases in our costs. Inflationary pressures have resulted in increases in salaries and the cost of certain equipment and technology necessary for the production of our services, and such increases may continue to impact us in the future. Accordingly, we are exposed to risks associated with significant levels of cost inflation. If we are unable to increase our prices to offset the effects of inflation, our business, operating results, and financial condition could be materially and adversely affected. Our results may be affected by the outcome of future litigation. Unfavorable rulings in our legal proceedings may have a negative impact on us that may be greater or smaller depending on the nature of the rulings. In addition, from time to time in the future we may be subject to various claims, investigations, legal and administrative cases and proceedings (whether civil or criminal) or lawsuits by governmental agencies or private parties, including as described in the immediately preceding risk factor. If the results of these investigations, proceedings or suits are unfavorable to us or if we are unable to successfully defend against third party lawsuits, we may be required to pay monetary damages or may be subject to fines, penalties, injunctions or other censure that could have a material adverse effect on our business, financial condition and results of operations. Even if we adequately address the issues raised by an investigation or proceeding or successfully defend a third-party lawsuit or counterclaim, we may have to devote significant financial and management resources to address these issues, which could harm our business, financial condition and results of operations. We have a significant amount of indebtedness. Our total outstanding consolidated indebtedness as of March 31, ~~2023~~ **2024** was \$ ~~11.8~~ **9.5** million net of fees and including any premiums or discounts. While we have certain restrictions and covenants with our current indebtedness, we could in the future incur additional indebtedness beyond such amount. Our debt agreements contain certain financial covenants, including maintaining a minimum cash amount at all times and achieving certain financial covenants and are secured by substantially all of our assets. There is no guarantee that we will be able to generate sufficient cash flow or sales to meet the financial covenants or pay the principal and interest under our debt agreements or to satisfy all of the financial covenants. We may also incur significant additional indebtedness in the future. Our substantial debt combined with our other financial obligations and contractual commitments could have other significant adverse consequences, including: ● requiring us to dedicate a substantial portion of cash flow from operations to the payment of interest on, and principal of, our debt, which will reduce the amounts available to fund working capital, capital expenditures, product development efforts and other general corporate purposes; ● increasing our vulnerability to adverse changes in general economic, industry and market conditions; ● obligating us to restrictive covenants that may reduce our ability to take certain corporate actions or obtain further debt or equity financing; ● limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we compete; and ● placing us at a competitive disadvantage compared to our competitors that have less debt or better debt servicing options. We intend to satisfy our current and future debt service obligations with our existing cash and cash equivalents and funds from external sources, including equity and / or debt financing. However, we may not have sufficient funds or may be unable to arrange for additional financing to pay the amounts due under our existing debt. Funds from external sources may not be available on acceptable terms, if at all. In the event of an acceleration of amounts due under our debt instruments as a result of an event of default, including upon the occurrence of an event that would reasonably be expected to have a material adverse effect on our business, operations, properties, assets or condition or a failure to pay any amount due, we may not have sufficient funds or may be unable to arrange for additional financing to repay our indebtedness or to make any accelerated payments. We may not have the ability to repay the amounts then due ~~to under~~ our senior ~~secured lender~~ **ABL Credit Facility and / or Capchase Loan** at maturity **and / or to the holders of our Series A Preferred Stock, which would have a material adverse effect on our business, operating results and financial condition**. At maturity, the entire **outstanding principal amount of our ABL Credit Facility and the Capchase Loan, will become due and payable by us. As of March 31, 2024, \$ 7.7 million is due in fiscal 2025, \$ 0.6 million due in fiscal 2026, and \$ 0.1 million thereafter. If we are unable to extend the maturity of our ABL Credit Facility or refinance it with a new lender, we may not have the ability to repay the amounts then due under our ABL Credit Facility at maturity, under Capchase Loan at maturity and / or to the holders of our Series A Preferred Stock, which would have a material adverse effect on our business, operating results and financial condition. Our failure to repay any outstanding amount under our ABL Credit Facility or the Capchase Loan would constitute a**

default under the applicable debt instruments. A default would increase the interest rate to the default rate under the applicable debt instruments or the maximum rate permitted by applicable law until such amount is paid in full. A default under the applicable debt instruments could also lead to and would likely constitute a default under agreements governing our future indebtedness, and would allow the senior lender to accelerate, after any applicable notice or grace periods, the outstanding principal amount then due to our senior secured lender will become due and payable by us. As of March 31, 2023, \$ 4.7 million of our total indebtedness (excluding interest and unamortized debt discount and debt issuance costs) is due in fiscal 2024 and \$ 7.2 million thereafter. Our failure to repay any outstanding principal amount then due to our senior secured lender would constitute an event of default under the applicable debt instruments, and would allow the senior lender to accelerate, after any applicable notice or grace periods, the outstanding principal amount then due to become immediately due and payable. A default under the senior secured lender documents itself could also lead to a default under agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay our ABL Credit Facility, the Capchase Loan senior secured lender and / or make any cash payments required by thereon and / or under the holders terms of the our Series A Preferred Stock. Furthermore, upon the occurrence and during the continuation of any event of default, the senior secured lender shall have the right to, among other things, take possession of our and our subsidiaries' assets and property constituting the collateral thereunder and the right to assign, sell, lease or otherwise dispose of all or any part of the collateral. If we do not comply with the provisions of the senior ABL credit Credit facility Facility, and / or our or the Capchase Loan, our lender lenders may terminate its their obligations to us, accelerate their debt and require us to repay all outstanding amounts owed thereunder. The senior ABL credit Credit facility Facility and the Capchase Loan contains contain provisions that limit our operating activities, including a covenant relating to the requirement to maintain a certain amount cash (as provided in the senior credit facility loan agreement). If an event of default occurs and is continuing, the applicable lender may among other things, terminate its obligations thereunder, accelerate its debt and require us to repay all amounts thereunder. For example, on October 13, 2022, a judgement was ordered in favor of SoundExchange, Inc. ("SX") against us and Slacker in the United States District Court Central District of California in the amount of approximately \$ 9.8 million. On October 13, 2022, the court entered a judgment against the defendants for the amount of \$ 9,765,396.70. In February 3, 2023, we entered into an agreement to settle settled the dispute with SX and related court agreed to repay the judgement amount via 24 entered against the defendants, pursuant to which we agreed to make certain monthly payments with to SX for a period of 24 months and certain other -- the last payments -- payment scheduled in the event we obtain additional financing February 2025, subject to accelerated payment (s) in the event we complete a future financing, its subject to certain exceptions. As of March, 2024, we owed \$ 2.4 million to SX under the settlement agreement. Our debt agreements with the providers of the ABL Credit Facility and Capchase Loan contain a covenant that if a material adverse change occurs in our financial condition, or such if the senior secured lender reasonably believes the prospect of payment or performance of their loan is materially impaired, the lender at its option may immediately accelerate their its debt and require us to repay all outstanding amounts owed thereunder. If for any reason we and Slacker fail to comply with the terms of our settlement agreement with SX, our senior credit facility provider may declare, which would then also allow Capchase to declare a default under their loan agreement with us, an event of default and at its option may immediately accelerate its debt and require us to repay all outstanding amounts owed under the senior credit facility, which would materially adversely impact our business, operating results and financial condition. As of March 31, 2023-2024, we were in full compliance with these debt covenants under the ABL Credit Facility and the Capchase Loan. Our debt agreements contain restrictive and financial covenants that may limit our operating flexibility, and our substantial indebtedness may limit cash flow available to invest in the ongoing needs of our business. We have a significant amount of indebtedness. Our total outstanding consolidated indebtedness as of March 31, 2023-2024 was \$ 11-8.9-5 million, net of fees and discounts. While we have certain restrictions and covenants with our current indebtedness, we could in the future incur additional indebtedness beyond such amount. Our existing debt agreements with senior ABL Credit facility Facility lender and the Capchase Loan lender contain certain restrictive covenants that limit our ability to merge with other companies or consummate certain changes of control, make certain investments, pay dividends or repurchase shares of our common stock, transfer or dispose of assets, or enter into various specified transactions. We therefore may not be able to engage in any of the foregoing transactions unless we obtain the consent of our senior secured lender or terminate our existing debt agreements. Our debt agreements also contain certain financial covenants, including maintaining a minimum cash amount at all times and achieving certain financial covenants and are secured by substantially all of our assets. There is no guarantee that we will be able to generate sufficient cash flow or sales to meet the financial covenants or pay the principal and interest under our debt agreements or to satisfy all of the financial unless we obtain the consent of our senior secured lenders, terminate our existing debt agreements and / or repay the judgement amount earlier debt agreements owed to such lenders. Our debt agreements also contain certain financial covenants, including a requirement to maintaining --- maintain a minimum cash amount at all times, and achieving certain financial covenants and are secured by substantially all of our assets. There is no guarantee that we will be able to generate sufficient cash flow or sales revenues to meet the financial covenants or pay the principal and interest owed under our debt agreements or to satisfy all of the financial covenants. We may also incur significant additional indebtedness in the future. We may incur substantially more debt or take other actions that would intensify the risks discussed above. In addition to our current outstanding debt and notes, we and our subsidiaries may incur substantial additional debt, subject to restrictions contained in our existing and future debt instruments, some or all of which may be secured debt. In August-June 2020-2021, we entered into repaid in full our current revolving senior credit facility secured convertible debentures, collateralized by all and in September 2020 we issued 8.5% Senior Secured Convertible Notes in the aggregate principal amount of the assets of our Company and our subsidiaries, which provides for up to \$ 15-7.0 million in borrowing capacity. In August due September 15, 2022, which were subsequently extended until June 3, 2023, we entered into

a Loan and Security Agreement with Capchase Inc. (the “Capchase ”) pursuant to ~~make certain investments, pay dividends or repurchase shares of our common stock, transfer or dispose of assets or enter into various specified transactions which we~~ **borrowed \$ 1.7 million (the “ Capchase Loan ”).** **The Capchase Loan is subordinated to the ABL Credit Facility** . We therefore may not be able to engage in any of the foregoing transactions unless we obtain the consent of the lender or terminate our existing debt agreements. The senior credit facility also contains certain covenants, including maintaining a minimum cash amount at all times and is secured by substantially all of our and our subsidiaries’ assets. We may not have sufficient cash flow from our business operations to make payments on our indebtedness. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness depends on our performance, which is subject to economic, financial, competitive and ~~the~~ **other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt and / or obtaining additional equity capital on terms of that may be onerous or highly dilutive. In the agreement, event of and - an SX agreed acceleration of amounts due under our debt instruments as a result of an event of default, including upon the occurrence of an event that would reasonably be expected to have a material adverse effect on our business, operations, properties, assets or condition or a failure to pay any amount due, we may not have sufficient funds or may be unable to arrange for additional financing to repay our indebtedness or to take-make any action-accelerated payments. There is no guarantee that we will be able to enforce-generate sufficient cash flow or sales to meet the financial covenants or pay the principal and interest under our debt agreements or to satisfy all of the financial covenants. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such judgment time. Capital markets have been volatile in the recent past; a downturn could negatively impact our ability to access capital should the need arise. As a result, so a result,** the inability to meet our debt obligations could cause us to default on those obligations. Any such defaults could materially harm our financial condition and liquidity. We may not have the ability to pay the cash dividends or other amounts then due to the holders of our Series A Preferred Stock. Our Series A Preferred Stock bears a dividend of 12 % per annum, is perpetual and has no maturity date and is convertible at any time at the option of a holder of Series A Preferred Stock (the “ Holders ”) into shares of our common stock at a price of \$ 2.10 per share of common stock. At our option, the dividend may be paid in-kind ~~for the ; provided, that as long as any Series A Preferred Stock is held by the defendants are not~~ **Harvest Funds, Trinad Capital shall receive the dividend solely in -kind** . Our failure to pay any amount due to the Holders of the Series A Preferred Stock would require us to issue an aggregate of 56,473 shares of our common stock in aggregate to the Holders for each five trading days (or pro rata thereof) that such breach or default is ongoing commencing on the date that such breach or default occurred (subject to any cure period); provided, that such number of shares shall be pro rata decreased for any conversion of such Holder’ s shares of Series A Preferred Stock into our common stock. In addition, a breach of any of the Protective Provisions (as defined in the Certificate of Designation) would also trigger the same shares issuance requirement. A default under the **Series A Preferred Stock issuance agreement agreements itself could also lead to a default under agreements governing our future indebtedness. We may not have sufficient funds to pay amounts due to the Holders of the Series A Preferred Stock . Our failure to pay such amount (s) may materially adversely impact our business, operating results and financial condition. Furthermore, our** debt agreements with the provider of the senior credit facility contains a covenant that if a material adverse change occurs in its financial condition, or such lender..... if a material **adverse change occurs in** our financial condition, or such lender reasonably believes the prospect of payment or performance of their loan is materially impaired, the lender at its option may immediately accelerate its debt and require us to repay all outstanding amounts owed thereunder. If for any reason we fail to comply with the payment terms of our Series A Preferred Stock, our senior credit facility provider may declare an event of default and at its option may immediately accelerate its debt and require us to repay all outstanding amounts owed under the senior credit facility, which would materially adversely impact our business, operating results and financial condition. We do not have the right to redeem the Series A Preferred Stock other than our optional right to purchase up to \$ 5, 000, 000 in aggregate of the outstanding shares of Series A Preferred Stock held by the Harvest Funds, in whole or in part, at a cash redemption price per share of Series A Preferred Stock equal to the Stated Value (as defined in the Certificate of Designation) (the “ Redemption Price ”). Our quarterly operating results may be volatile and are difficult to predict in the future, and our stock price may decline if we fail to meet the expectations of securities analysts or investors. Our revenue, margins and other operating results could vary significantly in the future from quarter- to- quarter and year- to- year and may fail to match our past performance due to a variety of factors, including many factors that are outside of our control, including, as a result of our acquisition of ~~React Presents in February 2020, PodcastOne in July 2020 -and~~ **CPS in December 2020, and Gramophone in October 2021, and** our entry into ~~the holding, promoting and managing our live festivals and events,~~ **podcasting and the merchandise personalization industry.** Factors that may contribute to the variability of our operating results and cause the market price of our common stock to fluctuate include: ● the entrance of new competitors or competitive products in our market, whether by established or new companies; ● our ability to retain and grow the number of our active user base and increase engagement among new and existing users; ● our ability to maintain effective pricing practices, in response to the competitive markets in which we operate or other macroeconomic factors, such as inflation or increased product taxes; ● our revenue mix, which drives gross profit; ● seasonal or other shifts in festival, event, advertising and CPS revenue; ● the timing of the launch of our new or updated festivals ~~, events,~~ **products, platforms, channels, podcasts or features;** ● the addition or loss of popular content or talent; ● the popularity of EDM and EDM festivals, events, concerts and clubs; ● the popularity of podcasts and specifically our podcast content; ● an increase in costs associated with protecting our intellectual property, defending against third- party intellectual property infringement allegations or procuring rights to third- party intellectual property. Our gross margins are expected to vary across our offerings. Festival ~~and event~~ **revenue have has** a lower gross margin compared to platform revenue derived through our arrangements with advertising, content distribution,

billing and licensing activities. In addition, our gross margin and operating margin percentages, as well as overall profitability, may be adversely impacted as a result of a shift in music taste, geographic or sales mix, price competition, or the introduction of new technology and EDM festivals and events. We may in the future strategically reduce our Slacker gross margin in an effort to increase our active accounts and / or maintain our OEM relationships and agreements. As a result, our membership revenue may not increase as consistently as it has historically, or at all, and, unless we are able to adequately increase our other revenues, including festival and event revenue through RP, and grow our active user and member base, we may be unable to maintain or grow our margins and revenues and our business will be harmed. If a reduction in margins does not result in an increase in our active user base and revenues, our financial results may suffer, and our business may be harmed. We may not be able to attract qualified personnel. Our ability to expand operations to accommodate our anticipated growth will depend on our ability to attract and retain qualified personnel. However, competition for the types of employees we seek is intense. We face particular challenges in recruiting and retaining personnel who have experience in software engineering, mobile application development and other technical expertise, particularly those focused on live music and events, which is critical to our initiatives. Our ability to meet our business development objectives will depend in part on our ability to recruit, train and retain top quality personnel with advanced skills who understand our technology and business. We cannot provide any assurance that we will be able to attract qualified personnel to execute our business strategies or develop and expand our online properties. If we are unable to engage and retain the necessary personnel, our business may be materially and adversely affected. Additionally, we expect to retain the existing managers and executives of certain companies we acquire to have them continue managing and operating the acquired business. We believe that these individuals will have the market expertise and network of personal relationships to best implement the growth strategies of the acquired businesses. If we are unable to retain the key personnel of the acquired businesses, we may not be able to achieve the anticipated benefits and synergies of an acquisition. We engage certain a number of consultants to work for us. If the consultants that we utilize are characterized as employees and if we are deemed to be delinquent in our payroll taxes or incur other employment- related liabilities with respect to those consultants, we and our management team could incur significant liabilities. We engage certain a number of consultants to work for us in various aspects of our business. Although we believe that the consultants that we utilize in our business, as is customary to do so in our business, are properly characterized as independent contractors, tax or other regulatory authorities may in the future challenge our characterization of independent contractors. We are aware of a number of judicial decisions and legislative proposals that could bring about major reforms in worker classification, including the California legislature' s passage of California Assembly Bill 5 (“ AB 5 ”). AB 5 purports to codify a new test for determining worker classification that is widely viewed as expanding the scope of employee relationships and narrowing the scope of independent contractor relationships. Given AB 5' s recent passage, there is no guidance from the regulatory authorities charged with its enforcement, and there is a significant degree of uncertainty regarding its application. In addition, AB 5 has been the subject of widespread national discussion and it is possible that other jurisdictions, including New York, may enact similar laws. If such regulatory authorities or state, federal or foreign courts were to determine that our recording artists and songwriters are employees, and not independent contractors, we would be required to withhold income taxes, to withhold and pay Social Security, Medicare and similar taxes and to pay unemployment and other related payroll taxes. We would also be liable for unpaid past taxes and subject to penalties. As a result, any determination that our consultants are our employees could have a material adverse effect on our business, financial condition and results of operations. In addition to the taxes that we would be required to pay if we were required to remit payroll taxes for our consultants, and the payments that we would be required to make for other employment- related obligations, our operations would be severely disrupted and individual officers or members of our board of directors could be personally liable for certain of any assessments made. A government entity could potentially shut down our operations until such time as the payroll taxes were brought current. Such a shutdown could effectively push us into bankruptcy and an investor could lose all his or her investment in us. We depend upon third- party licenses for sound recordings and musical compositions and an adverse change to, loss of, or claim that we do not hold any necessary licenses may materially adversely affect our business, operating results and financial condition. To secure the rights to stream sound recordings and the musical compositions embodied therein, we enter into license agreements to obtain licenses from rights holders such as record labels, aggregators, artists, music publishers, performing rights organizations, collecting societies, podcasters and podcast networks, and other copyright owners or their agents, and pay substantial royalties or other consideration to such parties or their agents around the world. Though we work diligently in our efforts to obtain all necessary licenses to stream sound recordings and the musical compositions embodied therein, there is no guarantee that the licenses available to us now will continue to be available in the future at rates and on terms that are favorable or commercially reasonable or at all. The terms of these licenses, including the royalty rates that we are required to pay pursuant to them, may change as a result of changes in our bargaining power, changes in the industry, changes in the laws and regulations, or for other reasons. Increases in royalty rates or changes to other terms of these licenses may materially impact our business, operating results, and financial condition. We enter into license agreements to obtain rights to stream sound recordings, including from the major record labels that hold the rights to stream a significant number of sound recordings, such as Universal Music Group, Sony Music Entertainment, Warner Music Group and SX, as well as others. If we fail to obtain these licenses, the size and quality of its catalog may be materially impacted and its business, operating results and financial condition could be materially harmed. We generally obtain licenses for two types of rights with respect to musical compositions: mechanical rights and public performance rights. With respect to mechanical rights, for example, in the United States, the rates we pay are, to a significant degree, a function of a ratemaking proceeding conducted by an administrative agency called the Copyright Royalty Board. The rates that the Copyright Royalty Board set apply both to compositions that we license under the compulsory license in Section 115 of the Copyright Act of 1976 (the “ Copyright Act ”), and to a number of direct licenses that we have with music publishers for U. S. rights, in which the applicable rate is generally pegged to the statutory rate set by the Copyright Royalty Board. The most recent proceeding before the Copyright Royalty Board (the “

Phonorecords III Proceedings”) set the rates for the Section 115 compulsory license for calendar years 2018 to 2022. The Copyright Royalty Board issued its initial written determination on January 26, 2018. The rates set by the Copyright Royalty Board may still be modified if a party appeals the determination and are also subject to further change as part of future Copyright Royalty Board proceedings. If any such rate change increases, our sound recordings and musical compositions license costs may substantially increase and impact our ability to obtain content on pricing terms favorable to us, and it could negatively harm our business, operating results and financial condition and hinder our ability to provide interactive features in our services or cause one or more of our services not to be economically viable. Based on management’s estimates and forecasts for the next two fiscal years, we currently believe that the proposed rates will not materially impact our business, operating results, and financial condition. However, the proposed rates are based on a variety of factors and inputs which are difficult to predict in the long- term. If Slacker’s business does not perform as expected or if the rates are modified to be higher than the proposed rates, its content acquisition costs could increase and impact its ability to obtain content on pricing terms favorable to us, which could negatively harm our business, operating results and financial condition and hinder its ability to provide interactive features in its services, or cause one or more of our services not to be economically viable. In the United States, public performance rights are generally obtained through intermediaries known as performing rights organizations (“PROs”), which negotiate blanket licenses with copyright users for the public performance of compositions in their repertory, collect royalties under such licenses, and distribute those royalties to copyright owners. The royalty rates available to Slacker today may not be available to it in the future. Licenses provided by two of these PROs, the American Society of Composers, Authors and Publishers (“ASCAP”) and Broadcast Music, Inc. (“BMI”), cover the majority of the music we stream and are governed by consent decrees relating to decades old litigations. In 2019, the U. S. Department of Justice indicated that it was formally reviewing the relevance and need of these consent decrees. Changes to the terms of or interpretation of these consent decrees up to and including the dissolution of the consent decrees, could affect our ability to obtain licenses from these PROs on reasonable terms, which could harm its business, operating results, and financial condition. In addition, an increase in the number of compositions that must be licensed from PROs that are not subject to the consent decrees, or from copyright owners that have withdrawn public performance rights from the PROs, could likewise impede Slacker’s ability to license public performance rights on favorable terms. As of March 31, 2023-2024, we owed \$ 16-18. 6-4 million in aggregate royalty payments to such PROs. In other parts of the world, including Europe, Asia, and Latin America, we obtain mechanical and performance licenses for musical compositions either through local collecting societies representing publishers or from publishers directly, or a combination thereof. We cannot guarantee that its licenses with collecting societies and its direct licenses with publishers provide full coverage for all of the musical compositions we make available to our users in such countries. In Asia and Latin America, we are seeing a trend of movement away from blanket licenses from copyright collectives, which is leading to a fragmented copyright licensing landscape. Publishers, songwriters, and other rights holders choosing not to be represented by collecting societies could adversely impact our ability to secure favorable licensing arrangements in connection with musical compositions that such rights holders own or control, including increasing the costs of licensing such musical compositions, or subjecting us to significant liability for copyright infringement. With respect to podcasts and other non- music content, we produce or commission the content itself or obtain distribution rights directly from rights holders. In the former scenario, we employ various business models to create original content. In the latter scenario, we and / or PodcastOne negotiates license directly with individuals that enable creators to post content directly to our service after agreeing to comply with the applicable terms and conditions. We are dependent on those who provide content through our service complying with the terms and conditions of our license agreements as well as the PodcastOne Terms and Conditions of Use. However, we cannot guarantee that rights holders or content providers will comply with their obligations, and such failure to do so may materially impact our business, operating results, and financial condition. There also is no guarantee that we have all of the licenses we require-need to stream content, as the process of obtaining such licenses involves many rights holders, some of whom are unknown, and myriad complex legal issues across many jurisdictions, including open questions of law as to when and whether particular licenses are needed. Additionally, there is a risk that rights holders, creators, performers, writers and their agents, or societies, unions, guilds, or legislative or regulatory bodies will create or attempt to create new rights that could require us to enter into license agreements with, and pay royalties to, newly defined groups of rights holders, some of which may be difficult or impossible to identify. Even when we can enter into license agreements with rights holders, we cannot guarantee that such agreements will continue to be renewed indefinitely. For example, from time to time, our license agreements with certain rights holders and / or their agents may expire while we negotiate their renewals and, per industry custom and practice, we may enter into brief (for example, month-, week-, or even days- long) extensions of those agreements or provisional licenses and / or continue to operate on an at will basis as if the license agreement had been extended, including by our continuing to make music available. During these periods, we may not have assurance of long- term access to such rights holders’ content, which could have a material adverse effect on its business and could lead to potential copyright infringement claims. It also is possible that such agreements will never be renewed at all. The lack of renewal, or termination, of one or more of our license agreements, or the renewal of a license agreement on less favorable terms, also could have a material adverse effect on its business, financial condition, and results of operations. Difficulties in obtaining accurate and comprehensive information necessary to identify the compositions embodied in sound recordings on Slacker’s services and the ownership thereof may impact Slacker’s ability to perform its obligations under its licenses, affect the size of its catalog, impact its ability to control content acquisition costs, and lead to potential copyright infringement claims. Comprehensive and accurate ownership information for the musical compositions embodied in sound recordings is often unavailable to Slacker or difficult or, in some cases, impossible for Slacker to obtain, sometimes because it is withheld by the owners or administrators of such rights. Slacker currently relies on the assistance of third parties to determine this information. If the information provided to Slacker or obtained by such third parties does not comprehensively or accurately identify the ownership of musical compositions, or if Slacker is unable to determine which musical compositions correspond to

specific sound recordings, it may be difficult or impossible to identify the appropriate rights holders to whom to pay royalties. This may make it difficult to comply with the obligations of any agreements with those rights holders. In the United States, Slacker also relies on the assistance of third parties to issue notices of intent (“ NOIs ”) to obtain a compulsory license under Section 115 of the Copyright Act to those copyright owners with whom we do not have a direct license agreement or, in the case of unknown copyright owners, to the United States Copyright Office. The lack of comprehensive and accurate ownership information or the inability to determine which musical compositions correspond to specific sound recordings can cause difficulties in issuing NOIs to the correct parties (including the United States Copyright Office) or serving NOIs in a timely manner and can otherwise cause difficulties in obtaining licenses. This could lead to a reduction of sound recordings available to be streamed on Slacker’ s services, adversely impacting its ability to retain and expand its user base, and could make it difficult to ensure that Slacker is fully licensed. These challenges, and others concerning the licensing of musical compositions embodied in sound recordings on Slacker’ s services, may subject Slacker to significant liability for copyright infringement, breach of contract or other claims. We **are subject to cybersecurity risks to our systems, infrastructure, and technology, and data processed by us or third- party vendors. Our business and operations involve the collection, storage, transmission, and other processing of personal data and certain other sensitive and proprietary data. Numerous organizations have disclosed breaches of their information security systems and other information security incidents, some of which have involved sophisticated and highly targeted attacks. We may in the future be a target for cybersecurity attacks designed to disrupt our operations or to attempt to gain access to our systems, data processed or maintained in our business, trade secrets, or other proprietary information or financial resources. Many of our personnel work remotely all or part of the time, which increases certain security risks. In addition, the risk of state- supported and geopolitical- related cybersecurity attacks is believed to be heightened in connection with the conflicts in Ukraine and the Middle East and any related political or economic responses and counter- responses. We are at risk for interruptions, outages, and breaches of our operational systems, including business, financial, accounting, broadcast, data processing or production processes, as well as our security systems, in- product software and technology, and customer data. We use third parties to process some data on our behalf, and they face similar security risks. Because techniques used to obtain unauthorized access to or to sabotage information systems change frequently and may not be known until launched against a target, we and the third parties on which we rely may be unable to anticipate or prevent these attacks, react in a timely manner or implement adequate preventive measures, and we may face delays in our detection or remediation of, or other responses to, security breaches and other privacy- and security- related incidents. Such incidents could materially disrupt our systems, result in loss of intellectual property and misappropriation of trade secrets or other proprietary or competitively sensitive information, compromise the confidentiality, security, and integrity of our information, including employees’ personal information, and information of customers or others, jeopardize the security of our facilities, or affect the performance of our products. The loss, corruption, or unavailability of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the impacted data. Certain efforts may be state- sponsored or supported by significant financial and technological resources, making them even more difficult to detect, remediate and otherwise respond to. Although we have implemented and are in the process of implementing additional systems and processes that are designed to protect our data and systems within our control, prevent data loss, and prevent other security breaches and security incidents, these measures cannot guarantee security. The systems and infrastructure used in our business may be vulnerable to cyberattacks or security breaches or incidents, and third parties may be able to access data, including personal data and other sensitive and proprietary data or other sensitive and proprietary data, or such data otherwise may be subject to unauthorized use, disclosure, unavailability, modification, or other processing. Employee error, malfeasance or other errors in the storage, use or transmission of any of these types of data could result in an actual or perceived privacy or security breach or other security incident. Any security breach or security incident impacting our systems or infrastructure, or data we or third parties on which we rely maintain or otherwise process, or any outages or other disruptions to systems used in our business, could interrupt our operations and result in the loss of or improper access to, or acquisition or disclosure of, data or a loss of intellectual property protection. Any such breach or incident, or the perception it has occurred, also may harm our reputation and competitive position, harm our product development and regulatory approval efforts, reduce demand for our products, damage our relationships with customers, partners, collaborators or others, and result in claims, demands, litigation, regulatory investigations and proceedings and significant legal, regulatory and financial exposure. Any such event may adversely affect our business, operating results, and financial condition. We expect to incur significant costs in an effort to detect and prevent privacy and security breaches and other privacy- and security- related incidents, and may face increased costs and requirements to expend substantial resources in the event of an actual or perceived privacy or security breach or other incident. While we maintain insurance that may cover certain liabilities in connection with certain disruptions, security breaches, and incidents, our insurance policies may not be adequate to compensate us for the potential losses arising from any disruption in or, failure or security breach or incident of or impacting our systems or third- party systems where information important to our operations or product development is stored or processed. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and could have high deductibles in any event, and defending a suit, regardless of its merit, could be costly and divert management attention. Costs associated with, and our ability to obtain adequate insurance, could adversely affect our financial condition and profitability. As a public company and due to our complex business operations, we face continuously increasing premiums, deductibles and challenges in connection with obtaining directors and officers, cyber security, errors and omissions insurance, employers’ liability, transmission interruption, insurance**

property, casualty, liability, artist, business interruption and other insurance coverage for our Company and our subsidiaries. In addition, from time to time, we have been and may be in the future subject to legal proceedings and claims in the ordinary course of business. As a result, we may experience increased difficulty obtaining necessary insurance coverage and / or high policy limits of coverage at reasonable costs, including coverage for cyber security breaches, acts of terrorism and various litigation. We cannot guarantee that our insurance policies coverage limits, including our directors and officers, cyber security, errors and omissions insurance, employers' liability, transmission interruption, insurance property, casualty, liability, artist, business interruption and other insurance policies, to the extent such are in place, would be adequate under the circumstances should one or multiple adverse events occur at or near any of our venues or events, or that our insurers would have adequate financial resources to pay our related claims. We cannot guarantee that adequate coverage limits will be available, offered at reasonable costs or offered by insurers with sufficient financial soundness. If adverse events that our insurance policies do not cover occur and result in a significant liability to us, our financial condition and results of operation could be adversely affected. Our operating results may be adversely affected by unfavorable economic and market conditions and the uncertain geopolitical environment. Challenging economic conditions worldwide have from time to time contributed, and may continue to contribute, to slowdowns in the communications industries at large. During the fiscal year ended March 31, 2024, we continued to see a more broad-based weakening in the global macroeconomic environment which impacted our commercial and enterprise markets. Additionally, instability in the global credit markets, the impact of uncertainty regarding global central bank monetary policy, the instability in the geopolitical environment in many parts of the world including as a result of Russia's hostile activities in Ukraine, the Israel Hamas war, the current economic challenges in China, including global economic ramifications of Chinese economic difficulties, and other disruptions may continue to put pressure on global economic conditions. If global economic and market conditions, or economic conditions in key markets, remain uncertain or deteriorate further, we may experience material impacts on our business, operating results, and financial condition. We intend to continue to build our business through strategic acquisitions, such as the recently completed CPS-acquisition of Drumify and Splitmind and pursue and consummate one or more additional acquisitions and to possibly use our remaining cash to fund any cash portion of the consideration we will pay in connection with those acquisitions. However, such additional acquisitions, may be subject to conditions and other impediments to closing, including some that are beyond our control, and we may not be able to close any of them successfully. In addition, our future acquisitions will be required to be closed within certain timeframes as negotiated between us and the acquisition target, and if we are unable to meet the closing deadlines for a given transaction, we may be required to forfeit payments we have made, if any, be forced to renegotiate the transaction on less advantageous terms and could fail to consummate the transaction at all. If we are unable to close any future acquisition, it could significantly alter our business strategy and impede our prospects for growth. If we are unable to successfully consummate a particular acquisition, we may not be able to stream desired live music content on our network, produce and / or participate in the planned festivals or events or have ownership or licenses of the brands owned or licensed by that acquisition target. Further, we may not be able to identify suitable acquisition candidates to replace these acquisitions, and even if we were to do so, we may only be able to consummate them on less advantageous terms. In addition, some of the businesses we acquire may incur significant losses from operations, which, in turn, could have a material and adverse impact on our business, results of operations and financial condition. As shown by our acquisitions of Slacker, PodcastOne, CPS, Drumify and Gramophone Splitmind, acquisitions have been and will continue to be an important component of our growth strategy; however, we will need to integrate these acquired businesses successfully in order for our growth strategy to succeed and for us to become profitable. We expect that the management teams of the acquired businesses will adopt our policies, procedures and best practices, and cooperate with each other in scheduling events, booking talent and in other aspects of their operations. We may face difficulty in integrating the operations of any businesses we may acquire in the future, such as coordinating geographically dispersed organizations, integrating personnel with disparate business backgrounds and combining different corporate cultures, the diversion of management's attention from other business concerns, the inherent risks in entering markets or lines of business in which we have either limited or no direct experience; and the potential loss of key employees, individual service providers, customers and strategic partners of acquired companies. In addition, our growth strategy also includes further development of our online live streamed music network that we intend to integrate across all of our acquired businesses. This will require, among other things, the integration of the individual websites and databases of each business we currently operate or will acquire in the future. This will be a complex undertaking that may prove more difficult, expensive and time consuming than we currently expect. Even if we are able to achieve this integration, it may not achieve the benefits we anticipate. If we fail to do this properly and in a timely manner, it could harm our revenue and relationship with our fans. Further, we expect that future target companies may have material weaknesses in internal controls relating to the proper application of accrual-based accounting under the accounting principles generally accepted in the United States of America ("GAAP") prior to our acquiring them. The Public Company Accounting Oversight Board (the "PCAOB") defines a material weakness as 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 annual or interim financial statements will not be prevented or detected on a timely basis. We will be relying on the proper implementation of our policies and procedures to remedy any such material weaknesses, and prevent any potential material misstatements in our financial reporting. Any such misstatement could adversely affect the trading price of our common stock, cause investors to lose confidence in our reported financial information, and subject us to civil and criminal fines and penalties. If our acquired companies fail to integrate in these important ways, or we fail to adequately understand the business operations of our acquired companies, our growth and financial results could suffer. A number of other companies are seeking to make acquisitions in our industry, which may make our acquisition strategy more difficult or expensive to pursue. The emergence and growth of live streamed music, music events, festivals and concerts has

brought increased media attention, and a number of companies and investors have begun making acquisitions of such businesses or announced their intention to do so. We compete with many of these companies, and certain of them have greater financial resources than we do for pursuing and consummating acquisitions and to further develop and integrate acquired businesses. Our strategy relies on our ability to consummate important future acquisitions to foster the growth of our core business and to establish ourselves as the key provider of streamed high- quality live music content. The increased focus on acquisitions of such companies may impede our ability to acquire these companies because they choose another acquirer. It could also increase the price that we must pay for these companies. Either of these outcomes could reduce our growth, harm our business and prevent us from achieving our strategic goals. We may enter into acquisitions and take actions in connection with such transactions that could adversely affect our business and results of operations. Our future growth rate depends in part on our selective acquisition of additional businesses and assets. We may be unable to identify suitable targets for acquisition or make further acquisitions at favorable prices. If we identify a suitable acquisition candidate, our ability to successfully complete the acquisition would depend on a variety of factors, and may include our ability to obtain financing on acceptable terms and requisite government approvals. In addition, any credit agreements or credit facilities that we may enter into in the future may restrict our ability to make certain acquisitions. In connection with future acquisitions, we could take certain actions that could adversely affect our business, including: ● using a significant portion of our available cash; ● issuing equity securities, which would dilute current stockholders' percentage ownership; ● incurring substantial debt; ● incurring or assuming contingent liabilities, known or unknown; ● incurring amortization expenses related to intangibles; and ● incurring large accounting write- offs or impairments. We may also enter into joint ventures, which involve certain unique risks, including, among others, risks relating to the lack of full control of the joint venture, potential disagreements with our joint venture partners about how to manage the joint venture, conflicting interests of the joint venture, requirement to fund the joint venture and its business not being profitable. In addition, we cannot be certain that the due diligence investigation that we conduct with respect to any investment or acquisition opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. For example, instances of fraud, accounting irregularities and other deceptive practices can be difficult to detect. Executive officers, directors and employees may be named as defendants in litigation involving a company we are acquiring or have acquired. Even if we conduct extensive due diligence on a particular investment or acquisition, we may fail to uncover all material issues relating to such investment, including regarding the controls and procedures of a particular target or the full scope of its contractual arrangements. We rely on our due diligence to identify potential liabilities in the businesses we acquire, including such things as potential or actual lawsuits, contractual obligations or liabilities imposed by government regulation. However, our due diligence process may not uncover these liabilities, and where when we identify a potential liability, we may incorrectly believe that we can consummate the acquisition without subjecting ourselves to that liability. Therefore, it is possible that we could be subject to litigation in respect of these acquired businesses. For example, see " Item 3. Legal Proceedings " regarding our ongoing litigation with Wantickets and its principal. If our due diligence fails to identify issues specific to an investment or acquisition, we may obtain a lower return from that transaction than the investment would return or otherwise subject ourselves to unexpected liabilities. We may also be forced to write- down or write- off assets, restructure our operations or incur impairment or other charges that could result in our reporting losses. Charges of this nature could contribute to negative market perceptions about us or our shares of common stock. We rely heavily on technology to stream content and manage other aspects of our operations and on our Content Management System ("CMS"). The failure of any of this technology to operate effectively could adversely affect our business. We utilize a combination of proprietary and third- party technology. Our business substantially depends on our Slacker Radio app, which offers a digital spin on the classic radio listening experience through free and membership- based access. Our business is also substantially dependent on our LiveOne App, which includes live video streaming, live digital events, PPV events, VOD, push notifications, festival-, venue- and original content- specific functionality, Google Ads capability, digital rights management (e. g., geo- blocking), and the capability to display time- shifted content and enhanced function, and our PodcastOne App which offers users access to our podcasts on their favorite device. PodcastOne relies heavily on its CMS. It utilizes a combination of its proprietary CMS technology and third- party technology. Its business substantially depends on its CMS which allows it to manage its podcasts and content offer listeners access to their favorite podcasts. We cannot be sure that the Slacker Radio app will continue to, or that the LiveOne App and / or the PodcastOne App or our CMS technology or any enhancements or other modifications we make in the future to such technology or accompanying third- party technology or integration of such third- party technology will perform as intended. Future enhancements and modifications to our technology could consume considerable resources. If we are unable to successfully develop, maintain and enhance our technology to manage the streaming of live events in a timely and efficient manner, our ability to attract and retain users may be impaired. In addition, if our technology or that of third parties we utilize in our operations fails or otherwise operates improperly, our ability to attract and retain users may be impaired. Also, any harm to our users' personal computers or mobile devices caused by software used in our operations could have an adverse effect on our business, results of operations and financial condition. We may be unable to adequately protect our intellectual property rights. We may be unable to detect unauthorized use of, or otherwise sufficiently protect, our intellectual property rights. We rely on a combination of laws and contractual restrictions with employees, individual service providers, users, artists, suppliers and others content licensors and Content Providers to establish and protect these proprietary rights. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use proprietary information, trademarks, or copyrighted material without authorization which, if discovered, might require legal action to correct. Furthermore, our recently acquired assets and the assets we may acquire in connection with any future acquisitions (including brand names and trademark rights), may have been improperly adopted or inadequately protected prior to our acquisitions of them. This could include failures to obtain assignments of ownership or confidentiality agreements from third parties, failures to clear use of trademarks, or other failures to protect trademarks and other proprietary rights. In addition, third parties may independently and lawfully develop similar

intellectual property or duplicate our services. We will apply to register, or secure by contract when appropriate, our trademarks and service marks as they are developed and used and reserve and register domain names as we deem appropriate. While we intend to vigorously protect our trademarks, service marks and domain names as we deem appropriate, effective trademark protection may not be available or may not be sought in every country in which we operate, and contractual disputes may affect the use of marks governed by private contract. Similarly, not every variation of a domain name may be available or be registered, even if available. Our failure to protect our intellectual property rights in a meaningful manner or challenges to related contractual rights could result in the erosion of brand names or the loss of rights to our owned or licensed marks and limit our ability to control marketing on or through the Internet using our various domain names or otherwise, which could adversely affect our business, financial condition, and results of operations. In addition, the loss of, or inability to otherwise obtain, rights to use third party trademarks and service marks, including the loss of exclusive rights to use third party trademarks in territories where we present festivals, could adversely affect our business or otherwise result in competitive harm. We currently own the www.liveone.com, www.livexlive.com, www.slacker.com, www.podcastone.com, www.personalizedplanet.com, www.limogesjewelry.com, www.drumify.com, www.splitmind.io, and various other domain names. Internet regulatory bodies generally regulate domain names. If we lose the ability to use a domain name in a particular country, we would be forced either to incur significant additional expenses to market our services within that country or, in extreme cases, to elect not to offer our services in that country. Either result could harm our business, operating results, and financial condition. The regulation of domain names in the United States and in foreign countries is subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars, or modify the requirements for holding domain names. As a result, we may not be able to acquire or maintain the domain names that utilize our brand names in the United States or other countries in which we may conduct business in the future. Litigation or proceedings before governmental authorities and administrative bodies may be necessary in the future to enforce our intellectual property rights, to protect our patent rights, trademarks, trade secrets, and domain names and to determine the validity and scope of the proprietary rights of others. Our efforts to enforce or protect our proprietary rights may be ineffective and could result in substantial costs and diversion of resources and management time, each of which could substantially harm our operating results. Additionally, changes in law may be implemented, or changes in interpretation of such laws may occur, that may affect our ability to protect and enforce our patents and other intellectual property. We may be accused of infringing upon intellectual property rights of third parties. From time to time, we have been and may be in the future subject to legal proceedings and claims in the ordinary course of business, including claims of alleged infringement and other violations of the trademarks, copyrights, patents and other intellectual property or proprietary rights of third parties. The legal proceedings and claims include notices provided to us by content owners of users' violation of the Digital Millennium Copyright Act, which obligate us to investigate and remove infringing user content from our website. Music contained within content we distribute may require us to obtain licenses for such distribution. In this regard, we will engage with collection management organizations ("CMOs") that hold certain rights to music 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-prevented** 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, and thereby adversely impact our ability to reach licensing agreements reasonably acceptable to us. Failure to reach such licensing agreements could expose us to potential liability for copyright infringement or otherwise increase our costs. We also face a risk that content licensors may bring claims for copyright infringement or breach of contract if our users exceed the scope of the content licenses. Certain live performance content may involve remixing and sampling of others' music, and if our content license agreements do not grant us or our users sufficient use rights, or if we facilitate the performance of music for which we do not have a license, our distribution of such content could expose us to claims of copyright infringement. Due to the nature of our business, we could be accused of infringing on the copyrights of Content Providers or other rights holders, or such persons could attempt to prevent us from otherwise making certain content available to our users. We may not be able to successfully defend against such claims, which may result in a limitation on our ability to use the intellectual property subject to these claims and also might require us to enter into settlement or license agreements, pay costly damage awards or face an injunction prohibiting us from using the affected intellectual property in connection with our services. Defending ourselves against intellectual property claims, whether they are with or without merit or are determined in our favor, results in costly litigation and may divert the attention of our management and technical personnel from the rest of our business. Our inability to obtain accurate and comprehensive information necessary to identify the musical works embodied in sound recordings used in our services and / or the rights holders of such musical works, may impact our ability to perform our obligations under our licenses from the rights holders, may require us to remove or decrease the number of recordings on our streaming music services, and / or may subject us to potential copyright infringement claims. We currently rely on the assistance of third parties to determine comprehensive and accurate rights holder information for the musical works embodied in the sound recordings made available on our services. If the information provided to us or obtained by such third parties does not comprehensively or accurately identify which composers, songwriters or publishers own or administer musical works, or if we are unable to determine which musical works correspond to specific sound recordings, it may be difficult to identify the appropriate rights holders from whom a license is required, to identify the applicable rights holders to pay and / or to comply with other applicable terms and obligations of the licenses. Our failure to timely obtain licenses and / or comply with such terms or obligations may subject us to significant liability for copyright infringement (and / or result in termination of certain licenses). Further, our inability to accurately identify rights holders may prevent us from obtaining necessary licenses, which could lead to a reduction in the music available to stream on our services, adversely impacting our ability to retain and expand our listener base. In addition, music, Internet, technology, and media companies are

frequently subject to litigation based on allegations of infringement, misappropriation, or other violations of intellectual property rights. Many companies in these industries, including many of our competitors, have substantially larger patent and intellectual property portfolios than we do, which could make us a target for litigation as we may not be able to assert counterclaims against parties that sue us for patent, or other intellectual property infringement. In addition, various "non-practicing entities" that own patents and other intellectual property rights often attempt to aggressively assert claims in order to extract value from technology companies. Further, from time to time we may introduce new products and services, including in territories where we currently do not have an offering, which could increase our exposure to patent and other intellectual property claims from competitors and non-practicing entities. It is difficult to predict whether assertions of third-party intellectual property rights or any infringement or misappropriation claims arising from such assertions will substantially harm our business, operating results, and financial condition. If we are forced to defend against any infringement or misappropriation claims, whether they are with or without merit, are settled out of court, or are determined in our favor, we may be required to expend significant time and financial resources on the defense of such claims. Furthermore, an adverse outcome of a dispute may require us to pay significant damages, which may be even greater if we are found to have willfully infringed upon a party's intellectual property; cease exploiting copyrighted content that we have previously had the ability to exploit; cease using solutions that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to redesign our solutions; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies, content, or materials; indemnify our partners and other third parties; and / or take other actions that may have material effects on our business, operating results, and financial condition. Our live music streaming network uses open source software, and we license some of our software through open source projects, which may pose particular risks to our proprietary software, products, and services in a manner that could have a negative effect on our business. We use open source software in connection with our website and our live music streaming network and may use open source software in the future. The terms of many open source licenses to which we are subject have not been interpreted by U. S. or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Some open source software licenses require users who distribute open source software as part of their own software product to publicly disclose all or part of the source code to such software product or make available any derivative works of the open source code on unfavorable terms or at no cost. Additionally, we may from time to time face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business, financial condition and results of operations. While we have assessed the use of open source software on our website to ensure that we have not used open source software in a manner that would require us to disclose the source code to the related technology, use requiring such disclosure could inadvertently occur and any requirement to disclose our proprietary source code could be harmful to us. Changes in how network operators handle and charge for access to data that travel across their networks could adversely impact our business. We will rely upon the ability of consumers to access our service through the Internet. Changes in laws or regulations that adversely affect the growth, popularity or use of the Internet, including laws impacting net neutrality, could decrease the demand for our service and increase our cost of doing business. 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 member acquisition and retention could be negatively impacted. For example, in late 2010, Comcast informed Level 3 Communications that it would require Level 3 to pay for the ability to access Comcast's network. Furthermore, to the extent network operators were to create tiers of Internet access service and either charge us for or prohibit us from being 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, companies like Comcast, Charter Spectrum and Cablevision have an incentive to use their network infrastructure in a manner adverse to our continued growth and success. For example, Comcast exempted certain of its own Internet video traffic (e. g., Streampix videos to the Xbox 360) from a bandwidth cap that applies to all unaffiliated Internet video traffic (e. g., Netflix videos to the Xbox 360). While we believe that consumer demand, regulatory oversight and competition will help check these incentives, 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. In international markets, especially in Latin America, these same incentives apply; however, the consumer demand, regulatory oversight and competition may not be as strong as in our domestic market. The success of our business and operations depends, in part, on the integrity of our systems and infrastructures, as well as affiliate and third-party computer systems, Wi-Fi and other communication systems. System interruption and the lack of integration and redundancy in these systems and infrastructures may have an adverse impact on our business, financial condition and results of operations. System interruption and the lack of integration and redundancy in the information systems and infrastructures, both of our own systems and other computer systems and of affiliate and third-party software, Wi-Fi and other communications systems service providers on which we rely, may adversely affect our ability to operate websites, process and fulfill transactions, respond to listener inquiries and generally maintain cost-efficient operations. Such interruptions could occur by virtue of natural disaster, malicious actions such as hacking or acts of terrorism or

war, or human error. In addition, the loss of some or all of certain key personnel could require us to expend additional resources to continue to maintain our software and systems and could subject us to systems interruptions. Although we maintain up to date information technology systems and network infrastructures for the operation of our businesses, techniques used to gain unauthorized access to private networks are constantly evolving, and we may be unable to anticipate or prevent unauthorized access to our systems and data. Privacy concerns could limit our ability to leverage our member data and compliance with privacy regulations could result in significant expense. In the ordinary course of business and in particular in connection with merchandising our service to our users, we collect and utilize data supplied by our users. We currently face certain legal obligations regarding the manner in which we treat such information. 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 self-regulation or findings under existing laws, which limit our ability to use collected data, could have an adverse effect on our business. As our business evolves and as we expand internationally, we may become subject to additional and / or more stringent legal obligations concerning our treatment of user information, and to the extent that we need to alter our business model or practices to adapt to these obligations, we could incur significant expenses. In addition, we cannot fully control the actions of third parties who may have access to the user data we collect and the user data collected by our third-party vendors. We may be unable to monitor or control such third parties and the third parties having access to our website in their compliance with the terms of our privacy policies, terms of use, and other applicable contracts, and we may be unable to prevent unauthorized access to, or use or disclosure of, user information. Any such misuse could hinder or prevent our efforts with respect to growth opportunities and could expose us to liability or otherwise adversely affect our business. In addition, these third parties may become the victim of security breaches or have practices that may result in a breach, and we could be responsible for those third-party acts or failures to act. Any failure, or perceived failure, by us or the prior owners of acquired businesses to maintain the privacy of data relating to our users (including disclosing data in a manner that was objectionable to our users), to comply with our posted privacy policies, our predecessors' posted policies, laws and regulations, rules of self-regulatory organizations, industry standards and contractual provisions to which we or they may be bound, could result in the loss of confidence in us, or result in actions against us by governmental entities or others, all of which could result in litigation and financial losses, and could potentially cause us to lose users, advertisers, revenue and employees. Our reputation and relationships with members would be harmed if our member data, particularly billing data, were to be accessed by unauthorized persons. We will maintain personal data regarding our users, including names and, in many cases, mailing addresses. With respect to billing data, such as credit card numbers, we expect to rely on licensed encryption and authentication technology to secure such information. If we or our payment processing services experience any unauthorized intrusion into our users' data, current and potential users may become unwilling to provide the information to us necessary for them to become members, we could face legal claims, and our business could be adversely affected. Similarly, if a well-publicized breach of the consumer data security of any other major consumer website were to occur, there could be a general public loss of confidence in the use of the Internet for commerce transactions which could adversely affect our business. In addition, we do not plan to obtain signatures from members in connection with the use of credit and debit cards (together, "payment cards") by them. Under current payment card practices, to the extent we do not obtain cardholders' signatures, we will be liable for fraudulent payment card transactions, even when the associated financial institution approves payment of the orders. From time to time, fraudulent payment cards may be used on our website to obtain service. Typically, these payment cards will not have been registered as stolen and therefore will not be rejected by any automatic authorization safeguards. We do not currently carry insurance against the risk of fraudulent credit card transactions. A failure to adequately control fraudulent credit card transactions would harm our business and results of operations. Regulatory and business practice developments relating to personal information of our users and / or failure to adequately protect the personal information of our users may adversely affect our business. Due to the nature of such businesses, the businesses we have acquired or intend to acquire in the future maintain, or have arrangements with third parties who maintain, information on users who or may purchase in the future our services and products electronically through their individual websites or otherwise register on the website for access to our content provided. We are in the process of evaluating the information collected to understand if we can aggregate and reuse the contact information to inform these individuals of upcoming events, offerings and other services and products that we believe enhance the user experience. Data protection laws and regulation may impair our ability to use these data in such ways, as certain uses may be prohibited. The use of such user information is an important component of our growth strategy in the future. The collection, storage and use of user information is subject to regulation in many jurisdictions, including the United States and the EU, and this regulation is becoming more prevalent and stringent. Further, there is a risk that data protection regulators may seek jurisdiction over our activities even in locations in which we do not have an operating entity. This may arise in a number of ways, either because we are conducting direct marketing activities in a particular jurisdiction and the local laws apply to and are enforceable against us, or because one of our databases is controlling the processing of information within that jurisdiction. We intend to develop a comprehensive policy aimed at ensuring adequate protection of our users' personal information and compliance with applicable law. There is a risk that we will be unable to successfully adopt and implement this policy, which may give rise to liabilities or increased costs. Although we intend to develop systems and processes that are designed to protect customer and employee information and to prevent security breaches or incidents (which could result in data loss or other harm or loss), such measures cannot provide absolute security or certainty. It is possible that advances in computer and hacker capabilities, new variants of malware, the development of new penetration methods and tools, inadvertent violations of company policies or procedures or other developments could result in a compromise of customer or employee information or a breach of the technology and security processes that are used to protect customer and employee information. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems may change frequently and as a result, may be difficult for our business to detect for long periods of time. In addition,

despite our best efforts, we may be unable to anticipate these techniques or implement adequate preventative measures. We may need to expend in the future significant capital and other resources to protect against and remedy such potential security breaches, incidents and their consequences, including the establishment of a dedicated cybersecurity organization within our larger technology environment. We also face risks associated with security breaches and incidents affecting third parties with which we are affiliated or with which we otherwise conduct business. Consumers are generally concerned with the security and privacy of the Internet, and any publicized security problems affecting our businesses and / or third parties may discourage consumers from doing business with us, which could have an adverse effect on our business, financial condition and results of operations. In some countries, the use of cookies and other information placed on users' Internet browsers or users' computing devices is currently regulated, regardless of the information contained within or referred to by the cookie. Specifically, in the EU, this is now subject to national laws being introduced pursuant to the amended Directive 2002 / 58 on Privacy and Electronic Communications. The effect of these measures may require users to provide explicit consent to such a cookie being used. The laws being introduced pursuant to this measure are not finalized in every European Member State, and we have not determined what effect this could have on our business when we place the cookie on the user' s computer or when a third party does so. The effect may be to limit the amount of information we receive in relation to each use of the service and / or to limit our ability to link this information to a unique identity, which could adversely affect our business and financial condition. In the United States, the Federal Trade Commission (" FTC ") is starting to exercise greater authority over how online consumer data is collected and maintained by businesses. Prompted by the FTC' s recommendation regarding online tracking, a number of federal legislative proposals have been introduced that would allow users to opt out of online monitoring. A number of states have passed similar legislation and some states are becoming more active in enforcing these laws to protect consumers. The laws in this area are complex and developing rapidly. For instance, on April 14, 2016, the EU General Data Protection Regulation (the " GDPR ") became effective within Europe on May 25, 2018. The primary objectives of the GDPR are to give citizens of the EU back the control of their personal data and to simplify the regulatory environment for international business by unifying the regulation within the EU. We have not yet assessed the full effect of the GDPR. Failure to comply with the GDPR may result in significant monetary penalties. As we expand our operations into new jurisdictions, the costs associated with compliance with applicable local data privacy laws and regulations increases. It is possible that government or industry regulation in these markets will require us to deviate from our standard processes and / or make changes to our products, services and operations, which will increase operational cost and risk. There is a risk that Internet browsers, operating systems, or other applications might be modified by their developers in response to this regulation to limit or block our ability to access information about our users. It is possible that existing or future regulations could make it difficult or impossible for us to collect or use our user information in the way we would like, which would impede our growth strategy and potentially reduce the revenue we hope to generate. It is also possible that we could be found to have violated regulations relating to user data, which could result in us being sanctioned, suffering fines or other punishment, being restricted in our activities and / or suffering reputational harm. Any of the foregoing could adversely affect our business and financial results. **Risks Related to Our Intended Spin-..... market prices of our common stock.** We generate a substantial portion of our revenues from PodcastOne' s podcast and advertising sales. If PodcastOne fails to maintain or grow podcasting and advertising and e- commerce merchandise revenue, our financial results may be adversely affected. We generate revenue primarily from PodcastOne' s podcasting and advertising services. Our financial results could be adversely affected if we fail to maintain or grow PodcastOne' s podcasting and advertising and e- commerce merchandise revenue in the future. In addition, if PodcastOne fails to collect its receivable balance from its key customers in its podcasting and advertising and e- commerce merchandise businesses, our financial results may be adversely affected. PodcastOne faces and will continue to face competition for listeners and **listener their** listening time. PodcastOne competes with providers of podcasts that offer an on- demand catalog of podcast content that is similar to ours. PodcastOne faces increasing competition from a growing variety of podcast providers that seek to differentiate their service by content offering and product features, and they may be more successful than PodcastOne in predicting listener preferences, providing popular content, and innovating new features. PodcastOne' s competitors include providers of internet radio, terrestrial radio, and satellite radio. Internet radio providers may offer more extensive content libraries than we offer and some may be offered internationally more broadly than PodcastOne' s service. In addition, internet radio providers may leverage their existing infrastructure and content libraries, as well as their brand recognition and listener base, to augment their services by offering competing on- demand podcast features to provide listeners with more comprehensive podcast service delivery choices. Terrestrial radio providers often offer their content for free, are well- established and accessible to consumers, and offer media content that we currently do not offer. In addition, many terrestrial radio stations have begun broadcasting digital signals, which provide high- quality audio transmission. Satellite radio providers, such as SiriusXM and iHeartRadio, may offer extensive and exclusive news, comedy, sports and talk content, and national signal coverage. We believe that companies with a combination of technical expertise, brand recognition, financial resources, and digital media experience also pose a significant threat of developing competing on- demand audio distribution technologies. In particular, if known incumbents in the digital media space such as Facebook choose to offer competing services, they may devote greater resources than we have available, have a more accelerated time frame for deployment, and leverage their existing listener base and proprietary technologies to provide services that our listeners and advertisers may view as superior. Furthermore, Amazon Music, Apple Music, Apple Podcasts, Spotify, iHeartMusic and others have competing podcast services, which may negatively impact our business, operating results, and financial condition. Our current and future competitors may have higher brand recognition, more established relationships with content licensors and mobile device manufacturers, greater financial, technical, and other resources, more sophisticated technologies, and / or more experience in the markets in which we compete. Our current and future competitors may also engage in mergers or acquisitions with each other, as SiriusXM and Pandora have done, or to acquire smaller podcasting services, such as Spotify has done, to combine and leverage their audiences. Our current and future competitors may innovate new features or

introduce new ways of consuming or engaging with content that cause our listeners, especially the younger demographic, to switch to another product, which would negatively affect our listener retention, growth, and engagement. In addition, Apple and Google also own application store platforms and are charging in- application purchase fees, which are not being levied on their own applications, thus creating a competitive advantage for themselves against us. If other competitors that own application store platforms and competitive services adopt similar practices, we may be similarly impacted. As the market for on- demand audio on the internet and mobile and connected devices increases, new competitors, business models, and solutions are likely to emerge. PodcastOne also competes for listeners based on its presence and visibility as compared with other businesses and platforms that deliver audio content through the internet and connected devices. PodcastOne faces significant competition for listeners from companies promoting their own digital audio content online or through application stores, including several large, well- funded, and seasoned participants in the digital media market. Device application stores often offer listeners the ability to browse applications by various criteria, such as the number of downloads in a given time period, the length of time since an application was released or updated, or the category in which the application is placed. The websites and applications of PodcastOne’ s competitors may rank higher than its website and our application, and our application may be difficult to locate in device application stores, which could draw potential listeners away from our service and toward those of our competitors. If we are unable to compete successfully for listeners against other digital media providers by maintaining and increasing our presence, ease of use, and visibility online, on devices, and in application stores, our number of paid members, free ad- supported users, and the amount of content streamed on our service may fail to increase or may decline and our membership fees and advertising sales may suffer. We compete for a share of advertisers’ overall marketing budgets with other content providers on a variety of factors, including perceived return on investment, effectiveness and relevance of our advertising products, pricing structure, and ability to deliver large volumes or precise types of advertisements to targeted listener demographic pools. We also compete for advertisers with a range of internet companies, including major internet portals, search engine companies, social media sites, and mobile applications, as well as traditional advertising channels such as terrestrial radio and television. Large internet companies with strong brand recognition, such as Facebook, Google, Amazon, and **X (formerly Twitter)**, have significant numbers of sales personnel, substantial advertising inventory, proprietary advertising technology solutions, and traffic across web, mobile, and connected devices that provide a significant competitive advantage and have a significant impact on pricing for reaching these listener bases. Failure to compete successfully against our current or future competitors could result in the loss of current or potential advertisers, a reduced share of our advertisers’ overall marketing budget, the loss of existing or potential listeners, or diminished brand strength, which could adversely affect our pricing and margins, lower our revenue, increase our research and development and marketing expenses, and prevent us from achieving or maintaining profitability. PodcastOne’ s business is dependent upon the performance of its podcasts and their talent. PodcastOne independently contracts with podcasts and talent with significant loyal audiences in their respective markets. Although PodcastOne has entered into long- term agreements with some of its key podcast hosts to protect its interests in those relationships, we can give no assurance that all or any of these persons will remain with us, will be able to continue to provide podcasting services, will retain their audiences or will continue to be profitable. Competition for these podcasts and talent is intense and certain of these talent and podcasts are under no legal obligation to remain with us after the expiration of their podcast license agreements. PodcastOne’ s competitors may choose to extend offers to any of these podcasts and / or talent on terms which we may be unwilling to meet. Furthermore, the popularity and audience loyalty of its key podcasts is highly sensitive to rapidly changing public tastes. A loss of such popularity or audience loyalty is beyond our control and could have a material adverse effect on PodcastOne’ s ability to attract local and / or national advertisers and on our revenue and / or ratings, and could result in increased expenses. If PodcastOne fails to increase the number of listeners consuming its podcast content, our business, financial condition and results of operations may be adversely affected. The size of PodcastOne’ s listener base consuming its podcast content is critical to its success, and PodcastOne will need to develop and grow our listener base to be successful. We currently generate substantially all of our revenue from advertising and sponsorship, which is dependent on the number of listeners consuming its podcast content that we attract. For example, if PodcastOne is unable to retain and attract listeners consuming its podcast content, it may be unable to maintain or increase the frequency of listeners’ engagement with its platform and its podcasts. In addition, if listeners do not perceive PodcastOne’ s content as original, entertaining or engaging, it may not be able to attract advertising and sponsorship opportunities and / or increase the resulting frequency of listeners’ engagement with our platform and content. If PodcastOne is unable to retain and attract listeners, its network and services could also be less attractive to potential new advertisers, sponsors and listeners, as well as to podcasts and podcasting talent, which could have a material and adverse impact on our business, financial condition and results of operations. Significant up- front and / or minimum guarantees required under certain of PodcastOne’ s podcast license agreements may limit its operating flexibility and may adversely affect our business, operating results, and financial condition. Certain of PodcastOne’ s podcast license agreements contain significant up- front and / or require that PodcastOne makes minimum guarantee payments (“ MGs ”). In addition, in order to secure top podcasts and / or renew top performing podcasts, PodcastOne may be required to fund significant MGs payment requirements. While some MGs are recoupable by PodcastOne as a direct cost before it shares any revenue with the underlying partners / talent, some MGs related to PodcastOne’ s content acquisition costs are not always tied to its revenue and / or audience growth forecasts (e. g., number of listeners, downloads, YouTube viewers, social media followers), or the number of podcasts distributed its service. PodcastOne may also be subject to MGs to rights holders with respect to certain strategic partnerships we enter into that may not produce all of the expected benefits. Accordingly, PodcastOne’ s ability to achieve and sustain profitability and operating leverage on its service in part depends on its ability to increase its revenue through increased advertising sales on terms that maintain an adequate gross margin. The duration of its license agreements for podcast content that contain MGs is frequently between one and two years. If its forecasts of user acquisition or retention do not meet its expectations or advertising sales decline significantly during the term of our license agreements, PodcastOne’ s margins may be materially and adversely

affected. To the extent PodcastOne's advertising sales do not meet its expectations, our business, operating results, and financial condition could also be adversely affected as a result of such MGs. In addition, the fixed cost nature of these MGs may limit our flexibility in planning for, or reacting to, changes in our business and the market segments in which we operate. PodcastOne relies on estimates of the market share of streamed and / or downloaded content by the provider, as well as its own user growth and forecasted advertising revenue, to forecast whether such MGs could be recouped against its actual content acquisition costs incurred over the duration of the license agreement. To the extent that this revenue and / or market share estimates underperform relative to its expectations, leading to content acquisition costs that do not exceed such minimum guarantees, its margins may be materially and adversely affected. PodcastOne's podcasting revenue and operating results are highly dependent on the overall demand for advertising. Factors that affect the amount of advertising spending, such as economic downturns, can make it difficult to predict our revenue and could adversely affect its business. PodcastOne's business depends on the overall demand for advertising and on the economic health of its current and prospective advertisers. If advertisers reduce their overall advertising spending, PodcastOne's revenue and results of operations are directly affected. Many advertisers devote a disproportionate amount of their advertising budgets to the fourth quarter of the calendar year to coincide with increased holiday purchasing, and buyers may spend more in the fourth quarter for budget reasons. As a result, if any events occur to reduce the amount of advertising spending during the fourth quarter, or reduce the amount of inventory available to advertisers during that period, it could have a disproportionate adverse effect on its podcasting revenue and our operating results for that fiscal year. Economic downturns or instability in political or market conditions generally may cause current or new advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about economic prospects in the future are likely to affect PodcastOne's business prospects. In particular, uncertainty regarding the general business conditions in the United States and globally and if such economies deteriorate or become volatile could cause advertisers to delay, decrease or cancel ad purchases. Moreover, any changes in the favorable tax treatment of advertising expenses and the deductibility thereof would likely cause a reduction in advertising demand. In addition, continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising. Expansion of PodcastOne's operations to deliver podcasts subjects it to increased business, legal, financial, reputational, and competitive risks. Expansion of PodcastOne's operations to deliver podcasts and other non- music content involves numerous risks and challenges, including increased capital requirements, new competitors, and the need to develop new strategic relationships. Growth in these areas may require additional changes to PodcastOne's existing business model and cost structure, modifications to its infrastructure, and exposure to new regulatory, legal and reputational risks, including infringement liability, any of which may require additional expertise that it currently does not have. There is no guarantee that PodcastOne will be able to generate sufficient revenue from podcasts or other non- music content to offset the costs of creating or acquiring this content. Further, we have initially established a reputation as a music streaming service and our ability to gain acceptance and listenership for podcasts or other non- music content, and thus our ability to attract users and advertisers to this content, is not certain. Failure to successfully monetize and generate revenues from such content, including failure to obtain or retain rights to podcasts or other non- music content on acceptable terms, or at all, or to effectively manage the numerous risks and challenges associated with such expansion could adversely affect our business, operating results, and financial condition. In addition, we enter into multi- year commitments for original content that we produce or commission. Given the multiple- year duration and largely fixed cost nature of such commitments, if our user growth and retention do not meet our expectations, our margins may be adversely impacted. Payment terms for certain content that we produce or commission will typically require more upfront cash payments than other content licenses or arrangements whereby we do not pay for the production of such content. To the extent our user and / or revenue growth do not meet our expectations, our liquidity and results of operations could be adversely affected as a result of such content commitments. The long- term and fixed cost nature of certain content commitments may also limit our flexibility in planning for or reacting to changes in our business, as well as our ability to adjust our content offering if our users do not react favorably to the content we produce. Any such event could adversely impact our business, operating results, and financial condition. Increases in the costs in relation to podcast content creators, such as higher hosts' compensation and costs of discovering and cultivating a top podcast content creator, may have an adverse effect on our business, financial condition and results of operations. PodcastOne depends upon podcast content creators to continuously provide a large variety of high- quality content on its platform, which is a key factor of engaging and providing a satisfactory user experience that ensures long- term user stickiness. PodcastOne competes with other audio platforms for active, popular or celebrity content creators. To attract and retain top content creators and maintain the high level of content quality, PodcastOne enters into contracts with its podcast content creators under which such creators are usually paid a certain percentage of the ad sales and other revenue that it generates related to their podcast. The compensation to a top podcast content creator may increase as the competition intensifies. If PodcastOne's content creators become too costly, it will not be able to produce high quality content at commercially acceptable costs. If PodcastOne's competitors' platforms offer higher revenue sharing percentage with an intent to attract our popular podcast content creators, costs to retain such content creators may increase. Furthermore, as PodcastOne's business and user base further expand, it may have to devote more resources in encouraging its podcast content creators to produce content that meets the evolving interests of a diverse user base, which would increase the costs of content on PodcastOne's platform. If PodcastOne is unable to generate sufficient revenues that outpace its increased costs in relation to content creators, our business, financial condition and results of operations may be materially and adversely affected. PodcastOne uses third- party services and technologies in connection with its business, and any disruption to the provision of these services and technologies to PodcastOne could result in adverse publicity and a slowdown in the growth of its users, which could materially and adversely affect our business, financial condition and results of operations. Our PodcastOne business depends upon services provided by, and relationships with, third parties. PodcastOne currently engages third- party service providers in certain areas of its operations such as monitoring of its podcasts. If such third- party service providers fail to detect the illegal or inappropriate activities or

content in our podcasts, we may be subject to regulator's disapproval or penalties as well as adverse media exposure which could materially and adversely affect our business, financial condition and results of operations. In addition, some third-party software we use in our operations is currently publicly available without charge. If the owner of any such software decides to make claims against us, charge users, or no longer makes the software publicly available, we may need to enter into settlement with such owners, incur significant cost to license the software, find replacement software or develop it on our own. If PodcastOne is unable to find or develop replacement software at a reasonable cost, or at all, our business and operations may be adversely affected. PodcastOne's overall network relies on bandwidth connections provided by third-party operators and it expects this dependence on third parties to continue. The networks maintained and services provided by such third parties are vulnerable to damage or interruption, which could impact our business, financial condition and results of operations. PodcastOne also depends on the third-party online payment systems for sales of its products and services. If any of these third-party online payment systems suffer from security breaches, users may lose confidence in such payment systems and refrain from purchasing our virtual gifts online, in which case our results of operations would be negatively impacted. PodcastOne exercises no control over the third parties with whom it has business arrangements. For some of our services and technologies such as online payment systems, PodcastOne relies on a limited number of third-party providers with limited access to alternative networks or services in the event of disruptions, failures or other problems. If such third parties increase their prices, fail to provide their services effectively, terminate their service or agreements or discontinue their relationships with PodcastOne, it could suffer service interruptions, reduced revenues or increased costs, any of which may have a material adverse effect on our business, financial condition and results of operations. Streaming depends on effectively working with third-party platforms, operating systems, online platforms, hardware, networks, regulations, and standards PodcastOne does not control. Changes in PodcastOne's services or those operating systems, hardware, networks, regulations, or standards, and PodcastOne's limitations on its ability to access those platforms, operating systems, hardware or networks may seriously harm its business. PodcastOne's services require high-bandwidth data capabilities. If the costs of data usage increase or access to data networks is limited, our business may be seriously harmed. Additionally, to deliver high-quality audio, video, and other content over networks, PodcastOne's services must work well with a range of technologies, systems, networks, regulations and standards that it does not control. In addition, the adoption of any laws or regulations that adversely affect the growth, popularity, or use of the Internet, including laws governing Internet neutrality, could decrease the demand for PodcastOne's services and increase its cost of doing business. Previously, Federal Communications Commission (the "FCC") "open Internet rules" prohibited mobile providers in the United States from impeding access to most content, or otherwise unfairly discriminating against Content Providers like LiveOne and PodcastOne. These rules also prohibited mobile providers from entering into arrangements with specific Content Providers for faster or better access over their data networks. However, on December 14, 2017, the FCC voted to repeal the "open Internet rules" and as a result, broadband services are now subject to less U. S. federal regulation. A number of parties have already stated they would appeal this order, and it is possible United States Congress may adopt legislation restoring some of the "open Internet rules." If, as a result of the repeal of "open Internet rules," broadband providers in the United States decrease access to certain content, start entering into arrangements with specific Content Providers for faster or better access over their data networks, or otherwise unfairly discriminate against Content Providers like LiveOne and PodcastOne, this could increase our cost of doing business and put us at a competitive disadvantage relative to larger competitors. Additionally, mobile providers may be able to limit our users' ability to access our platforms or make them a less attractive alternative to our competitors' applications. If that occurs, our business, operating results and financial condition would be seriously harmed. PodcastOne relies on a variety of operating systems, online platforms, hardware, and networks to reach its customers. These platforms range from desktop and mobile operating systems and application stores to wearables and intelligent voice assistants. The owners or operators of these platforms may not share its interests and may restrict its access to them or place conditions on access that would materially affect its ability to access those platforms. In particular, where the owner of a platform also is PodcastOne's direct competitor, the platform may attempt to use this position to affect PodcastOne's access to customers and ability to compete. For example, an online platform might arbitrarily remove PodcastOne's services from its platform, deprive PodcastOne of access to business-critical data, or engage in other harmful practices. Online platforms also may unilaterally impose certain requirements that negatively affect our ability to convert users to the premium service, such as conditions that limit our freedom to communicate promotions and offers to our users. Similarly, online platforms may force us to use the platform's payment processing systems which may be inferior to and more costly than other payment processing services available in the market. Online platforms frequently change the rules and requirements for services like PodcastOne to access the platform, and such changes may adversely affect the success or desirability of our services. Online platforms may limit PodcastOne's access to information about users, limiting our ability to convert and retain them. Online platforms also may deny access to application programming interfaces ("API") or documentation, limiting functionality of our services on the platform. PodcastOne relies on integrations with advertising platforms, demand-side platforms ("DSPs"), proprietary platforms and ad servers, over which it exercises very little control. PodcastOne's business depends on its ability to integrate its content with a variety of third-party advertising platforms, DSPs, proprietary platforms and ad services. PodcastOne is able to make its podcasts available on other popular podcasting platforms such as Apple, Amazon, Spotify and wherever podcasts are heard, allowing our listeners to utilize such platforms to listen to our podcasts. PodcastOne has also formed partnerships with advertising platforms to integrate its podcasts with their software and product offerings, allowing PodcastOne's advertisers to utilize its solutions wherever they purchase or place an ad. For example, PodcastOne relies on integration with Apple and Spotify in order to provide its podcasts through their platforms. Apple or Spotify may determine to only host shows that are proprietary to them, which would have a significant effect on PodcastOne's ability to offer its podcasts to larger group of listeners and would materially adversely affect our business, results of operations and financial condition. Some of these integration partners have significant market share in the segment in which they operate. To date, PodcastOne has relied on

written contracts and other arrangements to govern its relationships with these partners. However, these are subject to change by such providers from time to time and in many instances the provider may choose to terminate these contracts without cause and with short notice periods. Many of these agreements are short term with automatic renewal provisions, and there can be no assurances that such providers will agree to renew their agreements with PodcastOne. Moreover, such providers may choose to stop integrating with PodcastOne's podcasts and may unilaterally stop providing us with data necessary to its business if they acquire a competitor which provides podcasting services similar to ours or if they begin to deliver podcasts similar to PodcastOne's on their own. We cannot assure you that PodcastOne's existing podcast partners and integration partners will continue to, or that potential new podcast partners or integration partners will agree to, integrate PodcastOne's podcasts into their podcast offerings or services. Such integrations may not be replaceable, and so loss of any such integrations could materially impact our business and our results of operations and we and / or PodcastOne may lose listeners. Our business and revenues could also be affected by social issues or disruptions. For example, if there is public disapproval or boycotting of a specific podcasting platform, such as Spotify or other podcasting platform, PodcastOne's ability to optimize ad placement or to forecast listener metrics may be impacted based on unforeseen trends or events. PodcastOne's revenue model also depends in part on high impression volumes, the growth of which may not be sustained. PodcastOne generates revenue by charging a cost per thousand impressions (" CPM ") based on the volume of purchased digital ads that we measure on behalf of these customers. If the volume of impressions it measures does not continue to grow or decreases for any reason, PodcastOne's business will suffer. For example, if digital ad spending remains constant and PodcastOne's advertiser customers transition to higher CPM ad inventory, overall impression volumes may decrease, which may result in fewer impressions for PodcastOne to verify and a corresponding decline in its revenues. We cannot assure you that growth in volume of impressions will be sustained. If PodcastOne's customers adjust their buying patterns or alter their preference to higher CPM ad inventory, our business, financial condition, and results of operations may be harmed. PodcastOne's advertising sales depend on how its listener data is collected and how advertisers select their ad listener targeting in the future. PodcastOne's advertising sales depend on how its listener data is collected and how advertisers select their ad listener targeting in the future. Advertiser spending varies based on their desire to target certain categories of listeners and supporting listener data. If PodcastOne's advertisers determine to target different listeners or shift their ad spending towards different listener categories, our business, financial condition, and results of operations may be harmed. The third- party services and software that PodcastOne uses are highly technical and may contain undetected software bugs or vulnerabilities, which could manifest in ways that could seriously harm its reputation and business. The third- party services and software that PodcastOne uses are highly technical and complex. The tech solutions that it uses or may introduce in the future, may contain undetected software bugs, hardware errors, and other vulnerabilities. These bugs and errors can manifest in any number of ways in PodcastOne's products, including through diminished performance, security vulnerabilities, malfunctions, or even permanently disabled products. PodcastOne's tech providers have a practice of updating their tech solutions and software and some errors in their technology and software may be discovered only after a product has been used by listeners, and may in some cases be detected only under certain circumstances or after extended use. Any errors, bugs or other vulnerabilities discovered in the underlying code or backend after release could damage our reputation, drive away listeners, allow third parties to manipulate or exploit our software, lower revenue and expose us to claims for damages, any of which could seriously harm PodcastOne's business. Additionally, errors, bugs, or other vulnerabilities may — either directly or if exploited by third parties — affect PodcastOne's ability to make accurate royalty payments. PodcastOne also could face claims for infringement of intellectual property, among other things. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention and seriously harm PodcastOne's reputation and business. In addition, if PodcastOne's liability insurance coverage proves inadequate or future coverage is unavailable on acceptable terms or at all, its business could be seriously harmed. PodcastOne is at risk of attempts at unauthorized access to its services, and failure to effectively prevent and remediate such attempts could have an adverse impact on its business, operating results and financial condition. Unauthorized access to PodcastOne's services may cause it to misstate key performance indicators, which once discovered, corrected, and disclosed, could undermine investor confidence in the integrity of its key performance indicators and could cause our stock price to drop significantly. We and PodcastOne have in the past been, and continue to be, impacted by attempts by third parties to manipulate and exploit our software for the purpose of gaining unauthorized access to our services. For example, we have detected instances of third parties seeking to provide mobile device users a means to suppress advertisements without payment and gain access to features only available to the ad- supported services. 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 content hours, content hours per listener, which underlie, among other things, our contractual obligations with advertisers, as well as harm our relationship with them. This may impact our results of operations, particularly with respect to margins on our ad- supported segment, by increasing our ad- supported cost of revenue without a corresponding increase to our ad- supported revenue, which could seriously harm our business. PodcastOne's listener 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 PodcastOne's reputation and business. PodcastOne regularly reviews key metrics related to the operation of its business 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 it believes to be reasonable estimates of PodcastOne's listener base for the applicable period of measurement, there are inherent challenges in measuring how our services are used across large populations globally. Errors or inaccuracies in PodcastOne's metrics or data could result in incorrect business decisions and inefficiencies. In addition, advertisers generally rely on third- party measurement services to calculate our metrics, and these third- party measurement services may not reflect our true audience. Some of our demographic data also may be incomplete or inaccurate because listeners self- report their names and dates of birth. Consequently, the personal data PodcastOne has may differ from its listeners' actual names and ages. If advertisers, partners, or investors do not

perceive our listener, geographic or other demographic metrics to be accurate representations of our listener base, or if PodcastOne discovers material inaccuracies in its listener, geographic or other demographic metrics, our reputation may be seriously harmed, which could have an adverse impact on our business, operating results, and financial condition. PodcastOne's podcasting business is subject to a variety of laws around the world. Government regulation of the Internet is evolving and any changes in government regulations relating to the Internet or other areas of our business or other unfavorable developments may adversely affect our business, operating result, and financial condition. PodcastOne is a U. S.- based company that is registered under the laws of the State of Delaware, and with operations in certain countries and territories around the world. As a result of the scope of PodcastOne's operations, it is subject to a variety of laws in different countries. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting. It also is likely that if PodcastOne's business grows and evolves and our solutions are used more globally, it will become subject to laws and regulations in additional jurisdictions. It is difficult to predict how existing laws will be applied to PodcastOne's business and the new laws to which we may become subject. PodcastOne is subject to general business regulations and laws, as well as regulations and laws specific to the Internet. Such laws and regulations include, but are not limited to, labor, advertising and marketing, real estate, taxation, user privacy, data collection and protection, intellectual property, anti- corruption, anti- money laundering, foreign exchange controls, antitrust and competition, electronic contracts, telecommunications, sales procedures, automatic membership renewals, credit card processing procedures, consumer protections, broadband Internet access and content restrictions. We cannot guarantee that PodcastOne's has been or will be fully compliant in every jurisdiction in which it is subject to regulation, as existing laws and regulations governing issues such as intellectual property, privacy, taxation, and consumer protection, among others, are constantly changing. The adoption or modification of laws or regulations relating to the Internet or other areas of PodcastOne's business could limit or otherwise adversely affect the manner in which we currently conduct our business. For example, certain jurisdictions have implemented or are contemplating implementing laws which may negatively impact our automatic renewal structure or our free or discounted trial incentives. Further, compliance with laws, regulations, and other requirements imposed upon our business may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance and doing business. Moreover, as Internet commerce continues to evolve, increasing regulation by U. S. federal and state agencies and other international regulators becomes more likely and may lead to more stringent consumer protection laws, which may impose additional burdens on us. The adoption of any laws or regulations that adversely affect the popularity or growth in use of the Internet, including laws limiting Internet neutrality, could decrease listener demand for our services and increase our cost of doing business. Future regulations, or changes in laws and regulations or their existing interpretations or applications, also could hinder our operational flexibility, raise compliance costs, and result in additional historical or future liabilities for us, resulting in material adverse impacts on our business, operating results and financial condition. PodcastOne's corporate culture has contributed to its success, and if it cannot successfully maintain its culture as it assimilates new employees, it could lose the innovation, creativity and teamwork fostered by its culture. PodcastOne is undergoing growth in its business, including in its employee headcount. A significant portion of its management team has been with the company since inception. PodcastOne expects that significant additional hiring will be necessary to support its strategic plans. This rapid influx of new team members from different business backgrounds may make it difficult for it to maintain our corporate culture. PodcastOne believes its culture has contributed significantly to its ability to attract and retain talent, to acquire podcast content and to innovate and grow successfully. If its culture is negatively affected, its ability to support its growth and innovation may diminish.

Risks Related to Our E- commerce Merchandising and Other E- commerce Business We generate a substantial portion of our revenues from our ecommerce merchandise sales. If we fail to maintain or grow our ecommerce merchandise sales revenue, our financial results may be adversely affected. We generate **portion of our revenue-revenues** primarily from our **CPS** ecommerce merchandise sales. Our financial results could be adversely affected if we fail to maintain or grow our **CPS** ecommerce merchandise revenue in the future. In addition, if we fail to collect our receivables balance from our customers in our **CPS** ecommerce merchandising business, our financial results may be adversely affected. **Our CPS' business is affected by seasonality, which could result in fluctuations in our operating results. CPS'** merchandising business is affected by seasonality. Historically, **we CPS'** generated higher sales revenues in the third fiscal quarter ending December 31. However, the mix of product sales may vary considerably from time to time as a result of changes in seasonal demand and change in preferences or popularity of certain of our merchandise. As a result, **we CPS'** may not be able to accurately predict our quarterly sales. Accordingly, **our CPS'** results of operations are likely to fluctuate materially from period to period. This seasonality, along with other factors that are beyond **our CPS'** control, including general economic conditions, changes in consumer preferences, weather conditions, availability of inventory and transportation disruptions, could adversely affect our business and cause our results of operations to fluctuate. **Our CPS'** operating margins are also sensitive to a number of additional factors that are beyond our control, including manufacturing and transportation costs, shifts in product sales mix and geographic sales trends, all of which we expect to continue. Results of operations in any period should not be considered indicative of the results to be expected for any future period. Failure to accurately forecast consumer demand could lead to excess inventories or inventory shortages, which could result in decreased operating margins, reduced cash flows and harm to our **CPS'** business. To meet anticipated demand for **our CPS'** products, **we CPS** purchase **purchases** certain materials, which **we it hold holds** in inventory. There is a risk **we CPS** may be unable to sell excess products ordered from manufacturers. Inventory levels in excess of customer demand may result in inventory write- downs, and the sale of excess inventory at discounted prices could significantly impair CPS' image and have an adverse effect on our operating results, financial condition and cash flows. Conversely, if **we CPS underestimate underestimates** consumer demand for **our its** products or if **our its** manufacturers fail to supply products that **we CPS require-requires** at the time **we it need-needs** them, **we CPS** may experience inventory shortages. Inventory shortages might delay shipments to customers, negatively impact retailer and consumer relationships and negatively impact **our its** reputation. The difficulty in forecasting demand also makes it difficult to estimate

~~our~~ **CPS'** future results of operations, financial condition and cash flows from period to period. A failure to accurately predict the level of demand for ~~our~~ **CPS'** products could adversely affect ~~our~~ **its** net revenues and net income, and we are unlikely to forecast such effects with any certainty in advance. **CPS is subject to data security and privacy risks that could negatively affect our results, operations or reputation.** In addition to our own sensitive and proprietary business information, we ~~and~~ **CPS** ~~collect~~ **collects** transactional and personal information about our customers, which ~~include~~ **includes** online distribution channels. Hackers and data thieves are increasingly sophisticated and operate large- scale and complex automated attacks. Any breach of our network, or other vendor systems, may result in the loss of confidential business and financial data, misappropriation of our consumers' or employees' personal information or a disruption of our business. Any of these outcomes could have a material adverse effect on our business, including unwanted media attention, impairment of our consumer and customer relationships, damage to our reputation; resulting in lost sales and consumers, fines, lawsuits, or significant legal and remediation expenses. We also may need to expend significant resources to protect against, respond to and / or redress problems caused by any breach. In addition, we must comply with increasingly complex and rigorous regulatory standards enacted to protect business and personal data in the U. S and elsewhere. Compliance with existing, proposed and recently enacted laws and regulations can be costly; any failure to comply with these regulatory standards could subject us to legal and reputational risks. Misuse of or failure to secure personal information could also result in violation of data privacy laws and regulations, proceedings against us by governmental entities or others, damage to our reputation and credibility and could have a negative impact on our results of operations, financial condition and cash flows from period to period. ~~The success of our business depends, in part, on high- quality employees, including key personnel. Our success depends in part on the continued service of high- quality employees, including key executive officers and personnel. The loss of the services of key individuals, or any negative perception with respect to these individuals, could harm our business. Our success also depends on our ability to recruit, retain and engage our personnel sufficiently, both to maintain our current business and to execute our strategic initiatives. We may not be successful in attracting and retaining such personnel.~~ Our business may be adversely affected if we are unable to provide our customers a cost- effective shopping platform that is able to respond and adapt to rapid changes in technology. The number of people who access the Internet through devices other than personal computers, including mobile phones, smartphones, handheld computers such as notebooks and tablets, video game consoles, and television set- top devices, has increased dramatically in the past few years. We continually upgrade existing technologies and business applications to keep pace with these rapidly changing and continuously evolving technologies, and we may be required to implement new technologies or business applications in the future. The implementation of these upgrades and changes requires significant investments and as new devices and platforms are released, it is difficult to predict the problems we may encounter in developing applications for these alternative devices and platforms. Additionally, we may need to devote significant resources to the support and maintenance of such applications once created. Our results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to our systems and infrastructure to accommodate such alternative devices and platforms. Further, in the event that it is more difficult or less compelling for our customers to buy products from us on their mobile or other devices, or if our customers choose not to buy products from us on such devices or to use mobile or other products that do not offer access to our sites, our customer growth could be harmed and our business, financial condition and operating results may be materially adversely affected. Significant merchandise returns could harm ~~our~~ **CPS'** business. ~~We~~ **CPS** ~~allow~~ **allows** our customers to return products, subject to ~~our~~ **its** return policy. If merchandise returns are significant, our business, prospects, financial condition and results of operations could be harmed. Further, ~~we~~ **modify** ~~our~~ **CPS** ~~modifies~~ **its** policies relating to returns from time to time, which may result in customer dissatisfaction or an increase in the number of product returns. Some of ~~our~~ **its** products require special handling and delivery. From time to time ~~our~~ **CPS'** products are damaged in transit, which can increase return rates and harm ~~our~~ **its** brand. Our business relies heavily on email and other messaging services, and any restrictions on the sending of emails or messages or an inability to timely deliver such communications could materially adversely affect our net revenue and business. Our business is highly dependent upon email and other messaging services for promoting our sites and products. Daily promotions offered through emails and other messages sent by us generate a significant portion of our net revenue. We provide daily emails and “ push ” communications to customers and other visitors informing them of what is available for purchase on our sites, and we believe these messages are an important part of our customer experience and help generate a substantial portion of our net revenue. If we are unable to successfully deliver emails or other messages to our email members, or if our email members decline to open our emails or other messages, our net revenue and profitability would be materially adversely affected. Changes in how webmail applications organize and prioritize email may also reduce the number of members opening our emails. For example, in 2013 Google Inc.' s Gmail service began offering a feature that organizes incoming emails into categories (for example, primary, social and promotions). Such categorization or similar inbox organizational features may result in our emails being delivered in a less prominent location in a member' s inbox or viewed as “ spam ” by our members and may reduce the likelihood of that member opening our emails. Actions by third parties to block, impose restrictions on or charge for the delivery of emails or other messages could also adversely impact our business. From time to time, Internet service providers or other third parties may block bulk email transmissions or otherwise experience technical difficulties that result in our inability to successfully deliver emails or other messages to third parties. Changes in the laws or regulations that limit our ability to send such communications or impose additional requirements upon us in connection with sending such communications would also materially adversely impact our business. Our use of email and other messaging services to send communications about our products and site or other matters may also result in legal claims against us, which may cause us increased expenses, and if successful might result in fines and orders with costly reporting and compliance obligations or might limit or prohibit our ability to send emails or other messages. We also rely on social networking messaging services to send communications and to encourage customers to send communications. Changes to the terms of these social networking services to limit promotional

communications, any restrictions that would limit our ability or our customers' ability to send communications through their services, disruptions or downtime experienced by these social networking services or decline in the use of or engagement with social networking services by customers and potential customers could materially adversely affect our business, financial condition and operating results. We are subject to risks related to online payment methods. We accept payments using a variety of methods, including credit card, debit card, PayPal, credit accounts and gift cards. As we offer new payment options to consumers, we may be subject to additional regulations, compliance requirements and fraud. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability. We are also subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. As our business changes, we may also be subject to different rules under existing standards, which may require new assessments that involve costs above what we currently pay for compliance. If we fail to comply with the rules or requirements of any provider of a payment method we accept, if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept, or if a data breach occurs relating to our payment systems, we may, among other things, be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, our ability to accept credit card and debit card payments from consumers or to facilitate other types of online payments. If any of these events were to occur, our business, financial condition and operating results could be materially adversely affected. We occasionally receive orders placed with fraudulent credit card data. We may suffer losses as a result of orders placed with fraudulent credit card data even if the associated financial institution approved payment of the orders. Under current credit card practices, we may be liable for fraudulent credit card transactions. If we are unable to detect or control credit card fraud, our liability for these transactions could harm our business, financial condition and results of operations. Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations. We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e-commerce. Existing and future regulations and laws could impede the growth of the Internet, e-commerce or mobile commerce. These regulations and laws may involve taxes, tariffs, privacy and data security, anti-spam, content protection, electronic contracts and communications, consumer protection, Internet neutrality and gift cards. It is not clear how existing laws governing issues such as property ownership, sales and other taxes and consumer privacy apply to the Internet as the vast majority of these laws were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e-commerce. It is possible that general business regulations and laws, or those specifically governing the Internet or e-commerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities or others. Any such proceeding or action could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business, decrease the use of our sites by consumers and suppliers and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. In addition, it is possible that governments of one or more countries may seek to censor content available on our sites or may even attempt to completely block access to our sites. Adverse legal or regulatory developments could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries, our ability to retain or increase our customer base may be adversely affected, and we may not be able to maintain or grow our net revenue and expand our business as anticipated. Further, as we enter into new market segments or geographical areas and expand the products and services we offer, we may be subject to additional laws and regulatory requirements or prohibited from conducting our business, or certain aspects of it, in certain jurisdictions. We will incur additional costs complying with these additional obligations and any failure or perceived failure to comply would adversely affect our business and reputation. Due to the global nature of the Internet, it is possible that various states might attempt to impose additional or new regulation on our business or levy additional or new sales, income or other taxes relating to our activities. Tax authorities at the federal, state and local levels are currently reviewing the appropriate treatment of companies engaged in e-commerce. New or revised international, federal, state or local tax regulations or court decisions may subject us or our customers to additional sales, income and other taxes. For example, on June 21, 2018, the U. S. Supreme Court rendered a 5-4 majority decision in *South Dakota v. Wayfair Inc.*, 17-494 where the Court held, among other things, that a state may require an out-of-state seller with no physical presence in the state to collect and remit sales taxes on goods the seller ships to consumers in the state, overturning existing court precedent. While we do not expect the Court's decision to have a significant impact on our business, other new or revised taxes and, in particular, sales taxes and similar taxes could increase the cost of doing business online and decrease the attractiveness of selling products over the Internet. New taxes and rulings could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have a material adverse effect on our business, financial condition and operating results. We face intense competition and may not be able to compete successfully against existing or future competitors. The e-commerce merchandise market is evolving rapidly and intensely competitive. Barriers to entry are minimal, and current and new competitors can launch new websites at a relatively low cost. We currently compete with numerous competitors, including: ● large merchandise retailers with or without discount departments, including Amazon.com, AliExpress (part of the Alibaba Group), eBay, Temu and Rakuten.com; ● online specialty retailers; and ● traditional general merchandise and specialty retailers. We expect that existing and future traditional manufacturers and retailers will continue to add or improve their e-commerce offerings, and that our existing and future e-commerce competitors, including Amazon, will continue

to increase their offerings and the ways in which they enable shoppers to purchase merchandise, including their mobile technology and the voice- activated shopping services offered by Amazon. Further, large marketplace websites and sites which aggregate marketplace sellers with a large product selection are becoming increasingly popular, and we **CPS** may not be able to place **our-its** products on these sites to take advantage of their internal search platforms and some shoppers may begin their searches at these websites rather than utilize traditional search engines at all. Many of **our-CPS'** competitors specialize in one or more of the areas in which we offer products. Competition from Amazon and from other competitors, many of whom have longer operating histories, larger customer bases, greater brand recognition, greater access to capital and significantly greater financial, marketing and other resources than **we do-CPS does**, affect **us-CPS** and have had and could continue to have a material adverse effect on our financial results, business and prospects. **We-CPS depend-depend**s on **our-its** relationships with third parties, and changes in **our-its** relationships with these parties could adversely impact our net revenue and profits. **We-rely CPS relies** on third parties to operate certain elements of **our-its** business. For example, carriers such as FedEx, UPS, DHL and the U. S. Postal Service deliver many of **our-its** small parcel products, and third party national, regional and local transportation companies deliver a portion of our large parcel products. As a result, **we-CPS** may be subject to shipping delays or disruptions caused by **war**, inclement weather, natural disasters, system interruptions and technology failures, labor activism, health epidemics (including the COVID- 19 outbreak) or bioterrorism. **We-are-CPS is** also subject to risks of breakage or other damage during delivery by any of these third parties. **We-CPS** also **use-uses** and **rely-relies** on other services from third parties, such as cloud computing services, telecommunications services, customs, consolidation and shipping services, as well as warranty, installation, assembly and design services. **We-CPS** may be unable to maintain these relationships, and these services may also be subject to outages and interruptions that are not within our control. For example, failures by **our-CPS'** telecommunications providers have in the past and may in the future interrupt **our-its** ability to provide phone support to our customers. Third parties may in the future determine they no longer wish to do business with **us-CPS** or may decide to take other actions that could harm **our-its** business. **We-CPS** may also determine that **we-it** no longer **want-wants** to do business with them. If products are not delivered in a timely fashion or are damaged during the delivery process, or if **we-are-CPS is** not able to provide adequate customer support or other services or offerings, **our-its** customers could become dissatisfied and cease buying products through **our-its** sites, which would adversely affect our operating results. We may be, accused of infringing intellectual property rights of third parties. The e- commerce industry is characterized by vigorous protection and pursuit of intellectual property rights, which has resulted in protracted and expensive litigation for many companies. We may become subject to claims and litigation by third parties that we infringe their intellectual property rights. The costs of supporting such litigation and disputes are considerable, and there can be no assurances that favorable outcomes will be obtained. As our business expands and the number of competitors in our market increases and overlaps occur, we expect that infringement claims may increase in number and significance. Any claims or proceedings against us, whether meritorious or not, could be time- consuming, result in considerable litigation costs, require significant amounts of management time or result in the diversion of significant operational resources, any of which could materially adversely affect our business, financial condition and operating results. Legal claims regarding intellectual property rights are subject to inherent uncertainties due to the oftentimes complex issues involved, and we cannot be certain that we will be successful in defending ourselves against such claims. In addition, some of our larger competitors have extensive portfolios of issued patents. Many potential litigants, including patent holding companies, have the ability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Furthermore, a successful claimant could secure a judgment that requires us to pay substantial damages or prevents us from conducting our business as we have historically done or may desire to do in the future. We might also be required to seek a license and pay royalties for the use of such intellectual property, which may not be available on commercially acceptable terms, or at all. Alternatively, we may be required to develop non- infringing technology or intellectual property, which could require significant effort and expense and may ultimately not be successful. We may receive in the future communications alleging that certain items posted on or sold through our sites violate third- party copyrights, designs, marks and trade names or other intellectual property rights or other proprietary rights. Brand and content owners and other proprietary rights owners have actively asserted their purported rights against online companies. In addition to litigation from rights owners, we may be subject to regulatory, civil or criminal proceedings and penalties if governmental authorities believe we have aided and abetted in the sale of counterfeit or infringing products. Such claims, whether or not meritorious, may result in the expenditure of significant financial, managerial and operational resources, injunctions against us or the payment of damages by us. We may need to obtain licenses from third parties who allege that we have violated their rights, but such licenses may not be available on terms acceptable to us, or at all. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims. We believe that as a result of the **intended-proposed** spin- out of **PodcastOne-PPVOne** as an independent publicly- traded company (the "**PPV Spin- Out**") and **Slacker Proposed Business Combination**, **PPVOne** each of **PodcastOne** and **Slacker** will be able to, among other things, better focus on **its** their respective financial and operational resources on **its** their respective specific business, implement and maintain a capital structure designed to meet on **its** their respective specific needs, design and implement corporate strategies and policies that are targeted to on **its** their respective business, more effectively respond to industry dynamics and create effective incentives for on **its** their respective management and employees that are more closely tied to **its** on their respective business performance. We also believe that each of the **PPV Spin- Out** and the **Slacker Proposed Business Combination** will result in significant benefits to our Company and our stockholders as a result of unlocking the value we believe that **PPVOne** each of **PodcastOne** and **Slacker** has as a standalone publicly traded company. In connection with the **PPV Spin- Out**, we **may plan to** complete a special dividend of approximately 19% of **PodcastOne-PPVOne'** s common stock to our stockholders of record as of May 11, 2023 that are eligible to receive the special dividend (the "Special Dividend"). **However, we may elect to abandon** Other -- **the criteria to determine our stockholders eligible-PPV Spin- Out at any time and for any reason or no reason** the Special Dividend shall be determined and announced by us at a later date. We

Accordingly, we cannot assure you that we will be able to complete ~~it the Spin-Out due to many factors outside of our- or~~ control. We also announced the proposed Slacker Proposed Business Combination for similar reasons as set forth above. However, we cannot assure you that we will **proceed with** ~~be able to complete the Slacker Proposed Business Combination~~ **PPV Spin- Out or the Special Dividend** due to many factors outside of our control. In addition, by separating from LiveOne, ~~PPVOne PodcastOne and /or Slacker~~ may be more susceptible to market fluctuations and have less leverage with **its** ~~their respective~~ talent, customers, vendors and other service providers, and ~~PPVOne PodcastOne and /or Slacker~~ may experience other adverse events. In addition, we may be unable to achieve some or all of the benefits that we expect ~~PPVOne PodcastOne and /or Slacker~~ to achieve as an independent company in the time we expect, if at all. The completion of the ~~PPV spin-Spin - Out out PodcastOne and the Special Dividend~~, **if any**, and ~~/or the Slacker Proposed Business Combination~~ will also require significant amounts of our management's time and effort, which may divert management's attention from operating and growing our business. ~~PPVOne PodcastOne's and /or Slacker's~~ common stock may not be eligible for listing on any national securities exchange. ~~PPVOne PodcastOne's and /or Slacker's~~ common stock is not currently quoted or listed on any national securities exchange, marketplace or any other over-the-counter market, and may never be quoted or listed in the future. **We If we determine to complete the PPV Spin- Out, we** intend to apply to have ~~PPVOne PodcastOne's and /or Slacker's~~ common stock on a national securities exchange as soon as we are eligible to do so following the preparation, filing and consummation of applicable steps and documents related to the ~~Spin-Out and the proposed~~ **PPV Spin- Out** ~~Slacker Proposed Business Combination, as applicable~~. However, we cannot assure you that ~~PPVOne PodcastOne and /or Slacker~~ will meet the initial listing standards of any other national securities exchange at any time in the future. In addition, even if ~~PPVOne PodcastOne and /or Slacker~~ does obtain such a listing, there can be no assurance that ~~they it~~ will be able to maintain such listing in the future. As a result, ~~PPVOne PodcastOne's and /or Slacker's~~ investors may find it difficult to buy or sell or obtain accurate quotations for their common stock, and their shares may be less attractive for margin loans and for investment by larger financial institutions. These factors may have an adverse impact on the trading and price of our common stock. Our Company's ~~PodcastOne's and Slacker~~ **PPVOne's** debt agreements contain certain provisions requiring the consent of our senior lender and certain conditions to be satisfied in order for us to complete ~~each of the~~ **PPV spin-Spin - Out** ~~out of PodcastOne and the Special Dividend and /or the Slacker Proposed Business Combination~~. If these consents are not obtained or such conditions are not satisfied, we may be in breach of such agreements, and we may not be able to consummate ~~such spin-out and the Special Dividend and the Slacker Proposed~~ **proposed Business Combination-PPV Spin- Out**. Our Company's ~~PodcastOne's and Slacker~~ **PPVOne's** debt agreements **and our Series A Preferred Stock issuance documents** contain certain provisions that require the consent of our senior lenders and for certain conditions to be satisfied in order for us to complete ~~each of the~~ **proposed spin-Spin - Out**, ~~out of PodcastOne and~~ **to determine the amount of** the Special Dividend ~~and /or the Slacker Proposed Business Combination~~, **if any**, and to determine the amount of the Special Dividend and our stockholders Special Dividend eligibility. In addition, we will be required to comply with applicable rules and regulations **to consummate the proposed PPV Spin- Out. For example, our senior lender will need to specifically consent to the Special Dividend, if any, and the amount thereof and proposed PPV Spin- Out. Furthermore, we agreed not to effect the proposed PPV Spin- Out unless immediately following such event we own no less than 66 % of PPVOne's equity, unless otherwise permitted by the written consent of the holders of our Series A Preferred Stock. Failure to obtain such consents on commercially reasonable and satisfactory terms, or at all, may cause us to be in breach of such agreements and we may not be able to consummate the proposed PPV Spin- Out and the Special Dividend, if any.**

Risks Related to our Digital Festivals and Events Business Our success relies, in part, on the strength of our **online** ~~in-person live~~ festivals and events ~~, as well as our online businesses~~, and if any of them were to become less popular, our business could suffer. ~~With our acquisition of React Presents in February 2020, we produce, promote and manage music in-person live festivals and events, including Spring Awakening, Mamby on the Beach, Summer Set Music & Camping Festival, Freaky Deaky and Reaction New Year's Eve. In 2020, we also launched in-house our new annual digital festival, Music Lives, and digital streaming series and events, Music Lives ON and LiveOne Presents. Our~~ **online** festival and events growth strategy relies on the strength of these brands to attract customers to our ~~in-person~~ festivals and events, ~~both through attendance at the original festivals and markets and in new markets, as well as~~ to our online digital properties. We also rely on the strength of these brands to secure sponsorships and marketing partners and to facilitate growth in revenue from the sale of music and other content, as well as advertising on our online properties. Maintaining the strength of our **online** festivals, **and** ~~events and online~~ businesses will be challenging, and our relationship with our fans could be harmed for many reasons, including the quality of the experience at a particular **online** festival or event, our competitors developing more popular events or attracting talent from our businesses, adverse occurrences or publicity in connection with an event and changes to public tastes that are beyond our control and difficult to anticipate. If our key properties become less popular with consumers within the particular music community, such as electronic music culture ("EMC"), our growth strategy would be harmed, which could in turn adversely affect our business and financial results. Maintaining the popularity of our **online** festivals, **and** ~~events and online~~ businesses requires that we anticipate consumer preferences and offer attractions that appeal to the music community, including EMC. Our customers' preferences and tastes for these attractions can change and evolve rapidly, and our competitors actively seek to provide new and compelling experiences at their events. If we fail to anticipate or respond quickly to changes in public taste, our **online** festivals **and events** and related offerings may become less attractive to consumers. It is possible that the popularity of electronic music and the EMC community will not continue their current growth or even decline. A substantial part of our **online** festival and events business focuses on the broad market for electronic music and the EMC community, including electronic music festivals and events ~~; venues, sponsorships and e-commerce~~. Accordingly, our growth strategy is dependent upon the continued growth of the popularity of electronic music and the EMC community, however, this growth is subject to the whims of public taste, which may change over time and may be beyond our control. While interest in electronic music has increased significantly over the

past few years, this increased interest may not continue, and it is possible that the public's current level of interest in electronic music will decline. If either were to happen, the demand for and interest in EMC festivals, ~~and events and venues~~ and our online properties could fail to meet our expectations or even decline. This ~~would~~ **could** have a material adverse effect on our business and financial results. The number of EMC festivals and events may grow faster than the public's demand, which could make it difficult for us to attract customers to our **online** festivals and events. With the growing EMC community, there has been a significant increase in the number of EMC festivals and events due to the creation of new events and the expansion of existing events, both in geography and duration. Our growth strategy includes increasing the number of **online** EMC festivals and events we produce each year, ~~as well as increasing the frequency of established events by bringing them to new cities and countries~~. It is possible that the proliferation of EMC festivals and events will outpace demand. ~~Further, many of the largest festivals attract fans who travel great distances to attend. It is possible that an increase in the availability of local quality EMC festivals and events will make it less likely that these fans will travel to the same festivals in other locations. If either were to occur, it could make it difficult for us to achieve the increase in overall attendance that is part of our growth strategy or force us to offer tickets at reduced prices, either of which would adversely affect our business and financial results.~~ In addition, competition for advertising marketing partners, and sponsorships may lead to fewer business partners at our **online** events or lower compensation, with a resulting decrease in revenue. Our competitors may offer increased guarantees to artists and more favorable terms and ticketing arrangements to other parties, which we may be unwilling or unable to match. Even if we are willing to match our competitors' terms, the profitability of our events could decline. **If we are forced to cancel or postpone all or part of a scheduled festival or event, our business may be adversely impacted, and our reputation may be harmed.**

We incur a significant amount of up-front costs when we plan and prepare for ~~a~~ **an online** festival or event. Accordingly, if a planned festival or event is canceled, we would lose a substantial amount of sunk costs, fail to generate the anticipated revenue and may be forced to issue refunds for tickets sold. If we are forced to postpone a planned festival or event, we would incur substantial additional costs in connection with our having to stage the event on a new date, may have reduced attendance and revenue and may have to refund money to ticketholders. In addition, any cancellation or postponement could harm both our reputation and the reputation of the particular **online** festival or event. We could be compelled to cancel or postpone all or part of an event or festival for many reasons, including such things as low **ticket sales and attendance**, ~~adverse weather conditions, technical problems, issues with permitting or government regulation, incidents, injuries or deaths at that event or festival~~, as well as extraordinary incidents, such as pandemics, terrorist attacks, mass-casualty incidents and natural disasters or similar events. ~~In 2019, the Mamby on the Beach festival was canceled due to circumstances beyond then owner's control. In 2020, due to the global COVID-19 pandemic and various government actions taken as a result, we postponed React Presents' flagship annual Spring Awakening festival and to date have canceled all of the events and festivals that React was scheduled to produce during such period. In addition, due to the global COVID-19 pandemic and various government actions taken as a result continuing, we postponed React Presents' flagship annual Spring Awakening festival and canceled most of the 2022 events and festivals that React produces. While we hope to hold our Spring Awakening festival in the 2024 calendar year, there can be no assurances that we will be able to hold such festival or any other in-person festival or events in 2023 or thereafter. We often have cancellation insurance policies in place to cover a portion of our insured losses if we are compelled to cancel an event or festival, but our coverage may not be sufficient and may be subject to deductibles. The occurrence of an extraordinary condition in the geographic region or at or near the site where a festival or event will be held may make it impossible or difficult to stage the event or make it difficult for attendees to travel to the site of a festival or event. We must match the innovation of our competitors.~~ There is currently a tremendous amount of innovation among EMC-focused businesses, including the different experiential aspects of **online** festivals and other ~~live~~ **live** performances. These include things such as video presentations, lighting, special effects, sets and other creative elements. Businesses in the EMC industry compete, in part, based on their ability to provide experiences for their audiences that are both cutting edge and compelling. Innovation in our industry is taking place both at the companies that produce festivals and events, as well as at smaller companies that are retained by producers and performers to create artistic elements to accompany the music and enhance the experience of the fans. We must be able to match the quality and inventiveness of these competitors at our own **online** festivals and events. If we fail to do so, it could lead to reduced demand for tickets to our **online** festivals and events, harm our reputation or the reputation of our **online** festivals and events and adversely affect our business and financial results. ~~Costs associated~~ Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our equity incentive plan and ~~or~~ any acquisition **or financing** agreement, could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall. We expect that significant additional capital will be needed in the future to continue our planned operations. To the extent we raise additional capital by issuing equity and / or convertible securities, our stockholders may experience substantial dilution. We may sell or otherwise issue our common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner ~~we~~ determine from time to time. If we sell or issue our common stock, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent issuances. These issuances may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders. We may pay for future **acquisitions with, and additional issuances of shares of our ability common stock as well, which would result in further dilution for existing stockholders. Pursuant to obtain adequate our 2016 Equity Incentive Plan (as amended, the "2016 Plan"), there are 17, 600, 000 shares of our common stock reserved for future insurance- issuance to our employees, directors and consultants.** If our board of directors elects to issue additional shares of our common stock, stock options, restricted stock units and / or other equity-based awards under the 2016 Plan, as amended, our stockholders may experience additional dilution, which could cause our stock price to fall. ~~Conversion of our Series A Preferred Stock will dilute the ownership interest of our existing stockholders, including holders who had previously converted their convertible notes, or may otherwise depress the price of our common stock.~~ As of March 31, 2023-**2024**, the shares of our Series

A Preferred Stock are convertible into approximately 10-11. +6 million shares of our common stock. The conversion of some or all of the shares of our Series A Preferred Stock into shares of our common stock will dilute the ownership interests of our existing stockholders. In addition, any sales in the public market of the shares of our common stock issuable upon such conversion and / or any anticipated conversion of the Series A Preferred Stock into shares of our common stock could adversely affect prevailing our profitability and financial condition. Heightened concerns and challenges regarding property, casualty, liability, artist, business interruption and other insurance coverage have resulted from security incidents, including terrorism, along with varying weather-related conditions and incidents, and are expected to be further affected by COVID-19. As a result, we may experience increased difficulty obtaining high policy limits of coverage at reasonable costs, including coverage for acts of terrorism and weather-related property damage. We cannot guarantee that our insurance policy coverage limits, including insurance coverage for property, casualty, liability, artist and business interruption losses and acts of terrorism, would be adequate under the circumstances should one or multiple adverse events occur at or near any of our venues or events, or that our insurers would have adequate financial resources to pay our related claims. We cannot guarantee that adequate coverage limits will be available, offered at reasonable costs or offered by insurers with sufficient financial soundness. If adverse events that our insurance policies do not cover occur and result in a significant liability to us, our financial condition and results of operation could be adversely affected. To stage festivals in multiple locations, we may be required to transport complex sets and equipment long distances, which creates increased risk that they will be damaged. Our larger festivals require complex sets and other equipment, including those that currently exist, and those we must construct or purchase from a supplier. We are often required to transport these sets and equipment long distances by land and sea, which creates the risk that they may be damaged or lost if there is an accident or other complication during transport. These sets and equipment are very costly to create, and it would be expensive and time-consuming to repair or replace them. We have insurance policies in place to cover a portion of our insured losses for damaged or lost sets and equipment, but our coverage may not be sufficient and is subject to deductibles. Additionally, a supplier's failure to timely deliver the sets and equipment to us or our loss of these sets and equipment might lead to substantial expenses and could force us to delay or cancel a festival or event. Any of these scenarios could adversely affect our business, reputation and financial results. There are inherent risks in live festivals and events, particularly those like ours, which involve complex staging and special effects. As a result, personal injuries and accidents have occurred in the concert industry in general, including some that have injured or killed employees and guests. Injuries and accidents occurring in connection with our festivals, events or venues could subject us to negative publicity, as well as claims and liabilities, and certain of the businesses we have acquired or plan to acquire have been subject to such claims. Injuries and accidents occurring in connection with our live festivals and events, or at any of the venues we manage, or any actual or alleged spread of COVID-19 potentially tied to our festivals could also harm our reputation with artists and fans and make market it more difficult for us to obtain sponsors. News of any such incident or accident could also reduce attendance at our events or lead to the cancellation of all or part of an event or festival, in each case leading to a decrease in our revenue. While we maintain insurance policies that provide coverage within limits that are sufficient, in management's judgment, to protect us from material financial loss for personal injuries sustained by persons at our venues or accidents in the ordinary course of business, there can be no assurance that this insurance will be adequate at all times and in all circumstances. In particular, if there were to be a major incident resulting in multiple deaths or injuries at one of our events or venues, it is unlikely our insurance would cover the full liability. We would be responsible for any liabilities not covered by our insurance policies, which would negatively impact our cash flows and results of operations. In addition, we are subject to state "dram shop" laws and regulations, which generally provide that a person injured by an intoxicated person may seek to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. Recent litigation of "dram shop" laws and regulations targeted at restaurant chains has resulted in significant judgments, including many recent instances of punitive damages; such laws may be extended to apply to our events and festivals. While we carry customary live events insurance as part of our existing comprehensive general liability insurance, we may still be subject to a judgment in excess of our insurance coverage, and we may not be able to obtain or continue to maintain such insurance coverage at reasonable costs, if at all. Regardless of whether any claims made against us are valid or whether we are liable, we may be adversely affected by negative publicity resulting from such laws. Certain activities or conduct, such as illegal drug use, at our in-person festivals or events or festival or events we produce may expose us to liability, cause us to lose business licenses or government approvals, result in the cancellation of all or a part of an event or festival or result in adverse publicity. We are subject to risks associated with certain activities or conduct, such as drug use at our festivals, events or venues, which are illegal or violate the terms of our business licenses. Illegal activities or conduct at any of our events or venues may result in negative publicity, adverse consequences (including illness, injury or death) to the persons engaged in the illegal activity or others and litigation against us. We have historically instituted policies and procedures aimed at ensuring that the operation of each festival and event is conducted in conformance with local, state and federal laws. Additionally, we have a "no tolerance" policy on illegal drug use in or around our facilities, and we continually monitor the actions of entertainers, fans and our employees to ensure that proper behavioral standards are met. However, such policies, no matter how well designed and enforced, cannot provide absolute assurance that the policies' objectives are achieved. Because of the inherent limitations in all control systems and policies, there can be no assurance that our policies will prevent deliberate acts by persons attempting to violate or circumvent them. The consequences of these acts may increase our costs, result in the loss or termination of leases for our venues by property owners (including governments and other parties that own the land at our venues), result in our inability to get the necessary permits and locations for our events or lead to the cancellation of all or part of an event or festival. These consequences may also make it more difficult for us to obtain or retain our business partners, including sponsors, lower consumer demand for our events, subject us to liability claims, divert management's attention from our business and make an investment in our securities unattractive to current and potential investors. These outcomes could adversely affect our business, reputation and financial results. We face intense competition in

the live music, media and ticketing industries, which could adversely affect our business, financial condition and results of operations. We operate in the highly competitive live music, media and ticketing industries, and this competition may prevent us from maintaining or increasing our current revenue. The live music industry, including electronic dance music, competes with other forms of entertainment for consumers' discretionary spending. Within the live music industry, we compete with other promoters and venue operators to attract customers and talent to events and festivals, as well as to obtain the support of sponsors and advertisers and other business partners. Our competitors include large promotion and entertainment companies, some with substantial scale, which have begun to focus on EMC, smaller promoters that focus on a single festival or event or a particular region or country, venue operators and other producers of live events. Some of our competitors are much larger than we are and have greater resources and stronger relationships with artists, venues, sponsors and advertisers than we do. Others have substantial experience in and strong relationships in the EMC community and are primarily focused on EMC. Our competitors may engage in more extensive development efforts for large-scale events, undertake more far-reaching marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to existing and potential advertisers and sponsors and other business partners. Our festival and events business is subject to substantial governmental regulation, and our failure to comply with these regulations could adversely affect our business, financial condition and results of operations. Our festival and events operations are subject to federal, state and local laws, statutes, rules, regulations, policies and procedures, which are subject to change at any time, governing matters such as: • operation of venues; • licensing, permitting and zoning, including ordinances relating to health, noise, traffic and pollution; • human health, safety and sanitation requirements; • the service of food and alcoholic beverages; • working conditions, labor, minimum wage and hour, citizenship and employment laws; • the ADA; • the FCPA and similar regulations in other countries; • sales and other taxes and withholding of taxes; • privacy laws and protection of personally identifiable information; • marketing activities via the telephone and online; and • primary ticketing and ticket resale services. Our failure to comply with these laws and regulations could result in fines and proceedings against us by governmental agencies and consumers, which if material, could adversely affect our business, financial condition and results of operations. In addition, the promulgation of new laws, rules and regulations could restrict or unfavorably impact our business, which could decrease demand for services, reduce revenue, increase costs and subject us to additional liabilities. For example, some legislatures have proposed laws in the past that would impose potential liability on us and other promoters and producers of live music events for entertainment taxes and for incidents that occur at events, particularly those that involve drugs and alcohol. Additionally, new legislation could be passed that may negatively impact our business, such as provisions that have recently been proposed in various jurisdictions that would restrict ticketing methods, mandate ticket inventory disclosure, and attack current policies governing season tickets for sports teams. We depend on relationships with key event promoters, sponsor and marketing partners, executives, managers and artists, and adverse changes in these relationships could adversely affect our business, financial condition and results of operations. Our event promotion business is particularly dependent upon personal relationships, as promoters and executives within entertainment companies such as ours leverage their network of relationships with artists, agents, managers and sponsor and marketing partners to secure the rights to the performers and events that are critical to our success. Due to the importance of those industry contacts, the loss of any of our officers or other key personnel who have relationships with these artists, agents or managers could adversely affect our venue management and event promotion businesses. While we have hiring policies and procedures and conduct background checks of our promoters, executives, managers and artists, they may engage in or may have in the past engaged in conduct we do not endorse or that is otherwise improper, which may result in reputational harm to us. Also, to the extent artists, agents and managers we have relationships with are replaced with individuals with whom our officers or other key personnel do not have relationships, our competitive position and financial condition could be adversely affected. Our business is highly sensitive to public tastes and is dependent on our ability to secure popular artists and other live music events, and we and our ticketing clients may be unable to anticipate or respond to changes in consumer preferences, which may result in decreased demand for our services. Our business is highly sensitive to rapidly changing public tastes and is dependent on the availability of popular artists and events. Our live entertainment business depends in part on our ability to anticipate the tastes of consumers and to offer events that appeal to them. Since we rely on unrelated parties to create and perform at live music events, any unwillingness to tour or lack of availability of popular artists could limit our ability to generate revenue. Our artist management business could be adversely affected if the artists it represents do not tour or perform as frequently as anticipated, or if such tours or performances are not as widely attended by fans as anticipated due to changing tastes, general economic conditions or otherwise. Our ticketing business relies on third parties to create and perform live entertainment, sporting and leisure events and to price **prices** tickets to such events. In addition, our live entertainment business typically books our live music tours in advance of the beginning of a live event and often agrees to pay an artist a fixed guaranteed amount prior to our receiving any revenue. Therefore, if the public is not receptive to the live event, or we or an artist cancel the show, we may incur a loss for the event depending on the amount of the fixed guarantee or incurred costs relative to any revenue earned, as well as revenue we could have earned at booked venues. We do have cancellation insurance policies in place to cover a portion of our losses if an artist cancels a tour - **our common stock** but such policies may not be sufficient and are subject to deductibles. Furthermore, consumer preferences change from time to time, and our failure to anticipate, identify or react to these changes could result in reduced demand for our services, which would adversely affect our business, financial condition and results of operations. Poor weather adversely affects attendance at our live music events, which could negatively impact our financial performance from period to period. We promote many live music events. Weather conditions surrounding these events affect sales of tickets, concessions and merchandise, among other things. Poor weather conditions can have a material effect on our results of operations particularly because we promote and /or ticket a finite number of events. Increased weather variability due to climate change exacerbates weather-related issues we face. Due to weather conditions, we may be required to cancel or reschedule an event to another available day or a different venue, which would increase our costs for the event and could negatively impact the attendance at

the event, as well as concession and merchandise sales. Poor weather can affect current periods as well as successive events in future periods. We depend on our ability to lease venues for our events, and if we are unable to do so on acceptable terms, or at all, our results of operations could be adversely affected. Our business requires access to venues to generate revenue from live EMC events. For these events, we generally lease and operate a number of venues or locations under various agreements which include leases or licenses with third parties or booking agreements, which are agreements where we contract to book the events at a venue or location for a specific period of time. Some of the leases we enter into may be between us and governmental entities. Our long-term success will depend in part on the availability of venues, our ability to lease these venues and our ability to enter into booking agreements upon their expiration. As many of these agreements are with third parties over whom we have little or no control, including the government, we may be unable to renew these agreements or enter into new agreements on acceptable terms or at all. We may continue to expand our operations through the development of live music venues and the expansion of existing live music venues, which poses a number of risks, including: • desirable sites for live music events may be unavailable or costly; • the attractiveness of our venues and locations may deteriorate over time; • our competitors may outbid us for the use of certain venues and locations; • we may be unable to obtain or we may lose local government permits or approvals necessary to use a particular venue or location; and • a particular venue or location, including one we have used in the past, may determine that events or festivals like ours would be inappropriate for their property. We may depend upon unionized labor for the provision of some services at our events and any work stoppages or labor disturbances could disrupt our business. Certain of the employees at some of the venues we manage, and other independent contractors hired to assist at our festivals and events, may be subject to collective bargaining agreements. The applicable union agreements typically expire and may require negotiation in the ordinary course of business. Upon the expiration of any such collective bargaining agreements, however, our partners may be unable to negotiate new collective bargaining agreements on favorable terms, and our business operations may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating such collective bargaining agreements. In addition, our business operations at one or more of our venues may also be interrupted as a result of labor disputes by outside unions attempting to unionize a venue even though there is not unionized labor at that venue currently. A work stoppage at one or more of our owned and / or operated venues or at our promoted events could have a material adverse effect on our business, results of operations, and financial condition. We cannot predict the effect that a potential work stoppage would have on our business. The trading price of our common stock may be volatile. Our stock price could be subject to wide fluctuations in response to a variety of factors, including the following: • actual or anticipated fluctuations in our revenue and other operating results; • actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors; • issuance of our equity or debt securities, or disclosure or announcements relating thereto; • the lack of a meaningful, consistent and liquid trading market for our common stock; • additional shares of our common stock being sold into the market by us or our stockholders or the anticipation of such sales; • our convertible debt securities being converted into equity or the anticipation of such conversion; • announcements by us or our competitors of significant events or features, technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments; • changes in operating performance and stock market valuations of companies in our industry; • price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole; • expiration of the lock-up period, as more fully discussed below; • lawsuits threatened or filed against us; • regulatory developments in the United States and foreign countries; and • other events or factors, including those resulting from impact of COVID-19 epidemic, war or incidents of terrorism, other epidemics, or responses to these events. In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. **We have** **In December 2020, we** announced that our **senior management and / or** board of directors has authorized the repurchase up to **two approximately \$ 10 million worth of** shares of our outstanding common stock from time to time, **subject to a portion of the repurchase program being approved by our board of directors and any other applicable approvals and consents, which LiveOne fully expects to obtain**. The timing, price, and quantity of purchases under the program will be at the discretion of our management and will depend upon a variety of factors including share price, general and business market conditions, compliance with applicable laws and regulations, corporate and regulatory requirements, and alternative uses of capital. The program may be expanded, suspended, or discontinued by our board of directors at any time. Although our board of directors has authorized this stock repurchase program, there is no guarantee as to the exact number of shares, if any, that will be repurchased by us, and we may discontinue purchases at any time that management determines additional purchases are not warranted. We cannot guarantee that the program will be consummated, fully or all, or that it will enhance long-term stockholder value. The program could affect the trading price of our common stock and increase volatility, and any announcement of a termination of this program may result in a decrease in the trading price of our common stock. In addition, this program could diminish our cash reserves. Mr. Ellin, our Chief Executive Officer and Chairman, and his affiliates beneficially owned approximately **21.22-4%** of shares of our common stock issued and outstanding as of **June 29 May 31, 2023-2024** (not including Mr. Ellin's options which have an exercise price substantially above the market price of our common stock as of the date of this Annual Report). Therefore, Mr. Ellin and stockholders affiliated with him may have the ability to influence us through their ownership positions. Mr. Ellin and these stockholders may be able to determine or significantly influence all matters requiring stockholder approval. For example, Mr. Ellin and these stockholders, acting together, may be able to control or significantly influence elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may believe are in your best interest as one of our stockholders. Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur, could depress the

market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our common stock. Furthermore, the holders of Series A Preferred Stock may elect to convert their shares of Series A Preferred Stock into shares of our common stock, in addition to any dividends thereunder. Sales of stock by these stockholders and / or holders could have a material adverse effect on the trading price of our common stock. Future sales..... stock could adversely affect prevailing market prices of our common stock. FINRA sales practice requirements may limit a stockholder's ability to buy and sell our stock. The Financial Industry Regulatory Authority ("FINRA"), has adopted rules requiring that, in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative or low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA has indicated its belief that there is a high probability that speculative or low-priced securities will not be suitable for at least some customers. If these FINRA requirements are applicable to us or our securities, they may make it more difficult for broker-dealers to recommend that at least some of their customers buy our common stock, which may limit the ability of our stockholders to buy and sell our common stock and could have an adverse effect on the market for and price of our common stock. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our share price and trading volume could decline. The trading market for our shares of common stock will be influenced by the research and reports that securities or industry analysts publish about us. Securities and industry analysts currently provide publish limited research focused on our Company. If the current securities or industry analysts do not provide extensive coverage or commence coverage of our Company, the price and trading volume of our shares of common stock could be negatively impacted. If other securities or industry analysts initiate coverage and one or more of the analysts who cover us downgrade our shares of common stock or publish inaccurate or unfavorable research about our Company, the price of our shares of common stock would likely decline. Furthermore, if one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our shares of common stock could decrease, which might cause the price of our shares of common stock and trading volume to decline. As a smaller reporting company, we are subject to scaled disclosure requirements that may make it more challenging for investors to analyze our results of operations and financial prospects. Because the market value of our common stock held by non-affiliates was less than \$ 250 million as of the last business day of our fiscal quarter ended September 30, 2022-2023, we continue to be a "smaller reporting company" as defined by the SEC's revised rules. As a "smaller reporting company," we (i) are able to provide simplified executive compensation disclosures in our filings, (ii) are exempt from the provisions of Section 404 (b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting, and (iii) have certain other decreased disclosure obligations in our filings with the SEC, including being required to provide only two years of audited financial statements in our annual reports. Consequently, it may be more challenging for investors to analyze our results of operations and financial prospects. We will remain a smaller reporting company if we have either (i) a public float of less than \$ 250 million held by non-affiliates as of the last business day of the second quarter of our then current fiscal year or (ii) annual revenues of less than \$ 100 million during such recently completed fiscal year with less than \$ 700 million in public float as of the last business day of the second quarter of such fiscal year. If securities or industry analysts publish inaccurate or unfavorable research about our business, our stock price could decline. The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited. Section 382 and 383 ("Section 382 and 383") of the Internal Revenue Code of 1986, as amended (the "Code"), contains rules that limit the ability of a company that undergoes an ownership change to utilize its net operating losses ("NOLs") and tax credits existing as of the date of such ownership change. Under the rules, such an ownership change is generally any change in ownership of more than 50 % of a company's stock within a rolling three-year period. The rules generally operate by focusing on changes in ownership among stockholders considered by the rules as owning, directly or indirectly, 5 % or more of the stock of a company and any change in ownership arising from new issuances of stock by the company. As a result of these Section 382 and 383 limitations, any ownership changes as defined by Section 382 and 383 may limit the amount of NOL carryforwards that could be utilized annually to offset future taxable income. We have never declared or paid any cash dividend on our common stock. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Additionally, any credit and security agreement that we may enter into in the future will likely contain covenants that will restrict our ability to pay dividends. Any return to stockholders will therefore be limited to the appreciation of their stock. Some provisions of our charter documents may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management. These provisions include: authorizing the issuance of "blank check" preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval; and establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon at stockholder meetings. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law ("Section 203") regulating corporate takeovers. In general, Section 203 prohibits publicly held Delaware corporation from engaging in a business combination with an interested stockholder (generally, any entity, person or group beneficially owning 15 % or more of the outstanding voting stock of the

company) for a period of three years after the date of the transaction in which the person became an interested stockholder, unless: ● prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; ● upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85 % of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or ● at or subsequent to the date of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2 / 3 % of the outstanding voting stock which is not owned by the interested stockholder. This provision could have the effect of delaying or preventing a change of control, whether or not it is desired by or beneficial to our stockholders. * * * The risks above do not necessarily comprise of all those associated with an investment in our Company. This Annual Report contains forward looking statements that involve unknown risks, uncertainties and other factors that may cause our actual results, financial condition, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those set out above.